



[Protecting People's Pensions: Understanding and Preventing Scams](#)

published by the Police Foundation and The People's Pension in September 2020, called for urgent and decisive action to be taken by the police, Government, regulators and the pensions industry to stop scammers stealing people's life savings.

Although it is widely acknowledged that the true size of the problem is unknown, we commissioned YouGov [research](#) which indicated that as many as 240,610 people in the UK may have fallen victim to pension scammers. We calculated that the total could be as high as £14.6 billion, based on the average pot of £63,700.

Key findings from our report:

- On average in a single year, victims lost £91k to pension scammers (some lost as much as £1m);
- From 13 pension providers alone, almost a thousand customers with combined savings of £54m were targeted by scammers in 2019;
- The situation may worsen as scammers exploit vulnerabilities from financial hardship caused by the coronavirus crisis.

Establishing a central register

The Government has tried to increase public awareness of pension scams through the work of the Money and Pension Service, public education campaigns like ScamSmart and by encouraging industry initiatives. As a result, the consumer is faced with an array of organisations and regulators but these are not joined up, and the average consumer may not understand the role and remit of each.

The report calls for a **central intelligence database** to be established to enable more systematic collection and analysis of intelligence. This could be made available to partners in the public and private sector to assist decision-making. It may be appropriate for the regulator to take on the ownership and management of such a register, as they've got a clearer line of sight as to which companies and providers are or aren't regulated.

The **cold calling ban** prohibits cold calling in relation to pensions – with an important exception: where the recipient of the call consents to it, or has an existing relationship with the caller. The FCA acknowledges that **online platforms**, including social media, are playing an increasingly significant role in promoting potentially harmful financial information to consumers, including promotions leading to pension scams. This online activity

circumvents the cold calling ban, as it *does not* cover online activity.

- When will the law be updated to keep pace with this fast moving digital environment?

Regulated assets in unregulated schemes

Current regulation of investments mean that retail customers are able to hold unregulated assets within their pension. These unregulated assets should only be held by expert investors, not retail consumers.

- What plans do Government have to create an updated version of the 'permitted investment list', which would safeguard consumers from holding unregulated assets in retail products (including pensions)?

Regulatory powers

Even when acute risk is identified, the customer can still transfer their pension and many proceed, regardless of warnings. Pensions providers' powers are limited to stop this.

- What powers will Government bestow on regulators to override the individual's statutory right to transfer in the event of a suspected scam?

HMRC behaviour

In our [report](#), the Police Foundation and The People's Pension set out how some pensions scams make a victim complicit, if the scam involves a breach of pensions tax rules. PSIG (Pension Scams Industry Group) and the police describe HMRC's approach as 'unrelenting and uncompromising', rendering the victim as the perpetrator.

- What action will Government take to ensure that HMRC pursues the scammer holding the stolen funds, rather than penalising the victim who has lost their pension savings?

Who we are

The People's Pension is a leading workplace pension scheme from the not-for-profit B&CE Group, with more than five million pension savers from over 90,000 employers and £12 billion assets under management.

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