

Guide to reporting pension scams



Why should you report?

Pension scams screw up lives. On average, savers lose £75,000¹ with some losses in the millions. For some it's their whole life savings and once the money's gone, it's often gone for good.

Scammers' tactics are constantly evolving and the nature of them means they can be hard to spot. So it's difficult to understand the true scale of threat.

We need the pensions industry to report any knowledge or suspicions of pension scams and those involved. Reporting scams allows authorities to investigate and prosecute scammers. It also allows law and policy makers to get a clearer picture of the effect that scams have on pensions.

¹ Action Fraud data 2021

What should you report?

Report any information you think could be relevant including the name and contact information of those involved, related materials such as websites and brochures.

For transfers, you can also include things like specific **red** or **amber** flags that have been raised through due diligence.

Red flags are:

- the member has failed to provide the required information
- the member has not provided evidence of receiving MoneyHelper guidance
- someone carried out a regulated activity without the right regulatory status
- the member requested a transfer after unsolicited contact
- the member has been offered an incentive to make the transfer
- the member has been pressured to make the transfer

Amber flags are:

- the member hasn't shown an employment link or overseas residency
- the member can't show an employment link or overseas residency
- high-risk or unregulated investments are included in the scheme
- the scheme charges are unclear or high
- the scheme's investment structure is unclear, complex or unorthodox
- overseas investments are included in the scheme
- a sharp, unusual rise in transfers involving the same scheme or adviser

Read more about **red** and **amber** flags at www.tpr.gov.uk/en/document-library/scheme-management-detailed-guidance/administration-detailed-guidance/dealing-with-transfer-requests

You can report any other suspicions not captured by these flags that give rise to a concern that the receiving scheme is not legitimate. You can find more information about what you should report on the Action Fraud website at: www.actionfraud.police.uk

When should you report?

You should report if:

- you believe a scam has already happened
- a **red flag** is raised when making a transfer
- you suspect that a pension scam could be taking place or are suspicious of those involved: this may be because of other risks you have noticed such as **amber flags** in a transfer request

See page 2 for a list of **red** and **amber** flags.

Who should you report to?

Fraud, cyber crime and potential scams

In England, Northern Ireland and Wales you should report fraud, cyber crime or concerns about a potential scam to Action Fraud by using the Expert Reporting Tool. Request access by emailing: nfrc-brtadmin@cityoflondon.police.uk with your name, company, position and phone number.

The Expert Reporting Tool includes a bulk reporting function that allows you to upload multiple reports if relevant. Further guidance can be found in the Pension Scams Industry Group Code of Best Practice, see: <https://www.plsa.co.uk/Policy-and-Research/Document-library/Combating-Pension-Scams-a-Code-of-Good-Practice>

You should encourage victims to report to Action Fraud at:
www.actionfraud.police.uk/reporting-fraud-and-cyber-crime

If the members' residency is within Scotland, you should ask victims to call Police Scotland on **101** or Advice Direct Scotland on **0808 164 6000**.

Who should you report to? continued...

Once you have reported to Action Fraud, you should also report to the FCA and TPR where relevant.

Unauthorised financial advice and transfer concerns

You can check if a financial adviser is authorised at: <https://www.fca.org.uk/firms/financial-services-register>

Report individuals who appear to be providing unauthorised pension transfer advice to the Financial Conduct Authority (FCA) via: www.fca.org.uk/consumers/protect-yourself/report-an-unauthorised-firm

For all transfers of concern, contact the FCA at: IntelligenceConsumerHarm@fca.org.uk

If you identify a significant increase in the volume of transfers advised by the same adviser, report this to: DBTransferSchemeInformation@fca.org.uk

Whistleblowing and breaches of the law

You should also report to The Pensions Regulator (TPR) if:

- you feel you have to refuse a statutory transfer payment even though all of the requirements are met and you consider the request valid but the warning signs of a scam are too strong for you to be comfortable with any other course of action
- there is a breach of the law, as set out in the reporting breaches code of practice: www.tpr.gov.uk/en/document-library/codes-of-practice/code-1-reporting-breaches-of-the-law

You can report at: www.tpr.gov.uk/en/contact-us/scheme-members-who-to-contact/report-concerns-about-your-workplace-pension

What happens once you have submitted a report?

If you are reporting to Action Fraud, analysis is conducted by the National Fraud Intelligence Bureau (NFIB) run by the City of London Police. Data matching allows reports from different parts of the country (including Scotland) to be linked through analysis, identifying the criminals behind the scams.

Not every report results in an investigation, but all reports help to build a clearer picture and allow more disruption to fraudulent activity. This makes the UK a more hostile place for fraudsters to operate in.

If an investigation is opened, you may be contacted for further information but it is unlikely that agencies will be able to comment about ongoing investigations.

If you are reporting to a regulator, such as TPR or the FCA, reports will be reviewed for opportunities to investigate further and emerging themes and trends within our specific regulatory remits. Please note that you won't receive feedback on the outcome of the assessment or investigation due to legal reasons.

The pensions industry is best placed to recognise signs of a scam and has the power to act. Don't sit on your suspicions. Help protect everyone and report your concerns.