PSIG
PENSION SCAMS INDUSTRY GROUP

COMBATING PENSION SCAMS:

A Practitioner Guide

CONTENTS

Disclaimer:
The Code is for guidance only and does not purport to constitute legal advice. The Code is not exhaustive and nothing in the Code can be relied upon as evidence of compliance with any other legal or regulatory requirement. The Code relates to circumstances prevailing at the date of its publication and may not have been updated to reflect subsequent developments.

Following the Code does not relieve a party of its legal or regulatory obligations and following the Code might not prevent a claim being brought against a party.

April 2021

01 INTRODUCTION

The Pensions Scams Industry Group (PSIG) Code of Good Practice, written by a group of key stakeholders, including trustees, administrators, legal advisers and insurers sets out suggested steps to help pension scheme trustees undertake due diligence on requested transfers.

The Code is not a statutory code, nor does it override legislation or guidance issued by Regulatory bodies. The Code of Good Practice is voluntary and seeks to set a best practice industry standard to help identify transfer requests that may be fraudulent or a scam. The Code is based on three guiding principles:

1. Trustees, providers and administrators (referred to simply as schemes for the remainder of the document) should raise awareness of pension scams for members and beneficiaries of their scheme.
2. Schemes should have robust, proportionate and both regulatory and legislatively compliant processes for assessing whether a receiving scheme may be operating as part of a pension scam, and for responding to that risk.
3. Schemes should generally be aware of the known current strategies of the perpetrators of pension scams in order to inform the due diligence they need to undertake and should refer to the warning flags as indicated in The Pensions Regulator's Guidance, FCA alerts and by Action Fraud.

This Practitioner Guide forms part of the Pensions Scams Industry Group (PSIG) Code of Good Practice and details the key Due Diligence steps that a Pension Practitioner should undertake when assessing a pension transfer. The Practitioner Guide should be read as part of the full Code of Good Practice and Practitioners should refer to the Technical Guide and Resources Pack as required.

02 COMMUNICATING THE RISKS OF SCAMS TO MEMBERS

2.1 Raising awareness

You[1] should regularly warn members about the risk of scams by including scams materials in: annual benefits statements, on pre-retirement letters and in transfer packs.

The pension scams warning "Beware of pension scams. Falling foul of a scam could mean you lose some or all of your money" or similar messaging and a link to the ScamSmart website[2] should be included in these documents. Their inclusion in the pre-retirement letters helps members understand the risks of investment scams which target their retirement savings and, in particular, their lump sum once in their own hands.

In addition, your responses to any requests for information or transfers, should reference the Pensions Regulator's latest pension scams awareness material[3] and include the Pensions Regulator's scams warning member leaflet[4].

For all Defined Benefit (DB) scheme members who request a transfer (CETV) out quotation, you should provide them with a link to FCA information on considering a pension transfer from a defined benefit pension[5].

For all Defined Benefit (DB) scheme members who request a transfer, the new letter template[6] prepared jointly by the Pensions Regulator, the FCA and The Pensions Advisory Service (TPAS) following the Covid-19 pandemic, must be issued. The letter contains important information on points the members should consider before making a decision and where they should go for impartial guidance.

When responding to requests for information, you should ensure that you provide information only to those authorised to receive such information.

Pension scam information should also be included prominently on your website and on any customer mobile applications.

Where a member responds to say that they think they may be the victim of a pension scam, full evidence of the attempted scam should be captured, and reported to the appropriate authorities as outlined in Section 8.

[1]Please note that we refer to "you" in this document as the reader of the Practitioner Guide and as someone who has responsibility in your firm for undertaking due diligence on pension transfers.
[2]https://www.fca.org.uk/scamsmart
[3]https://www.thepensionsregulator.gov.uk/en/pension-scams
[4]https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx
[5]https://www.fca.org.uk/consumers/pension-transfer-defined-benefit
[6]https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/cetv-members-letter.ashx

2.2 Lump Sum & Income Drawdown Requests

You should encourage members asking for a lump sum or income drawdown to contact The Pensions Advisory Service for free and impartial guidance either online or via their dedicated helpline. You should do this in annual benefit statements, transfer and retirement packs as well as in customer telephone calls and digital customer journeys. TPR expect this every time income drawdown is asked for and not just on the first request.

03 DUE DILIGENCE PROCESS

Please see the Appendix for a transfer request process flowchart which may be of help.

3.1 Transfer Request Received – Initial Analysis

Initial analysis should determine whether detailed due diligence is required. This guidance is in addition to your normal transfer processes.

As a minimum, schemes would collect the following information prior to initial analysis:

- Member requesting transfer: name and address
- Financial adviser (where required): firms name, address and FCA registration number
- Receiving scheme: name, address, HMRC registration number, payment details, type of scheme and the identity of the scheme administrator.
- QROPS registration number (for an overseas scheme)

3.1.1 Initial Analysis – Stage One

When a transfer request is received take each of the following steps:

STEP	RESPONSE
i. Is this a recognised 'club' or group transfer (e.g. Public-Sector Transfer Club, known group or recipient)?	If yes, 'Very low Risk', proceed with the transfer. If no, go to (ii).
ii. Has your organisation identified the administrator/scheme as not presenting a risk of pension scam activity? (Transferring organisations may hold well developed and maintained lists of these "clean" lists) where transfers may be safely "fast tracked". Please note that appropriate due diligence should be carried out on transfers which are transacted using automated systems, such as Origo until such time as the administrator/scheme has been identified as not presenting a risk. Origo, or another automated system provider, will carry out their own due diligence on the administrator/scheme but this should complement and not replace your own checks.	If yes, 'Very low Risk', proceed with the transfer. If no, go to (iii).
iii. Has your organisation identified this scheme/administrator address as suspicious? (Your organisation should keep a list of these and you should also check the FCA warning list)[7].	If yes, 'Risk', further analysis should still be undertaken as each case should be considered on its merits. If Yes or No, go to Initial Analysis Stage Two.

[7] https://www.fca.org.uk/scamsmart/warning-list?gclid=CjwKCAiA6aSABhApEiwA6Cbmysk1hX0iP2Uv0pymBrvYr15A7M4OEW8uznZ0EeWYaczMNyyNwRG2RoCuBAQAvD_BwE

3.1.2 Initial Analysis – Stage Two

<table>
<tr><th>STEP</th><th>RESPONSE</th></tr>
<tr><td colspan="2">STEP 1 – The Adviser</td></tr>
<tr><td>If financial advice has been received, does the adviser have the appropriate permissions? If they do, the appropriate permission of “Advising on Pension Transfers and Pension Opt Outs” will be shown under the Permission section of the FCA register entry for the advice firm.

Please note that EEA inward passported advisers do not have permissions as the advice is not within IMD or MiFID passporting regimes. Such an adviser may however apply to the FCA for a Part IV Top-up permission as outlined in Section 13A.7 of the FCA Handbook and, if granted, this will enable the adviser to advise on pension transfers.

If the adviser is providing advice on the investments to be made in the receiving scheme, they should also have the “Advising on investments” permission.

Some arrangements will however have a dual-adviser model with one adviser providing the transfer advice and another providing the investments advice.</td><td>If pension transfer advice has been given to the member but without the appropriate permissions, you should complete the remaining questions in this section and in Questions to ask Members so that full information on the proposed transfer is captured and can be reported to the appropriate authorities as outlined in Section 8.

For a transfer of safeguarded benefits (for example a defined benefit (DB) transfer of more than £30,000), as the advice has been given without the appropriate permissions, the transfer should be refused as the advice is not appropriate independent advice[8]. The adviser is undertaking illegal activity and will be committing two offences:

1. fraud by false representation contrary to s2 Fraud Act 2006 and
2. carrying on regulated activity without authorisation contrary to s19 Financial Services & Markets Act 2000.

If an adviser advises a member to transfer their pension, it is reasonable to assume that the adviser will be receiving money as a result of this activity, and that money would constitute criminal property[9].

In the case of an overseas adviser, the money that becomes criminal property starts by being in the UK held by the ceding scheme; to get to the overseas adviser it must necessarily leave the jurisdiction and this gives rise to an additional “removing from the jurisdiction” offence[10].

Ceding providers in this situation should consider the “arrangements” offence in s328 POCA and its broad scope of facilitation.

In such circumstances, a Suspicious Activity Report (SAR) should be submitted to the National Crime Agency. please refer to the guidance on SAR reporting in Refusing a transfer and reporting (Section 8).

For transfers which do not involve safeguarded benefits (for example a defined contribution (DC) transfer), where it is not a legal requirement that advice is given, you may wish to consider whether this will affect whether the receiving scheme can accept the transfer and to contact the trustees of the receiving scheme for clarification. They may well then refuse to accept the transfer owing to the nature of the advice which has been provided. You should however seek independent legal advice before refusing the transfer.</td></tr>
</table>

[8]Please refer to Section 48 of the Pension Schemes Act 2015.
[9]Proceeds of Crime Act 2002, s340(3)
[10]Proceeds of Crime Act 2002, s371(1)(e)

Has a suitability report been provided to the member (for transfers from defined benefit schemes where the transfer value is in excess of £30,000)?	If a suitability report has been provided it is not a matter for the transferring scheme to review the quality of the advice given but if the transfer documentation includes a suitability report, you may wish to review it as the FCA has identified that template reports with typos and obvious errors have been used and such a report would indicate a concern.
Has there been a high volume of transfer requests from the same adviser or intermediary over a short period of time.	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 2 – Contract Based Schemes (e.g. SIPPS)	
If the receiving pension is a contract based scheme, including a SIPP, is the provider or operator FCA registered? These providers and operators should be FCA regulated but the FCA would still expect further due diligence if initial due diligence identified a pension scam risk.	Check the Financial Services Register https://register.fca.org.uk/ to establish whether the provider or operator is authorised: A contract based scheme provider must be both FCA authorised and hold the relevant regulatory permission, e.g. to “establish, operate or wind up a personal pension scheme”. Overseas firms passporting into the UK cannot provide a SIPP. They must be directly authorised with this permission as it is not passportable. Some purported SIPP overseas providers claim that they are passporting into the UK and are covered by the EEA passport on the Financial Services Register. This is not correct. If no, further analysis should still be undertaken as although the transfer must be refused owing to the absence of FCA registration, you should complete the remaining questions in this section and in Questions to ask Members so that full information on the proposed transfer is captured and can be reported to the appropriate authorities as outlined in Section 8. If yes, go to Step Three.

STEP 3 – Previous Scam Links	
Is there any suspicion that the scheme administrator, trustee or anyone connected with the schemes has been linked to pension scamming or to anyone connected with the administration or trusteeship of a scam? Google searches, internal lists, or FCA cases may identify individuals involved in scams.	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 4 – Third Party Introducer	
Is an unregulated introducer involved in the transfer request?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 5 – Planned Investments[11]	
Are any of the investments in the new scheme considered to be “high risk” or unregulated? If the member is not able to say what the investments will be, this is a concern as FCA regulated advice must specify the investments recommended.	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
Is the transfer to an overseas scheme or includes overseas investments and the member is resident in the UK?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
Could the proposed investment structures be considered complicated or unorthodox?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
Will any of the investments be in an offshore bond?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
Are any of the investments listed on the FCA list of types of investment and pension scams?[12]	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 6 – The New Scheme	
Is the receiving scheme newly established? (for example within the last 12 months)	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 7 – The Employer (for a transfer to an occupational pension scheme	
Is the employer actively trading?	If No, ask the member questions outlined in Section 3.1.3.

[11]Please note that the ceding scheme is not assessing whether the proposed investment is appropriate for the individual but rather whether there is a potential cause for concern
[12]https://www.fca.org.uk/scamsmart/types-investment-and-pension-scams

STEP 8 – Transfer History	
Has there been a high volume of transfers to or from a single scheme over a short period of time?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 9 – Scheme Hopping	
Is the customer transferring out of a new defined contribution arrangements soon after transferring in from a defined benefit scheme?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 10 – Loss Of Existing Guarantees	
Will any valuable guarantees be lost on transfer (either defined benefits or a guaranteed growth rate on a With Profits Fund for a defined contribution scheme for example)?	If Yes, complete remaining questions in this section and ask the member questions outlined in Section 3.1.3.
STEP 11 – Other	
Are there any other causes of concern?	See below

The above questions are designed to help you determine whether you can proceed with the transfer without further due diligence and/or referral to the member (i.e. whether it can be fast tracked to payment or refusal). **If there are no concerns you may consider this sufficient to make payment.** If there are concerns, you should continue to Section 3.1.3 Questions To Ask Members.

3.1.3 Initial Analysis – Questions To Ask Members

You will need information for the initial analysis. You should decide how to obtain this information, but it is recommended that you should consider telephoning the member directly if possible to ask some basic questions about the reasons for the transfer, how the request came about and who, if anyone, is providing advice to the member. Alternatively, you may prefer to invite the member to call you at a time which is convenient for them.

This approach, which requires a sensible dialogue and interpersonal skills, is more likely to yield important clues about the proposed transfer than merely corresponding by letter or email. You should keep good records and retain an audit trail of the information requested and the decision you have made.

For a list of member questions, please refer to Resource One within the Resources Pack. Please also refer to Resource Two in the Resources Pack in respect of member vulnerability. This may be established during the call with the member or you may have a record of such vulnerability on your existing customer records.

3.2 Additional Information Sources

Trustees and providers should request information from HMRC to complement their own due diligence on any transfers of concern.

3.2.1 HMRC requests

If, at any point during the due diligence process, you are unable to rule out the risk of a pension scam you should query the registration of the receiving scheme with HMRC and include all the relevant details. To do this you must either attach your enquiry letter to an email and send it to pensionschemes@hmrc.gov.uk or write to:

Pension Schemes Services
HM Revenue & Customs
BX9 1GH
United Kingdom

It may be several months before HMRC respond. You should therefore bear this in mind when considering the timing of your request to HMRC.

Currently HMRC provides one of the following responses to the enquiry:

RESPONSE 1	RESPONSE 2
HMRC confirms that at this time, both of the following apply: • the receiving scheme is registered with HMRC and is not subject to a deregistration notice; and • the information held by HMRC does not indicate a significant risk of the scheme being set up or being used to facilitate pension scams.	HMRC only provide confirmation of registration status when both of the following apply: • the receiving scheme is registered with HMRC and is not subject to a deregistration notice; and • the information held by HMRC does not indicate a significant risk of the scheme being established or being used to facilitate pension scams. At this time one or both of these conditions does not apply. HMRC is therefore unable to provide the confirmation you have requested.

If response 1 is received, you should undertake further due diligence. It should be stressed that a response 1 is not an HMRC endorsement or recommendation in respect of the scheme.

If response 2 is received, then HMRC have been unable to confirm that the receiving scheme is either a registered pension scheme (one of the requirements for the statutory transfer right to exist[13]) or that the scheme does not present a significant pension scam risk. The transfer should be refused if a response 2 is received.

If the receiving scheme is not HMRC registered, then the payment would be unauthorised and subject to tax charges.

[13]A recent Pensions Ombudsman determination (PO-16907 Mr N) has confirmed that an inability to confirm the registered status of a receiving scheme was a basis to assert that the scheme had failed to comply with the prescribed requirements of section 95 of the Pension Schemes Act 1993. Ombudsman determinations are not binding although serve as a guidance.

3.2.2 Law Enforcement Intelligence

Project Bloom (the multi-agency initiative chaired by the Pensions Regulator which aims to combat pension scams) arranged for reports of pension scams to be made to Action Fraud (the details for reporting are included in the Resources Pack – Resource Seven), and these reports are analysed by the National Fraud Intelligence Bureau (NFIB). On occasion, NFIB uses the reports to produce alerts for the industry that can be used as part of the due diligence process.

3.3 Further Due Diligence

This additional due diligence covers a wide range of issues, including regulatory, geographical link and receiving scheme provenance. You should record the evidence you collect and the decisions you make. It is up to you how you collect the information.

For a detailed list of example questions, why they might be asked and how information can be obtained, please refer to Resource Three within the Resources Pack.

The example questions can be used to obtain the information you will use to decide whether a scheme or administrator poses a pension scam risk. You can choose which questions to use and can ask alternative questions which achieve the same purpose.

There are also examples of evidence you can collect on which to base your decision. Again, you should determine the exact evidence you require. It is essential that evidence is collected and retained. When you have gathered your evidence, Section 4 Determine Pension Scam Risk provides guidance on deciding whether to transfer.

Please note – A QROPS (Qualifying Recognised Overseas Pension Schemes) is the only overseas pension scheme to which a UK registered pension scheme can pay a “recognised transfer”. If an overseas pension scheme is not a QROPS, a transfer to that scheme will not be a recognised transfer and will therefore be an unauthorised payment. HMRC maintain a list[14] of schemes which have told HMRC that they meet the conditions to be Recognised Overseas Pension Scheme (ROPS). Please note that the HMRC list only contains schemes that have agreed to be on the list. A scheme may be a ROPS but not on the list.

The status of the receiving scheme should be checked on the date of the proposed transfer payment, and the outcome of that check recorded and evidenced. This may be done by a screenshot which should include the website address and a date stamp. It is essential to verify that the transfer is being paid to the scheme included on the list, and not to another scheme using a virtually identical name (e.g. a clone scheme).

[14]https://www.gov.uk/guidance/check-the-recognised-overseas-pension-schemes-notification-list

3.4 Additional considerations

3.4.1 Member Contact

Although obtaining written information will provide an audit trail of the information requested and your decision, it is recommended that you should consider contacting the member by telephone as early as possible. Some trustees and administrators have found that when the "transfer journey" is fully discussed with the member that they are then able to fully understand the risks in transferring and reassess their decision. Some have then sought alternative regulated advice. This telephone conversation is not cold calling.

Trustees and administrators can suggest that the member calls The Pensions Advisory Service (TPAS)[15] (now part of the Money and Pensions Service – but both will be rebranded as MoneyHelper from June 2021[16]) to talk through the proposed transfer and the warning signs. TPAS will provide an impartial view on the transfer and this might overcome any members' concerns that the due diligence process is a delaying tactic to frustrate the transfer. Some members may have been "coached" by a scammer as to what to say when contacted by a ceding scheme. Calls should be recorded where possible.

3.4.2 Extensions

If the trustees or administrators of an occupational pension scheme need more time for due diligence, then it may be possible to apply to TPR for an extension of the normal six-month time period for transfer payments.

An extension request should be considered early in the due diligence process, in order to make sure the application is made **at least six weeks** before the extension is required. As the decision to extend is made by the Determinations Panel, it is not possible to accommodate later submissions. It should be noted that pension scam concerns are not specifically referenced in the criteria for an extension but the following may be applicable:

- The member has not taken all such steps as the trustees can reasonably expect in order to satisfy them of any matter which falls to be established before they can properly carry out what the member requires
- The trustees have not been provided with such information as they reasonably require properly to carry out what the member requires

Where an extension is applied for, the trustees should notify the member – see Resource Five in the Resources Pack.

3.4.3 Withdrawal of transfer application

During the due diligence process, a member could withdraw their transfer request. This could be because the information you have supplied and the questions you have asked have led the member to realise that the transfer is possibly connected with a pension scam.

Where this happens you should document any identified concerns and retain any written evidence and notes or recording of calls in case further transfer requests to the same scheme are received from this or another member. A sample decision sheet has been provided to help organisations with this process in the Resource Pack (Resource Four).

[15] Please note that in their Combat Scams Pledge, TPR has given the direction to TPAS rather than to Pension Wise.
[16] https://maps.org.uk/moneyhelper/?cn-reloaded=1

04 DETERMINE PENSION SCAM RISK

Once you have completed the due diligence process, and if the member has not withdrawn their transfer request, you need to decide how to proceed.

4.1 Governance

Trustees/providers need to have appropriate procedures and governance in place to determine the pension scam risk and whether to transfer. This may include independent legal advice.

Your decision may be challenged by the receiving scheme or by a member complaint. You should have sufficient support and governance in place to deal with such challenges or complaints. If you are able to show that the principles in this Code have been followed, this should assist in any defence against allegations that the decision has been made incorrectly; although following the Code still might not prevent a claim being brought.

All concerns, any written evidence and notes or recording of calls should be documented. A sample decision sheet has been provided within the Resources Pack (see Resource Four). You must also ensure that you comply with data protection requirements.

4.2 Determination

The individual(s) making the decision should collate and review the information gathered during the due diligence process. The decisions needed are set out below:

- If you consider that there is no material pension scam risk, you should pay the transfer.
- If there has been a failure to supply information or respond to information requests, you should consider what inferences can be drawn from that failure.
- If you consider that there is a material pension scam risk, you should consider whether the member has a right to transfer, meaning there is an obligation to transfer.
- A transfer right could be either a statutory right, or a right arising under the transferring scheme rules. For QROPS transfers, this may require specialist legal expertise or language skills. If there is a discretionary transfer power, the information gathered during the due diligence process should be considered when deciding whether to transfer.

If you consider that the member does not have a transfer right, you should be prepared to explain why to the member.

If the member does have a transfer right, but you consider that there is a material pension scam risk, you will need to decide whether to transfer. You should assess the risks associated with either blocking the transfer or allowing it to proceed. You may also wish to consider whether the member genuinely understands the risks and potential financial consequences of the transfer. You may wish to seek independent legal advice on the potential consequences of either decision. If the member has a statutory right to a transfer, then ultimately you may have to pay.

If you decide that the transfer should be made, before doing so you should telephone the member to discuss the concerns you have identified with them. They may change their mind and request that the transfer is cancelled if they understand your concerns and the risks to their pension savings if they proceed. If they insist on transferring, to minimise the risk of a future complaint or legal challenge to your decision to transfer, you should obtain a suitably robust discharge signed by the member before making the transfer. The discharge should clearly articulate the concerns you have identified but be mindful of your legal obligations in terms of "tipping off". Please see Section 7 for more information.

If you decide that the transfer should be refused, you should to explain why to the member.

All transfers of concern should be reported. This includes:

- All transfers which are refused.
- All transfers which are paid under discharge when a statutory transfer right is identified and the member is insistent on transferring.
- All transfers which are cancelled by the member when the concerns have been raised with them.

If you subsequently find that you have made a transfer in good faith that you now deem to be suspicious, you should report it to the appropriate authorities. Please see Section 8 for guidance on how to report.

4.3 Management Information

Appropriate management information should be developed and maintained. This should include details of all transfers refused, cancelled by the member when concerns have been raised with them and transfers paid under discharge at the insistence of the member. Please also note the requirements in Section 3.1.2.8 and 3.1.2.9 regarding Transfer History and Scheme Hopping respectively.

05 REFUSING A TRANSFER

If you decide that the transfer should not proceed, you should:

- Telephone the member whenever possible and you must confirm your decision in writing and clearly articulate your reasons for refusal. Please see Resources Pack, Resource Three for example letter wording. If there is no statutory transfer right but the rules contain a discretion to pay, it should be explained that a discretionary decision has been made.
- Where appropriate, e.g. where there is an active letter of authority, write to the administrator/adviser and you should inform them that you are unable to make the transfer – see Resources Pack, Resource Three.

06 MEMBER APPEALS

A member may challenge a decision to refuse a transfer. This challenge may be informal or part of a formal complaint. You should be prepared to explain to the member why the transfer was refused.

As part of the challenge, the member may provide sufficient additional information to satisfy the concerns that led to the transfer being refused. If so, you need to reconsider your decision.

If you decide that the transfer should still not proceed because the concerns have not been resolved, you must notify the member that the original decision not to transfer stands.

If you decide that the transfer should proceed, then the transfer should be processed as quickly and efficiently as possible. You could ask the member to complete a 'discharge form' as outlined in Section 7.

07 DISCHARGE FORMS AND INSISTENT MEMBERS

When dealing with an insistent member, you should, if possible, ask the member to call TPAS or Pensionwise (now part of the Money and Pensions Service[17]) for free impartial guidance on the risks of scams before completing the member's request. Where the member refuses or continues with his or her decision, you should record this fact. Where you transfer despite a material pension scam risk, you should ask the member to complete a discharge form. You should ensure the discharge form is sufficiently robust to reduce your risk and reflects the fact that the member wishes to transfer despite the risks you've highlighted. An example discharge form is set out in Resource Six of the Resources Pack.

You may wish to take independent legal advice on the content of any discharge form and should note that a discharge form signed by the member may not eliminate risk altogether and may not be capable of binding the member's beneficiaries.

[17]https://maps.org.uk/moneyhelper/?cn-reloaded=1

08 REPORTING

PSIG continues to work with both the Pensions Regulator and Action Fraud as part of the Project Bloom work to improve and rationalise industry reporting but in the meantime, reporting should be made as follows:

Either to:

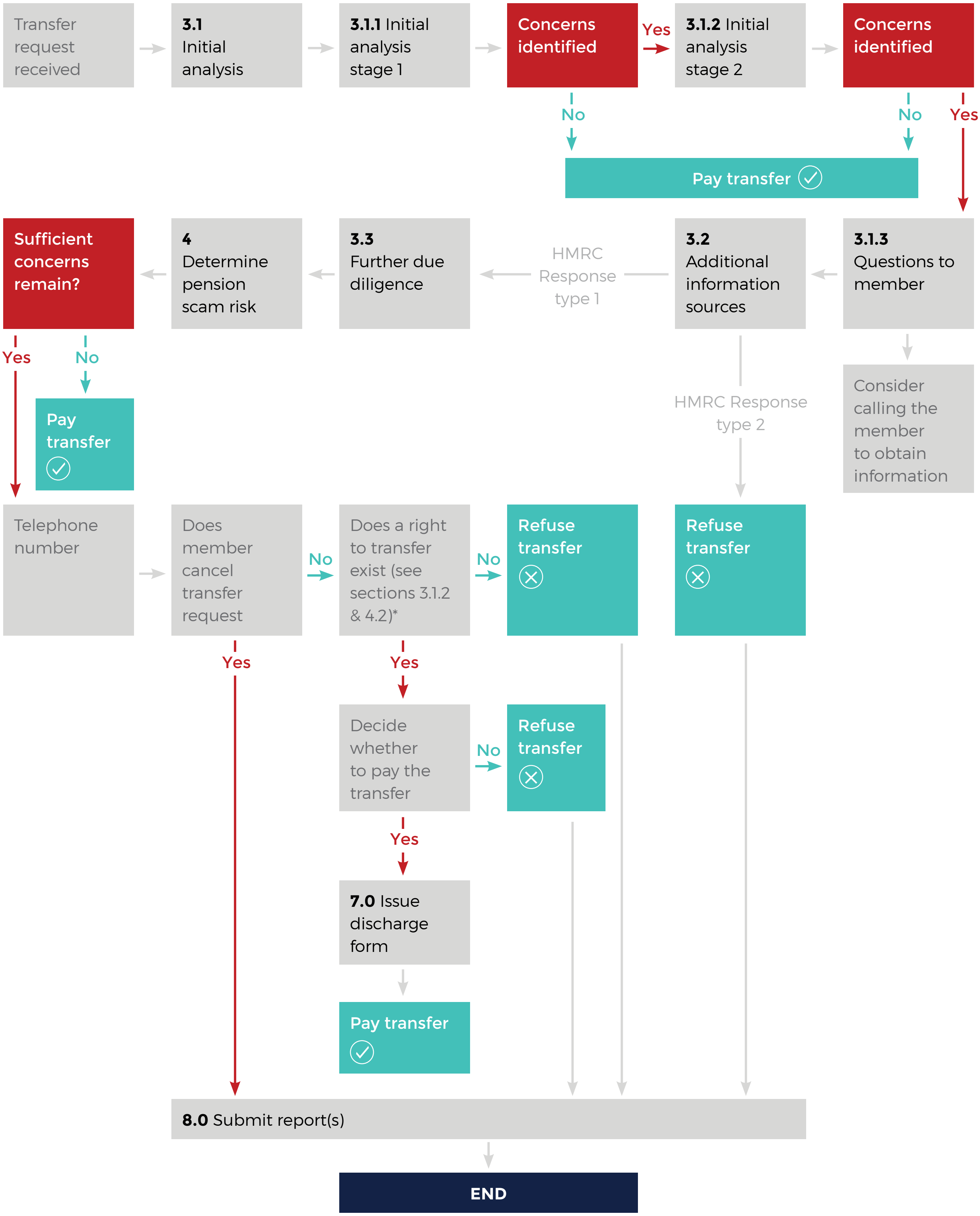
- Action Fraud Please see Resources Pack, Resource Six for detailed guidance on how to request access to the reporting system and then to report using the Business Reporting Tool or:.
- For Scottish pension scheme members, by calling 101 for Police Scotland

In addition:

- FCA reporting should be made via:
- http://www.fca.org.uk/consumers/protect-yourself/report-an-unauthorised-firm to report individuals who appear to be undertaking regulated pension transfer advice but are not authorised to do so and via
- 'IntelligenceConsumerHarm@fca.org.uk' for all transfers of concern.
- TPR reporting should be made via wb@tpr.gov.uk if a statutory transfer payment for an occupational pension scheme has been refused "where all of the requirements are met and you consider the request valid but the warning signs of a scam are too strong for you to be comfortable with any other course of action."
- You may also have a duty to report breaches of the law, as set out in TPR's Code of Practice 1: reporting breaches of the law – http://www.thepensionsregulator.gov.uk/codes/code-reporting-breaches.aspx.
- National Crime Agency (NCA) reports should be made via a Suspicious Activity Report (SAR) when an overseas adviser is acting without permissions as per Section 3.1.2.
- Netcraft reporting: the National Economic Crime Centre (NECC) have also confirmed that the industry should report websites of concern to scam@netcraft.com. Netcraft is a company which provides a triage function for the National Cyber Security Centre (NCSC). There is some automation that kicks in; checks are carried out for phishing and some common malware.

Each scheme may have its own reporting process and this may be undertaken by the scheme trustees themselves, by in-house resources or by a third party administrator.

Appendix – Transfer Request Process Flowchart



*Section 3.1.2 for advising without permissions and section 4.2 for statutory transfer rights