

Pension Scams

For many, pension savings can offer financial security throughout retirement and for the rest of their lives. For others, a pension can help support career choices and provide for those who mean the most. Pensions are one of the largest and most valuable assets that people have. Unfortunately, like anything valuable, pensions can become the target for fraudulent, inappropriate or scam related activities.

This spotlight will help you to **spot**, **stop** and **stay safe** from scammers and what to do if you think you're being or have been scammed

The Pensions Advisory Service is here to provide information and guidance on all pension matters; we can't provide regulated financial advice, but we can help you get the support you need.



How to **SPOT** and **STOP** a pension scam

Remember that pension scams can take many forms and usually appear to be a legitimate investment opportunity. But pension scammers are clever and know all the tricks to get you to hand over your savings. However, these tell-tale signs can help you to stop a pension scam in its tracks:

1. Contacted out of the blue? This can be over the phone, email, social media, text, and letter or even on your doorstep - **Ignore this contact! Treat all unexpected calls, emails and text messages with caution. Don't assume they're genuine, even if the person seems to know some basic information about you.** The government banned cold calling in relation to pensions with effect from 9 January 2019 – report them to the [Information Commissioner's Office \(ICO\)](#).
2. Offers or mentions of 'one-off investments', time-limited offers, upfront cash incentives, 'free pension reviews', 'legal loopholes' or 'government initiatives' – **are more often than not, pension scam warning signs!**
3. Recommendations of transferring your money into a single overseas investment, with guaranteed returns of 6-8% per year or higher – **remember investments can go up as well as down, if it sounds too good to be true it probably is!**
4. The promise to get you access to your pension before the minimum age of 55 - **This is only allowed in very specific circumstances e.g. ill health.**
5. Visits from a courier or personal representative to pressure you to sign paperwork and speed up your transfer – **NEVER be rushed into a decision.**
6. There may be an authentic looking website and marketing material, but these can be cloned from real organisations. They can also claim to be from a legitimate organisations like ours, the Pension Service or Pension Wise – **we will never contact you without your permission first.**
7. There will be little or nothing in the way of contact names, addresses or phone numbers, but there may also be lots of people or firms involved- **the more is not merrier in this case!**

How to **STAY SAFE** from pension scams

If you transfer your pension savings into a scam and/or transfer your pension money into high risk unregulated investments you run the very real risk of losing a significant part, if not all of your pension savings, as well as facing high commission or arrangement fees, ongoing charges for a pension scheme with worthless investments and [HMRC tax charges](#). But there are a number of things you can do to avoid scammers, protect your pension and stay safe from scams:

- **Take your time** - Never be rushed into making a decision, scammers sometimes say offers are time-limited and will send a courier to pick up paperwork. It's your pension; you need to fully understand what you are being asked to do before making a decision.
- **Check who you're dealing with:**
 - **Are they FCA regulated?** – Before proceeding on any pension transfer make sure that the person or firm you are dealing with are regulated by the Financial Conduct Authority (FCA) and are authorised to provide pension advice. You can check whether your adviser is regulated through their dedicated [FCA Register](#), or call them on 0800 111 6768.
 - **What's the scheme's HMRC status?** - Ask the scheme you are transferring from to check the schemes HMRC registration status, to make sure that it is real and authorised. However, you may be encouraged to invest in unregulated high-risk investments within an authorised scheme, so you need to be very careful.
 - **Is the adviser or firm's reputation good?** Have there been complaints about the adviser, firm or investment? Do a thorough internet search. Also check on forums and social media for mentions and personal experiences.
 - **Where are they located and how easy is it to contact them?** Is their address a PO Box or a serviced office? Are they contactable at their registered office; is this a dedicated landline or just a random mobile number?
- **Shop Around** - Seek the views of other financial advisers, don't just talk to one. Use the Money Advice Service directory for regulated financial advisers: <https://directory.moneyadvice.service.org.uk/en>. You can speak to one of our specialists at TPAS. Check any offer against the information at <https://www.fca.org.uk/scamsmart>.
- **Listen to pension provider due diligence** – Scammers might warn that your current pension provider or former employer will try and stop you transferring out, under the sham that they just want to keep your money. This is not the case, your provider will have to do some very thorough due diligence checks on the scheme you're planning to transfer to. If they suspect a scam they have an obligation to try to protect your funds.
- **Are you comfortable with the risk?** – Investing your entire pension into one single investment could be very high risk, as investments go up as well as down. In fact, in the worst-case scenario, you could lose all of your money. Minimising such risks, can often be achieved through a diverse investment portfolio. Having several investments among various investment categories, means you're able to reduce risks and protect your long-term goals. If you're not comfortable with the level risk being suggested, you should carefully consider whether it is right for you.
- **Seek out an independent and impartial view** – You should check with our service first before proceeding with any offer that sounds too good to be true, **0800 011 3797 (Monday–Friday 9-5)**. We can help identify any scam activity, provide you with clear next steps and talk through any legitimate pension and retirement options you have. Visit <https://www.pensionsadvisoryservice.org.uk/pension-problems/making-a-complaint/common-concerns/pension-scams>.

What to do if you think you're being or have been scammed

Depending on what stage of a scam you think you might be in there are different actions you might need to take. We have outlined two different scenarios below to help guide you through this process:

1. If you think you might have already been targeted and you've recently agreed to transfer your pension, you should do the following as soon as you're able:

STEP 1. Contact your pension provider immediately-

They may be able to stop the transfer if it has not already gone through.

STEP 2. Contact [Action Fraud](#) on 0300 123 2040 and report the scam –

Action Fraud will collect the information and issue you with a police crime reference number. Reporting your experience to action fraud may provide vital intelligence that prevents others from falling victim. Their work is often behind the scenes with other crime agencies. You can see the status and update details of your case through their online crime report system.

STEP 3. You can report a regulated financial adviser or unauthorised adviser to the FCA by contacting their Consumer Helpline on 0800 111 6768 or by using the link below:

<https://www.fca.org.uk/consumers/report-scam-us>

2. If your money has been transferred some time ago and you're unable to contact the organisation or find out where your money is or haven't received any paperwork for some time. If you're worried that you've been a victim of a scam, you should:

STEP 1. Contact [Action Fraud](#) on 0300 123 2040 and report it –

Action Fraud will collect the information and issue you with a police crime reference number. Reporting your experience to action fraud may provide vital intelligence that prevents others from falling victim. Their work is often behind the scenes with other crime agencies. You can see the status and update details of your case through their online crime report system.

STEP 2. Contact us at TPAS and ask for a Pension Loss Appointment

If you have transferred your pension money and are worried that you cannot trace it and think you may have been scammed. Or if you were mis-advised to transfer your pension to unregulated, high risk investments such as storage pods, overseas holiday resorts or bamboo plantations then contact us on 0800 011 3797 or email us at virtual.appointments@maps.org.uk and ask to be booked in for a *Pension Loss appointment*. When emailing, please provide **your name, telephone number and contact email address**, so that a member of our team can contact you to organise an appointment.

Our trained specialists will talk through what's happened with you and help identify whether you may be able to claim compensation or recompense. It is unlikely you will be able to completely recover your lost pension money, but there may be a chance to recover some of it.

STEP 3. Contact us at TPAS and ask for a Rebuilding My Pension appointment

We will discuss with you how you might be able to rebuild your pension funds, review your state pension and get a forecast to see if it can be improved on. Also how to trace any other old pensions you may have lost touch with. Contact us on 0800 011 3797 or email us at virtual.appointments@maps.org.uk - ask to be booked in for a *Rebuilding My Pension appointment*. When emailing, please provide **your name, telephone number and contact email address**, so that a member of our team can contact you to organise an appointment.

About Us

The Pensions Advisory Service (TPAS) works to make pensions accessible and understandable for everyone. We provide independent and impartial information and guidance about pensions, free of charge, to members of the public.

We help with all pension matters covering workplace, personal and stakeholder schemes and also the State Pension. We answer general questions, help with specific queries and offer guidance for people with complaints about their private pension scheme.

The Pensions Advisory Service is provided by



**Money &
Pensions
Service**

Contacting us



Pensions Helpline

Monday-Friday 9am-5pm

0800 011 3797



Online enquiry form

www.pensionsadvisoryservice.org.uk/online-enquiry



Web chat live

8am-6.20pm Monday/Wednesday/Friday
9am-6.20pm Tuesday/Thursday
9am-1pm Saturday

www.pensionsadvisoryservice.org.uk



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