

TPR/FCA pension scams campaign – November 2019

Suggested content for news story

22 years of pension savings gone in 24 hours

- FCA and TPR re-launch ScamSmart activity to encourage people to protect lifetime of savings
- New analysis finds pension scam victims could lose an average of 22 years of savings in 24 hours
- Nearly two thirds (63%) of people would trust someone offering pensions advice out of the blue – one of the main warning signs of scam
- More highly educated are more at risk, according to research

Victims of pensions scams could lose 22 years' worth of savings within 24 hours, according to the Financial Conduct Authority (FCA) and The Pensions Regulator (TPR).

New analysis as part of the regulators' joint ScamSmart campaign reveals that it could take 22 years for a saver to build a pension pot of £82,000 – the average amount victims lost to scams in 2018. But despite this, many savers could be at risk of falling for scammers tactics within 24 hours. New research reveals that almost 1 in 4 people (24%) surveyed, admitted to taking 24 hours or less to decide on a pension offer.

Worryingly, overconfidence could also lead to savers missing the signs of a scam. Despite nearly two thirds (63%) saying they are confident to make a decision about their pension, the same proportion (63%) would trust someone offering pensions advice out of the blue – one of the main warning signs of a scam.

Further still, the more highly educated the person, the more likely they are to fall for a pension scam. Those with a university degree are 40% more likely to accept a free pension review from a company they've not dealt with before, and 21% more likely to take up the offer of early access to their pension pot. Both common scam tactics.

Pension fraud can be devastating. Victims can be left facing retirement with limited income, and little or no opportunity to build their years of savings back up. As a result, the regulators are warning savers to get to know the warning signs of a scam, be ScamSmart and always check who they are dealing with before making a decision on their pensions.

Mark Steward, Executive Director of Enforcement and Market Oversight, FCA, said: “We know many people have big plans for their retirement, whether it's seeing new places, learning new skills or helping their families out financially. Pension scammers destroy those dreams, often forever. So be ScamSmart. Reject unsolicited approaches offering 'help' with your pension and get advice from an FCA authorised firm before making big changes to your pension fund. Make sure your lifetime savings stay yours.”

Nicola Parish, Executive Director of Frontline Regulation, TPR, said: “Pension scammers ruin lives, stealing away decades’ of savings with professional-looking websites, ‘expert’ advice and an easy manner making it tough to spot the fraud. But once you sign on the dotted line, often there’s no second chance. Scams can happen to anyone, so before making any decision about your pension, take your time, be ScamSmart and always check who you are dealing with.”

Honey Langcaster-James, psychologist, added: “Scammers employ clever techniques, such as seeking to establish ‘social similarity’ by faking empathy and a friendly rapport with their victims. They can win your trust in a short space of time and by engaging with them you leave yourself vulnerable to losing a lot of money very quickly. People need to know how to spot the signs of a scam so they don’t fall for psychological tricks.”

Pension savers can test how ScamSmart they are by taking a quiz on the ScamSmart site. Visit www.fca.org.uk/scamsmart to find out more.

The regulators recommend four simple steps to protect yourself from pension scams:

1. Reject unexpected pension offers whether made online, on social media or over the phone
2. Check who you’re dealing with before changing your pension arrangements – check the [FCA Register](#) or call the FCA helpline on 0800 111 6768 to see if the firm you are dealing with is authorised by the FCA
3. Don’t be rushed or pressured into making any decision about your pension
4. Consider getting impartial information and advice

[The Pensions Advisory Service](#) provides free independent and impartial information and guidance. If people aged 50 or over require free independent advice, they can contact the government-backed Pension Wise service. To book a free appointment, visit www.pensionwise.gov.uk/en.