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FCA requests transfer information from trustees

The FCA wants to hear from pension schemes or trustees who have carried out checks and have serious concerns about transfer cases.

This could either because of the presence of a number of red or amber flags or because they have other concerns about a particular transfer.

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What is the FCA interested in?

It would appear that the FCA would be particularly interested in receiving reports about:

- individuals who provide unauthorised advice on pension transfers – whether this relates to providing advice on a transfer, where a member should invest their pension savings, or arranging to buy or sell investments in relation to the transfer

- increases in the volume of transfers advised by the same adviser, where an unusual pattern of behaviour is identified involving switches within a defined contribution scheme or a sharp or unusual rise in transfer requests involving the same firm of advisers

A number of other areas of FCA interest will be familiar to trustees as they are red or amber flags under the existing transfer requirements:

- a member requested a transfer following a cold call or unsolicited contact;

- the member has been offered an incentive to make a transfer;

- the scheme has high risk or unregulated investments;

- the scheme charges are unclear or high;

- the scheme's investment structure is unclear, complex, or unorthodox; or

- there is potential scam activity.

How to report the information to the FCA

The FCA is looking for as much information as possible so that it can identify the firms involved and the number of customers. Relevant information would include the name and contact information of those involved, and related materials such as websites and brochures.

Information should be sent to the FCA, using the following email addresses:

- DB to DC transfers: DBTransferSchemeInformation@fca.org.uk

- DC to DC transfers: DCTransferSchemeInformation@fca.org.uk

If there is potential scam activity
Any knowledge or suspicions of pension scams and those involved should also be reported. This will allow the FCA to investigate and prosecute scammers and also help to provide a clearer picture of the effect that scams have on pensions.

Comment

This request for information, and it does seem to be a request to trustees rather than an obligation, appears to have come out of the blue.

While all efforts to combat suspicious transfers are to be welcomed, it is not clear exactly what information the FCA is looking for. Although dedicated email addresses to report concerns are helpful, it would have presumably been more useful for the FCA to have provided template reporting forms highlighting exactly what information it is seeking from trustees.