

Pension fraud

Pension fraud is on the increase, so we'd like to help you stay safe by letting you know what to watch out for, and what you can do if you are contacted by someone you think might be trying to scam you.

Fraudsters may approach you by email, phone, text or in person. Be especially wary if someone promises you access to your pension before the age of 55 (57 from 2028), tries to convince you to withdraw money to invest somewhere with a high return, or offers you a 'free pension review'. Unsolicited phone calls about your pension are illegal. If you receive one, you should hang up immediately and alert the Information Commission's Office (ICO).

Remember that withdrawing large amounts from your pension can greatly increase your tax bill. And if you invest in a bogus scheme or investment, you could lose everything and have no money left in retirement.

Pension fraud: the warning signs

Always watch out for unsolicited investment opportunities and firms who contact you out of the blue.

Watch out for phrases like 'one-off investment opportunities', 'free pension review', 'legal loopholes', 'cash bonus', 'government endorsed' – these are red flags that you are dealing with scammers.

Watch out for scammers downplaying the risk to your money, or using legal jargon to suggest the investment is very safe. Legitimate companies will always make sure you are fully aware of the level of risk involved in your investment.

Remember that no government scheme will directly approach you about your pension.

Be wary of companies which pressure you to sign documents quickly, often with an express courier standing by.

If any company offers you a chance to take your pension out before you hit 55 (57 from 2028), be suspicious. This isn't allowed in most cases under the new pension rules.

Be wary if someone says this offer is only open to you, or even asks you not to tell anyone else about this offer.

Be especially wary of cold callers. Unsolicited phone calls about your pension are illegal.

If you've experienced any of the above, [here](#) is how you can report it.



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How to avoid pension fraud

Be a ScamSmart investor: visit the FCA's ScamSmart webpages for information and advice on avoiding fraud, to check their warning list and to report suspected fraud.

If someone calls you, always ask to call them back. Reputable companies will be happy to let you do this, whereas scammers tend to be more wary about giving contact details. You can then check the details they provide to make sure they are legitimate. Ensure you wait at least five minutes to call back to ensure that scammers are no longer on the line.

Don't feel forced to make quick decisions – legitimate companies will not expect you to.

Research any company you're dealing with. If you're concerned, you can check the FCA's register of regulated financial services providers. This will tell you if the company is registered.

Also be wary of 'clone firms' – firms who pretend to be a genuine firm. Always use the contact details on the FCA's register.

Don't provide any personal details unless you have checked the company is legitimate.

Be extra vigilant if you have been scammed before – fraudsters are likely to target you again, or sell your details to other criminals.

Never be rushed into making decisions. Don't be manipulated into giving away information and seek proper financial advice. If you're concerned, there are a number of ways you check the company which has approached you.

- Scamsmart – the FCA's dedicated area on pension fraud.
- The FCA's register of regulated financial services providers will tell you if the company is registered.
- MoneyHelper has an online tool to help you identify a scam. If you have doubts about some information or advice you have received, it will take you through what is worrying you about the investment and gives guidance about how you should proceed and who you can contact.
- The government's Pension Wise service also provides free guidance on the options at retirement.

FCA's Scamsmart website

<https://www.fca.org.uk/scamsmart>

