Pension Scams

Many people have been conned by sophisticated crooks preying on the vulnerable or those easily tempted by offers that then prove to be fraudulent with significant financial losses.

Human greed leaves an individual open to such scams as the fraudsters frequently offer "too good to be true" incentives such as: -

- free pension reviews
- early access to pension cash including a transfer from one pension arrangement to another, or
- other time-limited offers

Remember the maxim, 'if it is too good to be true then it is too good to be true!'

Faced with unrelenting scams and after various other measures the government introduced new regulations that came into force on 30 November 2021 to protect hard-earned savings for retirement. Those regulations will mean that suspicious transfers can be stopped from ending up in the hands of a fraudster, as pension trustees and scheme managers have been given new powers to intervene.

Where there are tell-tale signs of fraud or methods frequently used by scammers, pension scheme trustees and scheme managers will be able to prevent a transfer request – giving it a "red flag."

In other circumstances where fraud is suspected, an "amber flag" will pause a transfer until the scheme member can prove they have taken scam specific guidance from the Money Helper Service https://www.moneyhelper.org.uk/en/contact-us/pensions-guidance

Any cold-call approach in relation to your pension scheme benefits should be treated as dangerous as that is outlawed in Law.

So, any such cold-call approach whichever means of communication is used should be treated as a scammer trying to draw you into their scam.

If advice is ever needed then do use the services of a Regulated and Registered Independent Financial Adviser and before doing so check them out on the Financial Conduct Authority Register https://register.fca.org.uk/s/

- always check the firm or person you are dealing with is listed on the Register
- make sure they have permissions for the regulated activities you need, then
- only use the contact details listed on the Register

Free Guidance, not advice, is available from the government organisation Pension Wise, part of Money Helper. Pension Wise offers free, impartial guidance. It outlines the options for people with UK retirement pots (defined contribution pension arrangements – not an arrangement where the pension income is determined in relation to your service and pay) if they are aged 50 or over.

During a Pension Wise appointment, a specialist will talk through the options for taking your pension money.

The appointment will last around 45 to 60 minutes.

The specialist will: -

- explain the pension options
- explain how each option is taxed
- tell you what your next steps are

Visit https://www.moneyhelper.org.uk/en/pensions-and-retirement/pension-wise/understanding-what-pension-wise-is-and-how-to-use-it