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COUPLES MONEY SECRETS ADD UP TO A LACK OF TRUST

- **Nearly a third of couples have built up secret savings and one in five hide debts from their partner**
- **More than a fifth admit their partner doesn't even know how much they earn**
- **Lack of trust is the key to keeping finances secret but couples are hurting themselves by not coming clean**

Nearly one in three couples (31 per cent) have secret savings or investments that they have deliberately started without telling their partner or spouse. And it's not just a few pounds, as seven per cent admit to hiding savings of over £50,000, according to Prudential's latest annual research into the retirement aspirations and financial planning of UK couples aged 40 and over.

The study exposed a whole host of financial secrets - couples do not just keep their savings secret as more than a fifth (21 per cent) say their partner doesn't even know how much they earn, while 19 per cent hide debts.

Lack of trust seems to be a driving force behind many secret finances. A third (34 per cent) admit they have no specific plans for their secret income but just don't want their partner to be able to access all their money. Nearly a quarter (22 per cent) do not trust their partner to make the right decision about their finances so want to keep control.

More than two fifths (44 per cent) of those keeping income secrets say their basic salary is higher than their partner thinks it is, while a quarter (25 per cent) have income from an investment that their partner is not aware of.

The gender trust gap

Men are more likely to squirrel away their savings – with a third (33 per cent) keeping a secret stash compared to 28 per cent of women. While men and women are relatively similar in what they want to spend the money on, more than double the number of women have secret savings as security in case of a break up (15 per cent compared to six per cent of men).

Despite the potential tax benefits of jointly saving into a pension, it's retirement savings that are one of the main motivations. Around a third (33 per cent) of all couples say they want the

cash for retirement. However, 13 per cent simply want to keep their savings hidden so they can buy what they want with the money.

Table one: Plans for secret savings

Uses for secret income	Percentage
To fund my retirement	33%
Nothing specific but I do not trust my spouse / partner to make the right decisions about our finances	13%
To buy things I want	13%
To go towards something specific e.g. new car / dream holiday	11%
Nothing specific but I don't want my spouse / partner to be able to access all my money	11%
To give me financial security in case we ever split up	10%
To support another partner / family	6%

Source: Prudential 2018

It isn't just extra income and savings which some keep hidden as a fifth (19 per cent) are keeping debts secret from their partner. For the majority, these debts arose from general living costs (62 per cent) but for others the debt was caused by overspending due to previous relationships with 22 per cent getting into the red after a break up while 10 per cent inherited the debt from a past relationship.

Kirsty Anderson, retirement income expert at Prudential said: "Saving money is always a good idea but doing it so you are protected in the event of a relationship breaking down means missing out on potential tax benefits.

"At any stage of a relationship it is important to have open and honest conversations about finances, but it becomes especially relevant when approaching retirement as decisions made then will impact the rest of your life. Paying off debts in retirement can have a serious negative impact on how far your pension savings go, so have the conversation now and try to clear these debts while you are still working.

"Couples approaching retirement should consider speaking to a financial adviser about their income and working out a plan for funding their lifestyle. It is vital to open up with each other about any secret savings or debt in advance though!"

- Ends -

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Notes to editors

¹ Consumer Intelligence conducted an independent online survey for Prudential between 29 January and 7 February 2018 among 1,000 non-retired UK adults aged 40+ who currently live with their spouse or partner.