



BROADSTONE

Trustees urged to make a pledge to stop pension scams

All Trustees, administrators and scheme providers know that scams are a real threat to members' retirement savings, and all of us play a key role in educating and protecting members to keep their savings safe from scammers.

The recent statistics are staggering. According to complaints logged with Action Fraud, more than £30 million has been lost to pension scammers since 2017.

Scammers target pension pots big and small, with reported losses ranging from under £1,000 to as much as £500,000 per saver. While the average victims are men in their fifties, evidence shows this can happen to anyone. The true scale is likely to be much higher than this, as savers often fail to spot the signs of a scam and don't know the value of their funds.

There have been a number of initiatives in recent years to raise awareness of this issue and reduce the risk posed by scammers and fraudsters. The latest initiative is a Pension Scam Pledge, which has been launched by The Pensioners Regulator (TPR) together with Pension Scams Industry Group (PSIG). They are asking Trustees and advisers to make a pledge to do all they can to prevent scams.



A set of six key actions to take and abide by has been created so that those in the industry who are responsible for members benefits can demonstrate their intent to protect members.

Support and resources

A number of resources have been made available by TPR. These include details on how to make the pledge and self-certify that you meet the six criteria. These resources include the latest Trustee Toolkit Module on Pension Scams.

The six principles of the pledge are:

- Regularly warn members of the risk of scams.
- Encourage those requesting cash drawdown to call The Pensions Advisory Service for free, impartial guidance.
- Learn the warning signs of a scam and best practice for transfers.
- Take appropriate due diligence measures and document pension transfer procedures.
- Clearly communicate concerns to members if high-risk transfers must be made.
- Report concerns about a scam to the authorities and communicate this to the scheme member.

The module will enable those that complete it to:

- identify the common warning signs of a pension scam;
- define expectations about communicating regular scam warnings to members, both ongoing and when triggered by events such as a transfer request;
- understand the questions they can ask members to help protect them from scammers; and
- describe what constitutes appropriate and proportionate due diligence on transfers.

Trustees should also be aware of and act in accordance with the PSIG Code of Good Practice when dealing with members at risk of a scam.

Action

Broadstone is committed to protecting members' benefits. We have made the pledge, and can reassure Trustees that our administration practices and member communications include the required risk warnings and information to reduce the chance of a member of one of your schemes being scammed.

We would like to encourage all Trustees to make the pledge that they will take the necessary steps to meet and abide by the six principles.



Our pledge to
combat pension scams

To do this please follow the links on this factsheet to familiarise yourself with the risk warnings and steps to take when dealing with members. You should also make time to complete the latest Trustee Toolkit on Pension Scams.

Please contact Broadstone for more information on how to make the pledge and self-certify and to understand what we do to ensure we comply with the principles.

Contact

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