

Protecting your clients from pension fraud

Fraudsters may approach your clients by email, phone, text or in person. Ways in which they may do so are promising access to a pension before the age of 55 (57 from 2028), convincing your clients to withdraw money to invest somewhere with a high return or offering them a ‘free pension review’. Your clients should be aware unsolicited phone calls about their pensions are illegal. If they receive one, they should hang up immediately and alert the Information Commission’s Office (ICO).

Remind your clients that withdrawing large amounts from their pensions can greatly increase their tax bill. And if they invest in a bogus scheme or investment, they could lose everything and have no money left in retirement.

Pension fraud: the warning signs

You can help protect your clients by pointing out the warning signs of pension fraud, such as:

- Firms who contact them out of the blue or offer them unsolicited investment opportunities.
- Phrases like ‘one-off investment opportunities’, ‘free pension review’, ‘legal loopholes’, ‘cash bonus’, ‘government endorsed’ – these are red flags that they are dealing with scammers.
- Scammers downplaying the risk to their money, using legal jargon to suggest the investment is very safe. Legitimate companies will always make sure they are fully aware of the level of risk involved in their investments.
- Claiming to be a government scheme. No government scheme will directly approach them about their pension.
- Companies which pressure them to sign documents quickly, often with an express courier standing by.
- Any company which offers them a chance to take their pension out before you hit 55 (57 from 2028) – be suspicious as this isn’t allowed in most cases under the new pension rules.
- If someone says this offer is only open to them, or even asks them not to tell anyone else about this offer.
- Cold callers. Unsolicited phone calls about their pension are illegal.

If they have experienced any of the above, here is how they can report it.



Unsolicited phone calls can be reported to **Information Commission’s Office (ICO)** <https://ico.org.uk/make-a-complaint/>

How your clients can avoid pension fraud

- Be a Scamsmart investor: visit the FCA's Scamsmart area for information and advice on avoiding fraud, to check their warning list, and to report suspected fraud.
- If someone calls them, always ask to call them back. Reputable companies will be happy to let them do this, whereas scammers tend to be more wary about giving contact details. They can then check the details they provide to make sure the caller is legitimate. Ensure they 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 them to.
- Research any company they're dealing with. If they're concerned, they can check the FCA's register of regulated financial services providers. This will tell them 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 they have checked the company is legitimate.
- Be extra vigilant if they have been scammed before – fraudsters are likely to target them again, or sell their details to other criminals.

Never be rushed into making decisions, don't be manipulated into giving away information and seek proper financial advice. If they're concerned, there are a number of ways to check the company who have approached them:

- **Scamsmart** – the FCA's dedicated area on pension fraud.
- The **FCA's register** of regulated financial services providers, which will tell them if the company is registered.
- **MoneyHelper** has an online tool to help them identify a scam. If they have doubts about some information or advice they have received, it will take them through what is worrying them about the investment and gives guidance about how they should proceed and who they 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>

