

New Pension Scams Advertising Campaign as Criminals Continue to Target Pensions

The Pensions Regulator and the Financial Conduct Authority (FCA) have launched a new advertising campaign, as criminals continue to successfully scam large numbers of pension scheme members out of their pensions.

The new ScamSmart campaign has a [ScamSmart website](#) hosted by the FCA and includes a TV advertising campaign. The Pensions Regulator is also contacting trustees and encouraging them and scheme members to visit its [pension scams page](#).

Citizens Advice research in 2016 revealed nearly 11 million consumers had received unsolicited contact about their pension in the previous 12 months and, whilst the precise figures are unknown, it is estimated criminals have got away with £500m. They also say 9 out of 10 people would miss the warning signs of a scam.

The Money Advice Service has said their research suggests 8 scam calls are being made every second, and cold calling is a favourite tactic of pension scammers.

In this issue: [Background](#) | [The ScamSmart Campaign](#) | [In Closing](#)

Background

The size of individual pension pots has always made pension savings an attractive target for fraudsters. In April 2015 the tax rules were changed to give people greater access to their pension benefits. With greater freedom came responsibility. It also opened the door to countless possibilities as far as criminals are concerned, and they have lost no time swindling large numbers of pension scheme members out of their retirement. Pension scam victims on average lose £91,000 when they fall for a scam.

The ScamSmart Campaign

Both the regulators involved in pensions, the Pensions Regulator and the FCA, have come together to try and raise the general public's awareness of pension fraud. New research undertaken by them has shown 32% of pension holders aged 45 to 65 would not know whether they are speaking with a legitimate pensions adviser or provider. The regulators advise individuals to only use firms authorised by the FCA.

12% of respondents told the regulators they would trust a "free pensions review". Yet this is the favourite tactic of criminals. Fraudsters target victims by cold calling, 8 scam calls are made every second, and the Pensions

Regulator has consistently told anyone cold called on pensions to “hang up”. A ban on cold calling in relation to pensions is being introduced by the government and is expected to come into force later this year.

Scammers don’t just approach victims by telephone; they use social media (e.g. Facebook and LinkedIn) and “factory gate” (i.e. approaching people outside their workplace).

The regulators are recommending four steps to pension savers who receive unsolicited messages by any form of communication:

Step 1 – reject unexpected offers

If you’re contacted out of the blue about a pension opportunity, chances are it’s high risk or a scam.

If you get a cold call about your pension, the safest thing to do is to hang up.

Be wary of offers of “free pension reviews”. Professional advice on pensions is not free – a free offer out of the blue (from a company you have not dealt with before) is probably a scam.

And don’t be talked into something by someone you know. They could be getting scammed, so check everything yourself.

Step 2 – check who you are dealing with

Check the FCA Register to make sure that anyone offering you advice or other financial services is FCA authorised.

Check to see if they are registered with Companies House and for the names of the directors. Search the company name and the names of the directors online to see if others have posted any concerns.

Check the FCA Warning List – use the FCA tool to check the risks of a potential pension or investment opportunity. You can also search to see if the firm is known to be operating without FCA authorisation.

Step 3 – don’t be rushed or pressurised

Take your time to make all the checks you need – even if this means turning down an ‘amazing deal’. Be wary of promised returns that sound too good to be true and don’t be rushed or pressured into making a decision.

Step 4 – get impartial information or advice

You should seriously consider seeking financial guidance or advice before changing your pension arrangements.

- The [Pensions Advisory Service](#) provides free independent and impartial information and guidance.
- If you’re over 50 and have a defined contribution pension, [Pension Wise](#) offers pre-booked appointments to talk through your retirement options.
- You can also use a financial adviser to help you make the best decision for your own personal circumstances. If you do opt for an adviser, make sure they are regulated by the FCA and never take investment advice from the company that contacted you, as this may be part of the scam.

In Closing

With pension scams seemingly still at an all-time high this renewed campaign by the regulators is timely. There is no magic answer to defeating the criminals bent on targeting pensions. It is only by educating people to spot they are being targeted by criminals that this issue will go away.

The Pensions Regulator recommends that trustees draw the ScamSmart campaign to the attention of members of their pension schemes. There are also instructions for employers, advisers and providers (as well as individuals) to use the [four-step pension scams guide](#).

The full range of resources (including leaflets and posters) are available from the FCA's [ScamSmart website](#).

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