

COMBATING PENSION SCAMS:

Resources Pack



CONTENTS

01	Introduction	3
02	Resource One: Telephone Scripts (Questions To Ask Members)	4
03	Resource Two: Member Vulnerability	12
04	Resource Three: Additional Due Diligence Considerations	13
05	Resource Four: Example Letters	20
06	Resource Five: Recording Decisions	26
07	Resource Six: Example Discharge Form Wording	39
08	Resource Seven: Action Fraud Reporting	41
09	Resource Eight: Example Case Studies	61

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.

01

INTRODUCTION

In 2015, the Pensions Scams Industry Group (PSIG) developed a voluntary Code of Good Practice, written by a group of key stakeholders, including trustees, administrators, legal advisers and insurers. This Code set out suggested steps to help identify whether requested transfers should be paid.

The Code itself is not a statutory code, nor does it seek to override guidance issued by regulatory bodies. Rather, 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. Transferring schemes should raise awareness of pension scams for members and beneficiaries of their scheme.
2. Transferring 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. Transferring 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 Resources Pack forms part of the Pensions Scams Industry Group (PSIG) Code of Good Practice and contains letter templates and reference materials which may be of assistance. The Resources Pack should be used as part of the full Code of Good Practice and readers should refer to the other Code documents as required.

02

RESOURCE ONE:

Telephone Scripts (Questions To Ask Members)

The following questions are designed to capture information reasonably required by the trustees of the existing scheme in order to undertake due diligence on the transfer request.

	ANSWER	NOTES
INTRODUCTION		
Were you approached “out of the blue” about the transfer? Was it by an e-mail, text, phone call, letter or through social media (e.g. Facebook or LinkedIn)?		
Were you offered a ‘free pension review’, loan or “early access to cash”?		The purpose of a pension scheme should be to provide benefits on retirement or death. Pension benefits from pension schemes cannot usually be paid before age 55 (57 from 2028) other than due to ill health, death or a Protected Pension Age ¹ .
Were you told that you could take advantage of a loophole, a “time-limited” offer or receive a higher tax-free lump sum as a result of transferring?		
Who first contacted you?		
Which firm do they work for?		

¹PTM062200 – Pensions Tax Manual – HMRC internal manual – GOV.UK (www.gov.uk)

	ANSWER	NOTES
What is the address of the firm?		
Is this firm authorised by the FCA?		
ADVICE		
Who recommended that you proceed with the transfer?		
Which firm do they work for?		
What is the address of the firm?		
Is this firm authorised by the FCA to advise on pension transfers?		<p>Regulated advice is required for transfers of safeguarded benefits over £30,000.² Please refer to 3.1.2 Initial Analysis – Stage Two of the Practitioner Guide for further information.</p> <p>If the adviser is not FCA authorised, do not provide the adviser with any information and inform the member (see sample letters in Resource Three).</p>

²<https://www.fca.org.uk/publication/consultation/cp17-16.pdf>; <https://www.fca.org.uk/news/press-releases/fca-confirms-final-rules-improving-quality-pension-transfer-advice>

	ANSWER	NOTES
Did your adviser direct you to the FCA ScamSmart website? (https://www.fca.org.uk/scamsmart/how-avoid-pension-scams)		
Has a courier been to your door to collect transfer documents?		
Have you been given a formal Advice or Suitability Report which is specific to you and your circumstances and covers your attitude to risk and the investments that will be made on your behalf?		
ALL RECEIVING SCHEMES		
Have you received a Key Features or Terms and Conditions document?		
Have any transfer requests for other pension plans (which you may have with other providers or administrators) to this scheme been refused?		
If so, do you know which providers or administrators refused to make the transfer/s and the reason/s for their refusal/s?		

	ANSWER	NOTES
FOR AN OCCUPATIONAL PENSION SCHEME INCLUDING A SMALL SELF-ADMINISTERED PENSION SCHEME (SSAS)		
Is your employer (the employer in whose name the scheme has been established) actively trading?		
What is the name of the employer (in whose name the scheme has been established)?		
What is the address of this employer?		
Who is the administrator of the receiving scheme? The administrator will be the company who is responsible for providing you with information about your pension savings (for example an annual statement).		Is the transfer advised by the same company or individuals who are administering the receiving pension?
FOR A SMALL SELF-ADMINISTERED PENSION SCHEME (SSAS)		
Have you been asked to set up your own company in order to make this transfer?		
If yes, can you provide more details about this company and your role in it?		
Are you a trustee of the SSAS?		

	ANSWER	NOTES
FOR A CONTRACT BASED SCHEME (E.G. A PERSONAL PENSION SCHEME INCLUDING A SELF INVESTED PERSONAL PENSION (SIPP))		
Is the scheme provider FCA registered?		If the provider is not FCA authorised, take action as set out in 3.1.2 Initial Analysis – Stage Two of the Practitioner Guide.
FOR A QUALIFYING RECOGNISED OVERSEAS PENSION SCHEME (QROPS)		
Who is the administrator of the QROPS? (The administrator will be the company which is responsible for providing you with information about your pension savings)		Is the transfer advised by the same company or individuals who are administering the receiving pension?
Which country are they based in?		
What is their address?		
Are you resident in that country?		
If you are not resident in the country, do you intend to move to that country?		

	ANSWER	NOTES
INVESTMENTS³		
When the transfer payment is made, will the payment be held in a cash account?		
Do you have a separate investment company to manage your investments?		Is the transfer advised by the same company or individuals who are managing the investments?
If so, where is this investment company based?		
What is their address?		
Is this firm authorised by the FCA?		
How will the transfer payment be invested?		
Have you been promised a specific or guaranteed rate of return? If so, what is the rate?		

³Please 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.

	ANSWER	NOTES
INVESTMENTS		
Will part or all of the transfer payment be invested in overseas investments? (Please note that for non-UK resident members (particularly when transferring to a QROPS) they are likely to invest into a non-UK investment and in most cases will invest into investments appropriate for their country of residence. In such circumstances, the overseas investments should not typically be a cause for concern.)		
Are any of your investments subject to an exit penalty if you wish to access or transfer the investments within an agreed period of time (for example within 5 or 10 years)?		
Are any of your investments of the type which are included on the FCA warning list? (https://www.fca.org.uk/scamsmart/types-investment-and-pension-scams)		
Are all the UK investments regulated by the FCA?		
Will any of your transfer payment be used to purchase an offshore investment bond (as per FCA warning? https://www.fca.org.uk/news/news-stories/transferring-switching-uk-pensions-international-self-invested-personal-pensions)		

	ANSWER	NOTES
FEES & CHARGES		
Have you received written details of any fees or other charges that you will have to pay?		
Do you know how the fees which will be charged will affect the value of your investments over time?		
Are you aware of how the fees you will be charged compare with the fees that apply under your current pension arrangement?		
FOR A SIPP		
Has your Scheme Provider given you details of all the charges which will be made within the pension, including in relation to any offshore bonds and underlying investments?		
RATIONALE		
Can you explain your reasons for requesting the transfer? What will you be able to achieve by transferring that you will not be able to do in your existing plan?		
Has your adviser advised you not to transfer? If so, can you explain why you wish to proceed against that advice?		

03

RESOURCE TWO:

Member Vulnerability

Do any of the responses to the Member Questions above or any other factors indicate potential Customer Vulnerability? Examples include:

- low literacy, numeracy and financial capability skills
- physical disability
- severe or long-term illness
- mental health problems
- low income
- consumer debt
- being 'elderly', which may be associated with cognitive or dexterity impairment, sensory impairments such as hearing or sight, onset of ill-health or not being comfortable with new technology.
- change in circumstances (e.g. job loss, bereavement, divorce)
- lack of English language skills.

If you are an FCA regulated firm you should follow the FCA guidance⁴ throughout the pension transfer request process. If you are a non-FCA regulated firm, you should consider the guidance.

⁴<https://www.fca.org.uk/publication/finalised-guidance/fg21-1.pdf>

04

RESOURCE THREE:

Additional Due Diligence Considerations

A. REGULATORY

Neither an Occupational Pension Scheme (OPS) nor its administrator need to be FCA authorised.

Personal Pension operators and insurance companies providing occupational schemes must be FCA authorised. Appropriate FCA authorisation should give substantial comfort that the scheme has not been established for suspicious purposes.

Occupational pension schemes with at least two members and Group Personal Pensions should be TPR registered.

Trustees of all OPSs must be listed as data controllers with the Information Commissioner.

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Is this an insured pension scheme? If yes, is the provider FCA regulated? / Is the SIPP Operator FCA regulated	Check the Financial Services Register	Y	Y	N/A	Y
Does the provider have the appropriate FCA permissions?	Check the Financial Services Register.	N/A	Y	N/A	Y
Are the trustees of the receiving scheme listed with the Information Commissioner's Office as Data Controllers? (If not, please provide an explanation of why they are not listed)	Letterhead paper; request other evidence of registration.	Y	Y	N/A	Y

B. EMPLOYMENT LINK

All OPSs should normally have a clear link between scheme employer and member. A lack of identifiable link or inconsistent details may be risk indicators. In most cases, a member of an OPS should be employed by a sponsoring employer. However, there can be genuine exceptions in the case of a SSAS, for example, it's possible that some SSAS members are members of a family that controls the sponsoring employer, but aren't employed by that company.

HMRC may refuse to register, or de-register, an OPS where the sponsoring employer is a dormant company. A sponsoring employer becoming dormant shouldn't cause the scheme to be deregistered.

Companies House⁵ can be used to check the employer's trading status, incorporation date and director names.

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Is there an employment link?	Employment contract or evidence of holding of an office, e.g. directorship. Please note that some scammers may attempt to set up bogus employment contracts.	Y	N/A	N/A	N/A
Is there evidence of earnings from a participating or associated employer?	Request 3 months' payslips from the member/policyholder. Please note however that following the 2016 Hughes v Royal London High Court judgment, the earnings requirement for a statutory transfer is merely that there is evidence of earnings irrespective of their source. Alternative evidence, such as employment contracts may be required for zero-hours workers, or dividend payments for company directors who may not have a salary.	Y	N/A	N/A	N/A
If the member is not employed by an employer that sponsors or participates in the receiving scheme, what connection is there with the receiving scheme's members or sponsoring employer?	Membership of an OPS or SSAS might be extended to non-employees, though this might typically be for defined purposes such as schemes intended for particular affinity groups, or relatives of existing members in the case of a SSAS. OPS and SSAS are not usually marketed to third parties. Lack of association between the members and/or the sponsoring employer or its industry sector should invite further enquiry.	Y	N/A	N/A	N/A

⁵<https://find-and-update.company-information.service.gov.uk/>

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
When did the principal employer for the receiving scheme incorporate?	Letterhead paper or internet research to evidence that the employer was already in existence before the member asked to transfer.	Y	N/A	N/A	N/A
What is the Company registration number for the principal employer of the receiving scheme?	Letterhead paper or internet research to evidence that the employer is real.	Y	N/A	N/A	N/A
What is the business, service or trade provided by the principal employer for the receiving scheme?	Letterhead paper or internet research.	Y	N/A	N/A	N/A
Is the principal employer an active or dormant company?	Internet research or Companies House. Pension scams might involve a dormant company to suggest an employment link. A scheme sponsored by a dormant company might be de-registered now that s158 of FA2004 has been amended. Caution should be exercised on any transfer to a scheme sponsored by a dormant company.	Y	N/A	N/A	N/A

C. GEOGRAPHICAL LINK

You would normally expect an occupational pension scheme, an employer and the member to be based in a similar location, although larger companies may operate from multiple locations.

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Is the employer/provider/administrator address near to the member's home address?	Letterhead paper, internet research or member question for other evidence.	Y	N/A	N/A	N/A

D. PROVENANCE OF RECEIVING SCHEME

A pension scheme intended for pension scam purposes might have been established recently (e.g. within the last six months). It may even have been established after the transfer was requested. The sponsoring employer or the administrator may also have been established recently. They may also be operating from 'virtual' offices or using PO Boxes for correspondence.

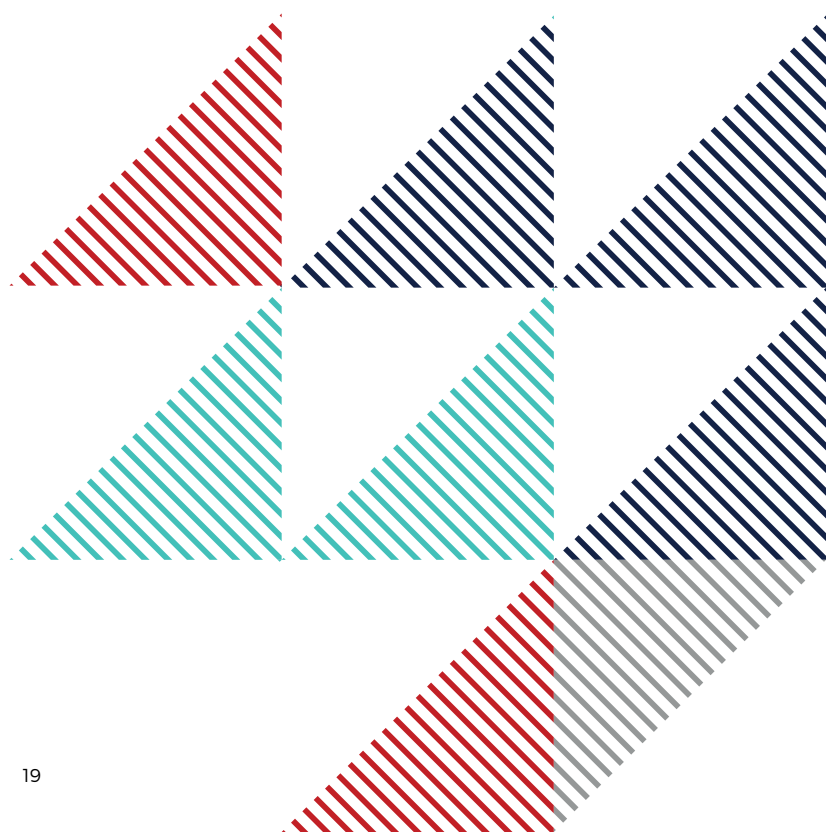
A newly established scheme shouldn't in itself be taken as evidence of scam intent. A broad range of factors should be considered in any due diligence exercise.

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Date on which the receiving scheme was registered with HMRC.	Copy of Registration certificate and print-off from HMRC Scheme Administrator website.	Y	Y	N/A	Y
Request copies of the receiving scheme's governing documentation and formal scheme documents e.g. trust deed and rules, member booklet, scheme accounts (if applicable).	<p>If these documents are not forthcoming, this may indicate a risk of a pension scam.</p> <p>If these documents are supplied, check them for any obvious inconsistencies e.g. in relation to the identity of the sponsoring employer/administrator and the member eligibility provisions.</p>	Y	Y	Y	Y
Is the transfer being requested in advance of the scheme being registered/established?	Compare date of transfer request with date of scheme establishment.	Y	Y	N/A	Y
Name and address of the scheme administrator, and directors for the receiving scheme and (if appropriate) company registration number.	If the scheme administrator for the receiving scheme is a company, obtain print-off from Companies House WebCheck.	Y	Y	Y	Y
Name, address, account number and sort code for the bank account of the trustees of the receiving scheme	Confirmation of trustees' and scheme's bank account details.	Y	Y	Y	Y

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Is the receiving scheme/ administrator run from a 'virtual' office?	Internet research.	Y	Y	Y	Y
Is the receiving scheme/ administrator quoting only a PO Box address?	Internet research.	Y	Y	Y	Y
If the transfer payment is not to be paid direct to the trustees' account, please provide an explanation of why the payment is being made to a different account.	Seek written explanation. For an OPS this is poor practice (and your internal controls may not allow this) and might be suspicious.	Y	Y	Y	Y
Is the administrator also FCA regulated? Although FCA regulation is not required for SSAS, the fact of FCA regulation may provide additional comfort.	Check FCA register.	Y	N/A	N/A	N/A
Has the scheme or administrator, trustees or investment companies behind the scheme been connected to investments linked to high scam risk?	<p>Internet research. Example scam-risk investments include:</p> <ul style="list-style-type: none"> • Cryptocurrencies • Carbon credit schemes • Land banking schemes • New ecological opportunities • Green oil from trees • Precious earth metal schemes • Boiler room share investment schemes • Overseas property developments • Storage pods • Car parking spaces • Loans • Unlisted shares • Illiquid investments that clearly do not match likely access timelines • 'Guaranteed' investment returns that seem unrealistic in current markets. <p>Lack of diversification might also suggest that the investment strategy has not been designed for the member's interests.</p>	Y	Y	Y	Y

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Are there links with other administrators / schemes / providers about which you already have suspicions of pension scam activity?	Companies House WebCheck and review director and address information – this might be suspicious. Websites may look legitimate but could be clones of legitimate companies with words copied verbatim. A strong sign is a lack of contact names, numbers or addresses.	Y	Y	Y	Y
Does the receiving scheme trustee/administrator provide scheme documentation or an opinion from a law firm or barrister?	Whilst the opinion given might be entirely legitimate and valid, attention should be paid to when it was provided and what it actually says as the lawyer giving the opinion might have had limited instructions or only given a restricted or caveated view. Scammers might instruct reputable lawyers to prepare an opinion and/or scheme documents in order to suggest legitimacy.	Y	Y	Y	Y
Does the administrator claim current accreditation from an independent body (for example PASA)?	Documentation confirming accreditation and period valid for. A check with the independent body may be appropriate.	Y	Y	Y	Y
Have a number of schemes been established recently from sponsoring employers with the same address?	Internet research – this might suggest suspicious activity.	Y	N/A	Y	N/A
Is the director(s) of the sponsoring employer or trustee company also a director of other companies incorporated at the same time?	Companies House WebCheck – this might suggest suspicious activity.	Y	N/A	Y	N/A

Question	How to gather information / Validation	OPS	PP	QROPS	Int'l SIPP
Have a number of schemes been established by administrators with the same address?	Internet research – this might suggest suspicious activity.	Y	Y	Y	Y
Have a number of schemes been established recently from the same address?	Companies House WebCheck and review director and address information – this might be suspicious.	Y	Y	Y	Y
Is the scheme connected to an unregulated investment company or is it covered by Financial Services Compensation Scheme?	Check Financial Services Register.	Y	Y	Y	Y



05

RESOURCE FOUR:

Example Letters

These example letters must be adapted for your specific circumstances. You may wish to take independent legal advice on their content.

(i) Member Letter Wording

Section 3 of the Practitioners Guide refers to information that providers and trustees should ask members to supply as part of their due diligence process. If they decide to write and request further information, the following suggested wording may assist them in doing so:

Dear <Name>

Pension transfer request – policy number <insert number>

As a <scheme administrator/pension provider> we have a duty to look for signs of a pension scam when any transfer is requested. This could be a transfer of a pension to an arrangement that allows benefits to be paid out before age 55 (the earliest age from which pension benefits can normally be accessed) or promises to pay out a tax-free lump sum greater than HM Revenue & Customs allow after age 55.

They may also be proposing that the transfer payment is invested in unregulated, high-risk investments or they can promise rates of return on investments which are very unlikely to be realised.

Such information can be very misleading and, in some cases, may also be fraudulent and entirely illegal. Falling foul of a scam could mean you lose some or all of your pension savings. Please see www.pension-scams.com or www.fca.org.uk/scamsmart for more information.

To help us prevent you from being the victim of a pension scam and as part of our standard due diligence Checking process we need to ask you to answer the following questions:

Depending on the information you have already received, you may ask the member/policyholder to provide the following (or any of the other questions detailed in Resource One or Resource Three):

- Will you be receiving any cash payment, bonus, commission or loan from the receiving scheme administrators as a result of transferring your benefits?
- How did you hear about the receiving scheme?
- Have you been told that you can access any part of your pension fund under the receiving scheme before age 55, other than on grounds of ill-health?
- Have you been promised a specific or guaranteed rate of return on your pension fund under the receiving scheme?

Depending on the type of receiving scheme you may consider asking the member/policyholder to provide further information and evidence. The receiving scheme type to which the question is relevant is in brackets:

- What is the name of the individual or company providing day-to-day administration services for the receiving scheme (Occupational Pension Scheme/Small Self-Administered Scheme (SSAS))?
- Does the scheme provider show a registration number from the Financial Conduct Authority (FCA) on their letterhead? What is it? (Contract-based/personal pension scheme/Self-Invested Personal Pension (SIPP))

- Who has advised you to go ahead with the transfer? Please provide evidence of their FCA registration number. (Contract-based/personal pension scheme / SIPP)
- Please send 3 months of recent payslips as evidence of employment by a participating employer of the receiving scheme (Occupational Pension Scheme).
- If you are employed by an employer that sponsors the receiving scheme, please provide the name and address of your usual place of work for the employer.
- If you are not employed by an employer that participates in the receiving scheme, please provide a brief explanation of your reasons for wishing to transfer your benefits (Occupational Pension Scheme).
- How did you become aware of the provider/adviser/receiving scheme? Did they make first contact? (OPS)
- Have you received any advice in connection with transferring your pension benefits? If so, please provide details of the organisation or company that provided you with that advice and a copy of the advice.
- During the transfer process has the receiving scheme (or its administrator) contacted you with official documentation or has all communication been by text, email and/or telephone?
- What do you want to achieve through the transfer that you can't in your current scheme?
- Have you been pressured by anyone to make a quick decision about transferring your pension?
- What have you been told about where your funds will be invested by the receiving scheme? Please send copies of any information or brochures you have been sent.

Providers and trustees might consider using the following additional wording when writing to members considering transferring pension funds to international SIPPs if there are concerns that these are being used to facilitate pension scams (in such cases, the member may well be based overseas):

We are aware that, in your case, you are intending to transfer to an international Self-Invested Personal Pension (SIPP). Whilst many transfers to SIPPs are legitimate and involve appropriate advice, we should make you aware that there has been a developing trend of international SIPPs being used to entice pension scheme members into scams. We would refer you to the recent FCA information⁶.

Particular warning signs to look out for are where you have been approached by a cold call or advised by someone overseas who has claimed to be regulated in a different country. Just because someone has claimed to be a regulated adviser and is able to show some headed paper reflecting that, it does not mean that this will be correct – and one of the hallmarks of recent scams has been individuals being given a false sense of security about the status of advisers.

You might also have been encouraged to invest your pension funds somewhere overseas and should think about whether you have sufficient information available to determine the security of such an investment.

If you are in any doubt about the status of the advice you have received or feel you have incomplete information about the nature of the investment your pension monies are going to be transferred into, we would encourage you either to get in touch with us to discuss those concerns or the Pensions Advisory Service (TPAS) or Pensionwise, who give free and impartial guidance to people with pensions, and whose details are available from this website: <https://www.pensionsadvisoryservice.org.uk/>. (to be rebranded as MoneyHelper from June 2021⁷) We look forward to hearing from you.

Yours sincerely

⁶Information for consumers on transferring or switching UK pensions into international self-invested personal pensions (SIPPs)

⁷<https://maps.org.uk/moneyhelper/?cn-reloaded=1>

(ii) Letter to HMRC

These example letters must be adapted for your specific circumstances. You may wish to take independent legal advice on their content.

Where due diligence checks indicate pension scam activity or information requests from the other areas have not been met then you should confirm the status of the receiving scheme with HMRC. The following example wording may be helpful to you in drafting a suitable letter. You should adapt it to the circumstances of a particular case, by including an explanation as to why there are concerns about the receiving scheme.

Dear Sirs

Pension transfer request

We have received a request from **<insert provider/adviser name>** to transfer the pension benefits for Mr/Mrs/Ms X **<insert name of member>** to **<insert name of receiving scheme>**.

Our transfer checks indicate a number of potential pension scam concerns in respect of the transfer. These are outlined below:

- Concern 1
- Concern 2
- Concern 3

Before we proceed with the transfer to **<insert name of receiving scheme>**, we would be grateful for HMRC's confirmation that the scheme is a registered pension scheme and that, to your knowledge, that you are unaware of any reason why the transfer should not proceed.

Enclosed with this letter are copies of:

- approval from the authorised signatory for **<name>** Administration authorising HMRC to confirm to **<insert your own company name>** that the **<insert name of receiving scheme>** is a registered scheme; and
- a copy of the HMRC PSTR confirmation letter that we have been provided with in relation to the receiving scheme.

We will await your response before progressing the member's request to transfer and would therefore be grateful for your prompt response. Please do not hesitate to contact me in the meantime if you require further information.

Yours faithfully

(iii) Unregulated Adviser Member Letter

These example letters must be adapted for your specific circumstances. You may wish to take independent legal advice on their content.

Section 3 of the Practitioners Guide refers to the requirement for persons advising on pension transfers to be authorised by the FCA to give advice regarding pension transfers. Administrators may find the following example wording useful where they need to write to a member advising that they have not provided information to the adviser in these circumstances:

Dear <Name>

Pension transfer request – policy number
<insert number>

I refer to a recent letter we have received from
<XYZ Retirement Benefit Scheme> requesting
information regarding the above policy.

Please note that we have not provided the requested information as the company does not appear to be authorised by the Financial Conduct Authority (FCA) to give advice regarding pension transfers plans.

We can provide this information to you if you contact us directly to request this. However, before doing so, please see www.pension-scams.com or www.fca.org.uk/scamsmart for more information. Falling foul of a scam could mean you lose some or all of your pension savings.

If you have any questions or would like to discuss any concerns please contact us.

Yours sincerely

(iv) Transfer Denied – Letter to Member/ Policyholder

These example letters must be adapted for your specific circumstances. You may wish to take independent legal advice on their content.

Dear <Name>

Pension transfer request – policy number
<insert number>

We are contacting you in relation to a pension transfer request that we have received from <Provider Name> that instructs us to transfer your fund from your **<Insert Brand Name>** pension to **<Insert Scheme Name>**.

We have taken a decision not to transfer the fund to the **<Insert Scheme Name>** owing to the possible risk of a pension scam **[and because you do not have a legal right to transfer]**.

IN ORDER TO AVOID ASSISTING SCAMMERS IMPROVE THEIR TECHNIQUES, CARE SHOULD BE TAKEN IN GIVING SPECIFIC DETAIL AS TO WHY THE DECISION HAS BEEN MADE NOT TO PROCEED WITH THIS TRANSFER (WHILST NOTING THAT MEMBERS MAY COMPLAIN IF INSUFFICIENT DETAIL IS GIVEN – CONSIDER TAKING LEGAL ADVICE).

Having reviewed the information available to us we have decided not to make the transfer to this scheme as we believe there are reasonable grounds to suspect that the scheme to which you have chosen to transfer may be involved in pension scams.

We apologise for any inconvenience that this may cause, however we hope that you can appreciate the need for us to be vigilant in order to protect you. Falling foul of a scam could mean you lose some or all of your pension savings. Please see www.pension-scams.com or www.fca.org.uk/scamsmart for more information.

What should I do next?

[If you still wish to proceed with the transfer despite the warning signs we see, we would ask you to call the Pensions Advisory Service (TPAS), who give free and impartial guidance to people with pensions, and whose details are available from this website: <https://www.pensionsadvisoryservice.org.uk/> and confirm in writing to us that you have spoken to TPAS and wish to transfer despite our concerns. In this situation we will process the transfer, but you agree that it is done entirely at your own personal risk and that you and your beneficiaries will have no future claim on the pension scheme.]

[or]

[Your pension fund will remain safely with us until we hear from you further or you approach your selected retirement age, when we will contact you again. If you still want to consider a transfer to another provider, we would recommend that you seek independent financial advice from an adviser regulated by the Financial Conduct Authority. We will not refuse transfers to schemes where we are satisfied that there is no risk of pension scamming. If you need help in finding a regulated adviser, please visit www.unbiased.co.uk.]

If you have any questions, you can call <scheme/provider Customer Helpline on xxx xxxx xxxx> or write to us if you prefer. Our contact details and opening hours are shown at the top of this letter, together with the policy number and our reference details, which we will need you to provide when contacting us.

Yours sincerely

(v) Transfer Denied – Letter To Receiving Scheme

These example letters must be adapted for your specific circumstances. You may wish to take independent legal advice on their content.

Dear <Name>

**<Pension transfer request for policyholder
<Name> – policy number <insert number>
<Pension transfer request for member <Name> –
scheme name <insert number>**

I refer to your request of <Date> to transfer the above pension to the <Provider Name> scheme.

We have reviewed the information available to us, and we have concluded that we are unable to process the transfer due to the possible risk of a pension scam [and because the member does not have a legal right to transfer].

IN ORDER TO AVOID ASSISTING SCAMMERS IMPROVE THEIR TECHNIQUES, CARE SHOULD BE TAKEN IN GIVING SPECIFIC DETAIL AS TO WHY THE DECISION HAS BEEN MADE NOT TO PROCEED WITH THIS TRANSFER (WHILST NOTING THAT MEMBERS MAY COMPLAIN IF INSUFFICIENT DETAIL IS GIVEN – CONSIDER TAKING LEGAL ADVICE).

We are therefore unable to process this transfer, and we will be writing to the <policyholder/member> to inform them of our decision.

Yours sincerely

(vi) Suggested Wording to Member Where the Trustee/Provider of an OPS Have Applied to TPR for an Extension to the 6 Month Deadline

If scheme administrators need more time to carry out the necessary due diligence Checks, they may apply to TPR within the normal time period for payment of statutory transfers for an extension to that time period. TPR may not however be able to reply to all such applications within the time period.

Administrators may find the following example wording helpful in updating members:

The trustees/provider have, within the statutory period, made an application to the Pensions Regulator (TPR) for an extension in respect of the consideration of payment of a transfer to a registered pension scheme. TPR has the power to grant an extension in accordance with the statutory regulations.

The trustees/provider now await TPR's response.

06

RESOURCE FIVE:

Recording Decisions

(i) Example Pension Scam Decision Sheet

MEMBER INFORMATION				
Name				
Scheme Name				
Plan Number				
Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
MEMBER QUESTIONS				
INTRODUCTION				
Were you approached “out of the blue” about the transfer? Was it by an e-mail, text, phone call, letter or through social media (e.g. Facebook or LinkedIn)?				
Were you offered a ‘free pension review’, loan or ‘early access to cash’?				
Were you told that you could take advantage of a loophole, a “time-limited” offer or receive a higher tax-free lump sum as a result of transferring?				
Who first contacted you?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
MEMBER QUESTIONS				
Which firm do they work for?				
What is the address of the firm?				
Is this firm authorised by the FCA?				
ADVICE				
Who recommended that you proceed with the transfer?				
Which firm do they work for?				
What is the address of the firm?				
Is this firm authorised by the FCA to advise on pension transfers?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
ADVICE				
Did your adviser direct you to the FCA ScamSmart website? (https://www.fca.org.uk/scamsmart/how-avoid-pension-scams)				
Has a courier been to your door to collect transfer documents?				
Have you been given a formal Advice or Suitability Report which is specific to you and your circumstances and covers your attitude to risk and the investments that will be made on your behalf?				
ALL RECEIVING SCHEMES				
Have you received a Key Features or Terms and Conditions document?				
Have any transfer requests for other pension plans (which you may have with other providers or administrators) to this scheme been refused?				
If so, do you know which providers or administrators refused to make the transfer/s and the reason/s for their refusal/s?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
FOR AN OCCUPATIONAL PENSION SCHEME OR A SMALL SELF-ADMINISTERED PENSION SCHEME (SSAS)				
Is your employer (the employer in whose name the scheme has been established) actively trading?				
What is the name of the employer (in whose name the scheme has been established)?				
What is the address of this employer?				
Who is the administrator of the receiving scheme? The administrator will be the company who is responsible for providing you with information about your pension savings (for example an annual statement).				
FOR A SMALL SELF-ADMINISTERED PENSION SCHEME (SSAS)				
Have you been asked to set up your own company in order to make this transfer?				
If yes, can you provide more details about this company and your role in it?				
Are you a trustee of the SSAS?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
FOR A CONTRACT BASED SCHEME (E.G. A PERSONAL PENSION SCHEME OR A SELF INVESTED PERSONAL PENSION (SIPP))				
Is the scheme provider FCA registered?				
FOR A QUALIFYING RECOGNISED OVERSEAS PENSION SCHEME (QROPS)				
Who is the administrator of the QROPS? (The administrator will be the company which is responsible for providing you with information about your pension savings)				
Which country are they based in?				
What is their address?				
Are you resident in that country?				
If you are not resident in the country, do you intend to move to that country?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
INVESTMENTS				
When the transfer payment is made, will the payment be held in a cash account?				
Do you have a separate investment company to manage your investments?				
If so, where is this investment company based?				
What is their address?				
Is this firm authorised by the FCA?				
How will the transfer payment be invested?				
Have you been promised a specific or guaranteed rate of return? If so, what is the rate?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
INVESTMENTS				
Will part or all of the transfer payment be invested in overseas investments?				
Are any of your investments subject to an exit penalty if you wish to access or transfer the investments within an agreed period of time (for example within 5 or 10 years)?				
Are any of your investments of the type which are included on the FCA warning list? (https://www.fca.org.uk/scamsmart/types-investment-and-pension-scams)				
Are all the UK investments regulated by the FCA?				
Will any of your transfer payment be used to purchase an offshore investment bond (as per FCA warning? https://www.fca.org.uk/news/news-stories/transferring-switching-uk-pensions-international-self-invested-personal-pensions)				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
FEES & CHARGES				
Have you received written details of any fees or other charges that you will have to pay?				
Do you know how the fees which will be charged will affect the value of your investments over time?				
Are you aware of how the fees you will be charged compare with the fees that apply under your current pension arrangement?				
FOR A SIPP				
Has your Scheme Provider given you details of all the charges which will be made within the pension, including in relation to any offshore bonds and underlying investments?				
RATIONALE				
Can you explain your reasons for requesting the transfer? What will you be able to achieve by transferring that you will not be able to do in your existing plan?				
Has your adviser advised you not to transfer? If so, can you explain why you wish to proceed against that advice?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
VULNERABILITY				
Could the member be considered to be vulnerable?				
ADDITIONAL DUE DILIGENCE				
REGULATORY				
Is this an insured pension scheme? If yes, is the provider FCA regulated? / Is the SIPP Operator regulated?				
Does the provider have the appropriate FCA permissions?				
Are the trustees of the receiving scheme listed with the Information Commissioner's Office as Data Controllers? (If not, please provide an explanation of why they are not listed)				
EMPLOYMENT LINK				
Is there an employment link?				
Is there evidence of earnings from a participating or associated employer?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
EMPLOYMENT LINK				
If the member is not employed by an employer that sponsors or participates in the receiving scheme, what connection is there with the receiving scheme's members or sponsoring employer?				
When did the principal employer for the receiving scheme incorporate?				
What is the Company registration number for the principal employer of the receiving scheme?				
What is the business, service or trade provided by the principal employer for the receiving scheme?				
Is the principal employer an active or dormant company?				
GEOGRAPHICAL LINK				
Is the employer/provider/administrator address near to the member's home address?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
PROVENANCE OF RECEIVING SCHEME				
Date on which the receiving scheme was registered with HMRC.				
Request copies of the receiving scheme's governing documentation and formal scheme documents e.g. trust deed and rules, member booklet, scheme accounts (if applicable).				
Is the transfer being requested in advance of the scheme being registered / established?				
Name and address of the scheme administrator, and directors for the receiving scheme and (if appropriate) company registration number.				
Name, address, account number and sort code for the bank account of the trustees of the receiving scheme.				
Is the receiving scheme/administrator run from a 'virtual' office?				
Is the receiving scheme/administrator quoting only a PO Box address?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
PROVENANCE OF RECEIVING SCHEME				
If the transfer payment is not to be paid direct to the trustees' account, please provide an explanation of why the payment is being made to a different account.				
Is the administrator also FCA regulated? Although FCA regulation is not required for SSAS, the fact of FCA regulation may provide additional comfort.				
Has the scheme or administrator, trustees or investment companies behind the scheme been connected to investments linked to high scam risk?				
Are there links with other administrators / schemes / providers about which you already have suspicions of pension scam activity?				
Does the receiving scheme trustee/ administrator provide scheme documentation or an opinion from a law firm or barrister?				
Does the administrator claim current accreditation from an independent body (for example PASA)?				
Have a number of schemes been established recently from sponsoring employers with the same address?				

Factors/Indicators (includes questions which you may have asked the member)	Concern (✓)	No Concern (✓)	N.A (✓)	Evidence (explain or add link)
PROVENANCE OF RECEIVING SCHEME				
Is the director(s) of the sponsoring employer or trustee company also a director of other companies incorporated at the same time?				
Have a number of schemes been established by administrators with the same address?				
Have a number of schemes been established recently from the same address?				
Is the scheme connected to an unregulated investment company or is it covered by Financial Services Compensation Scheme?				
SUMMARY				
Administrator to set out recommendation based on due diligence carried out				
DECISION				
Trustee/scheme manager to record decision				

07

RESOURCE SIX:

Example Discharge Form Wording

This discharge wording must be adapted for your specific circumstances. You may wish to take independent legal advice on the content of any discharge form and in particular whether to include the square bracketed sections. You 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.

Declaration, indemnity and discharge:

I confirm that I have read and understood <insert name of existing administrator>'s letter dated <Date> and the additional information published by the Pensions Regulator about pension scams supplied with it and I confirm that I still wish to proceed with the transfer to <insert scheme name>. I confirm the following:

- I have been advised by the Trustees of the <XYZ Pension Scheme> to seek and obtain independent financial advice from a financial adviser authorised by the Financial Conduct Authority (FCA). If the value of your safeguarded benefits (benefits other than money purchase or cash balance benefits) exceeds £30,000, then you must take advice.
- I have / have not* obtained financial advice from: FCA Registration No (Insert name of financial adviser, if applicable)
- I confirm that I was asked to contact The Pensions Advisory Service for free, impartial guidance on the risks of pension scams and I did / did not* [insert date of contact here] and that I fully understand the risks.
- I understand the risk that following the transfer my funds may be invested in alternative higher risk assets and this is my responsibility.
- I understand and acknowledge that the Trustees of the <XYZ Pension Scheme> have a statutory obligation to report certain transfers to HM Revenue & Customs (HMRC) and will carry out that obligation.
- I understand and acknowledge that if I access any of the funds before the age of 55 (except in limited circumstances of ill-health) this will result in an unauthorised payment under tax legislation and I will be required to declare this to HMRC and will be personally liable to pay tax and other charges, normally totalling 55% of any such unauthorised payment, and I agree to settle such charges from my personal assets. If I fail to declare an unauthorised payment to HMRC, I may be charged further penalties.
- I understand that when accessing any of the funds the maximum that can normally be paid tax free is 25%.
- I hereby indemnify the Trustees of the <XYZ Pension Scheme> in respect of any additional tax and/or sanction charges that may be levied upon them in relation to this transfer.
- I fully discharge the Trustees of the <XYZ Pension Scheme> from their obligation to provide any benefits to me or my beneficiaries if the transfer is paid.
- I hold the Trustees of the <XYZ Pension Scheme> harmless from and against all actions, claims, demands, liabilities, damages, costs, losses or expenses (including without limitation, consequential losses, loss of profit, loss of reputation and all interest, penalties, legal and other professional costs and expenses) from any source, resulting from my decision to proceed with my transfer request.

- I confirm that any information provided about me by the receiving scheme/adviser has been verified by me as factual and correct and that the Trustees of the **<XYZ Pension Scheme>** are in no way responsible for any quotation or any literature issued by the receiving scheme/adviser.
- If, after completing the transfer, I feel that I may have been scammed, I understand that it is recommended that I report the matter to Action Fraud at [insert] and/or contact TPAS at [] for guidance.

* delete as applicable

Signed:

.....

Member name

Dated:

.....

In the presence of:

.....

(Witness name – IN CAPITALS)

.....

.....

(Witness address)

.....

(Witness signature)

08

RESOURCE SEVEN:

Action Fraud Reporting

Trustees, administrators and providers should continue to report scams and potential scams using the Action Fraud Expert Reporting Tool.

PSIG would highlight however that the only crime type available is “Pension Liberation Fraud” rather than “Pension Scams”. It is pension scamming rather than pension liberation which now accounts for the vast majority of transfer requests of concern.

There are also two issues with the reporting tool:

1. The “Business Victim” is prepopulated with the submitter’s details. There is currently no ability to change this. Explanatory commentary should be added to highlight the position to Action Fraud.
2. The system looks for the amount of money which has been “lost” and then the amount which has been “recovered”. For the industry, the money will not be lost or recovered but rather not paid at all or paid and not recovered. Again, explanatory commentary should be added.

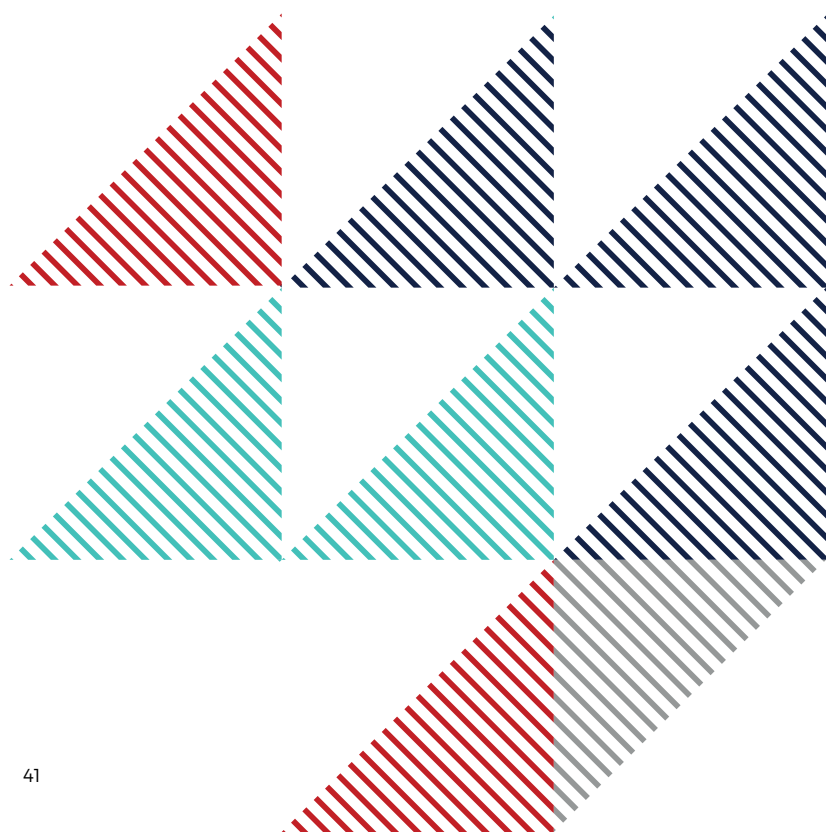
In addition, PSIG would highlight that as industry reporting will typically be information reports rather than actual crime reports, no feedback from Action Fraud will be received. Some industry users had found the lack of feedback frustrating.

Access to the tool should be requested by email to Action Fraud at nfcrc-brtadmin@city-of-londonpolice.pmm.police.uk. The request should contain the following details:

Name of member of staff for whom access is being requested

- Their email address
- Company
- Position
- Telephone Number

Guidance in using the tool is provided in the following document:



EXPERT REPORTING TOOL BUSINESS USER GUIDE

November 2017 Version 3.0

(i) Introduction

The Action Fraud Expert Reporting Tool has been designed for business users who have a regular requirement to report fraud crime on behalf of their organisation.

This User Guide explains how to:

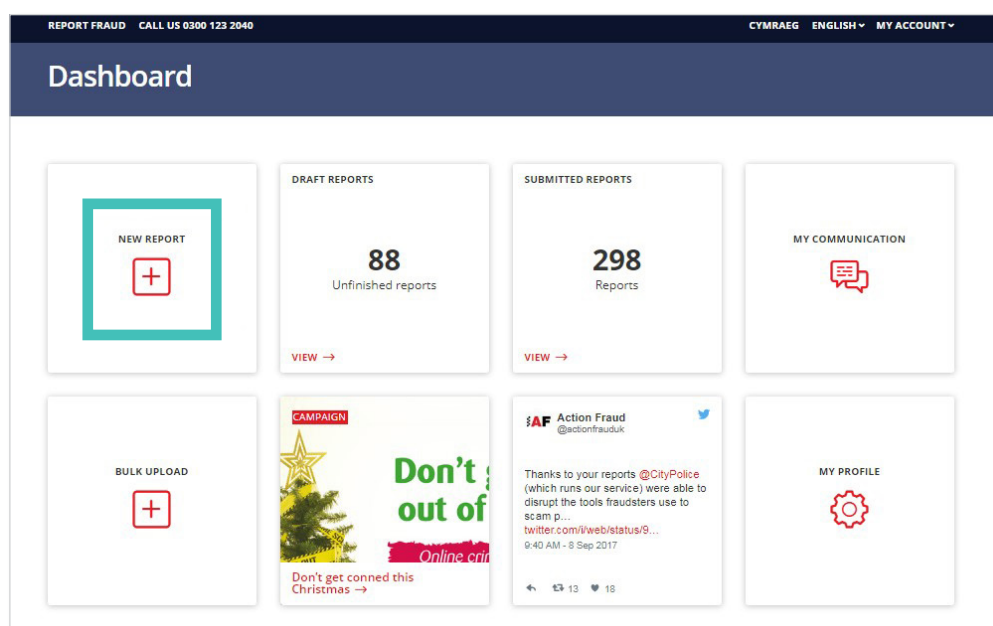
- Submit crime and information reports on behalf of a business
- Save a draft report to complete later
- Copy data to a new report
- Track status of submitted reports

To access the Expert Reporting Tool users must be registered with the Action Fraud service as an expert user.

(ii) Accessing the Reporting Tool

Login to the Action Fraud Dashboard

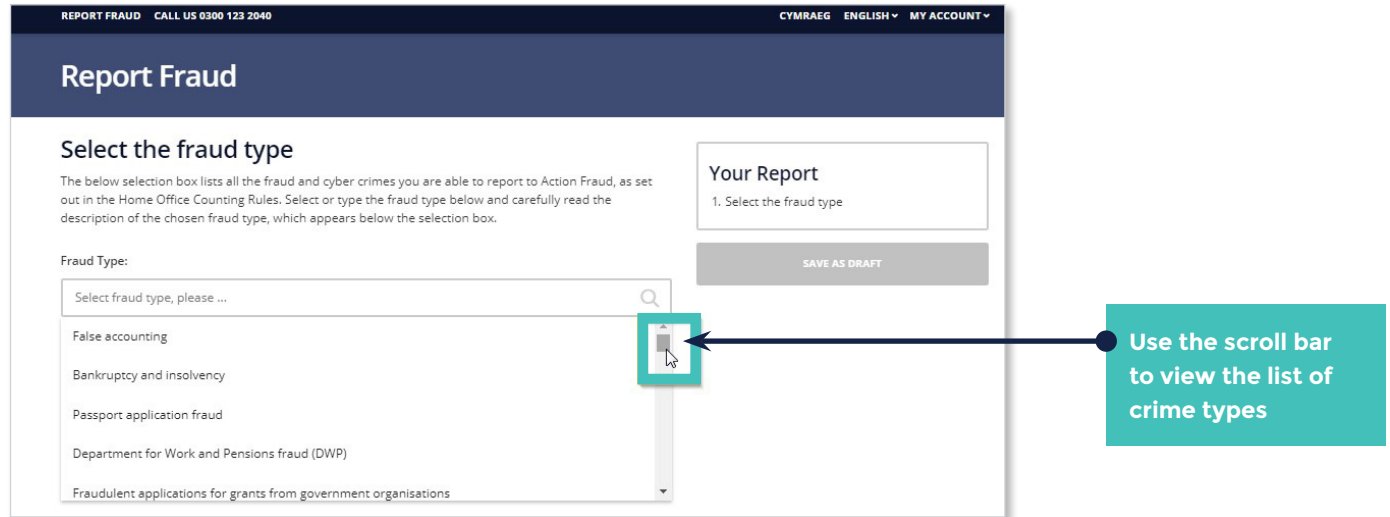
To begin a new report, select the **NEW REPORT** tile from the dashboard homepage



(iii) Select Crime Type

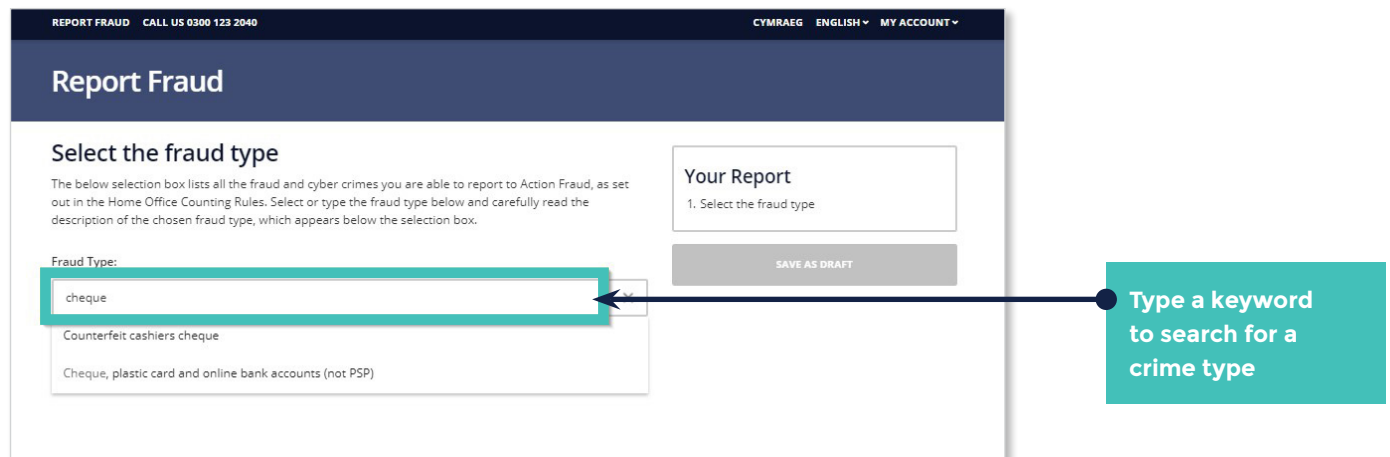
Select the crime type category for the new report, as defined in the Home Office Counting Rules for Fraud 2017.

To select a crime type, click in the search box to expand the list.



The screenshot shows the 'Report Fraud' page. At the top, there is a header with 'REPORT FRAUD', 'CALL US 0300 123 2040', 'CYMRAEG', 'ENGLISH', and 'MY ACCOUNT'. Below the header, the main heading is 'Report Fraud'. Underneath, there is a section titled 'Select the fraud type' with a sub-heading 'The below selection box lists all the fraud and cyber crimes you are able to report to Action Fraud, as set out in the Home Office Counting Rules. Select or type the fraud type below and carefully read the description of the chosen fraud type, which appears below the selection box.' Below this text is a 'Fraud Type:' label and a search box. The search box contains the text 'Select fraud type, please ...'. Below the search box is a list of fraud types: 'False accounting', 'Bankruptcy and insolvency', 'Passport application fraud', 'Department for Work and Pensions fraud (DWP)', and 'Fraudulent applications for grants from government organisations'. A red box highlights the search box, and a red arrow points to it from a callout box that says 'Use the scroll bar to view the list of crime types'.

To search for a crime type, enter a keyword into the search box



The screenshot shows the 'Report Fraud' page. At the top, there is a header with 'REPORT FRAUD', 'CALL US 0300 123 2040', 'CYMRAEG', 'ENGLISH', and 'MY ACCOUNT'. Below the header, the main heading is 'Report Fraud'. Underneath, there is a section titled 'Select the fraud type' with a sub-heading 'The below selection box lists all the fraud and cyber crimes you are able to report to Action Fraud, as set out in the Home Office Counting Rules. Select or type the fraud type below and carefully read the description of the chosen fraud type, which appears below the selection box.' Below this text is a 'Fraud Type:' label and a search box. The search box contains the text 'cheque'. Below the search box is a list of fraud types: 'Counterfeit cashiers cheque' and 'Cheque, plastic card and online bank accounts (not PSP)'. A red box highlights the search box, and a red arrow points to it from a callout box that says 'Type a keyword to search for a crime type'.

When a crime type is selected, a short description of that category will display below

REPORT FRAUD CALL US 0300 123 2040 CYMRAEG ENGLISH MY ACCOUNT

Report Fraud

Select the fraud type

The below selection box lists all the fraud and cyber crimes you are able to report to Action Fraud, as set out in the Home Office Counting Rules. Select or type the fraud type below and carefully read the description of the chosen fraud type, which appears below the selection box.

Fraud Type:

Cheque, plastic card and online bank accounts (not PSP)

Cheque, plastic card and online bank accounts (not PSP)

This fraud occurs when there is fraudulent use of a cheque, plastic card or online bank account. This does not include companies that take money from payment cards or enable electronic money transfer.

Your Report

1. Select the fraud type
Cheque, plastic card and online bank accounts (not PSP)
2. What information can you provide?

SAVE AS DRAFT

Description of the crime type selected

(iv) Select Report Type

Select a radio button to indicate if it is a crime or information report

REPORT FRAUD CALL US 0300 123 2040 CYMRAEG ENGLISH MY ACCOUNT

Report Fraud

Select the fraud type

The below selection box lists all the fraud and cyber crimes you are able to report to Action Fraud, as set out in the Home Office Counting Rules. Select or type the fraud type below and carefully read the description of the chosen fraud type, which appears below the selection box.

Fraud Type:

Cheque, plastic card and online bank accounts (not PSP)

Cheque, plastic card and online bank accounts (not PSP)

This fraud occurs when there is fraudulent use of a cheque, plastic card or online bank account. This does not include companies that take money from payment cards or enable electronic money transfer.

Report Type:

☐ Information Report ☒ **Crime Report**

NEW REPORT RESET TEMPLATE

Your Report

1. Select the fraud type
Cheque, plastic card and online bank accounts (not PSP)
2. What information can you provide?
Crime Report

SAVE AS DRAFT

Select **'NEW REPORT'** to begin data entry

If you have selected the incorrect crime category or report type, select **'RESET TEMPLATE'** to change this information. **NOTE:** any data already entered will be lost if you reset the template, unless you have saved a draft.

(v) Data Entry

The report is structured around the following sections:

- **Person Reporting** – your details
- **Business Victim** – details of the business you are reporting for
- **Fraud Details** – monetary loss, evidence, and other crime type specific details
- **Suspect Individual** – details of individual suspects
- **Suspect Company** – details of suspect companies
- **Payments** – details of payments made by the victim
- **Additional Details** – free text field to provide a summary of the report

To navigate through the report, either scroll down the page to each section, or jump directly to a section by clicking on the relevant heading within the box to the right.

Report Fraud

Select the fraud type

The below selection box lists all the fraud and cyber crimes you are able to report to Action Fraud, as set out in the Home Office Counting Rules. Select or type the fraud type below and carefully read the description of the chosen fraud type, which appears below the selection box.

Fraud Type:

Cheque, plastic card and online bank accounts (not PSP)

Cheque, plastic card and online bank accounts (not PSP)

This fraud occurs when there is fraudulent use of a cheque, plastic card or online bank account. This does not include companies that take money from payment cards or enable electronic money transfer.

Report Type:

☐ Information Report ☒ Crime Report

[NEW REPORT](#) [RESET TEMPLATE](#) [PRINT](#) [SAVE AS DRAFT](#)

Your Report

- Select the fraud type
- What information can you provide?

Crime Report

- [PERSON REPORTING](#)
- [BUSINESS VICTIM](#)
- [FRAUD DETAILS](#)
- [SUSPECT INDIVIDUAL](#)
- [SUSPECT COMPANY](#)
- [PAYMENT](#)
- [ADDITIONAL DETAILS](#)

5.1 Important Fields

Certain fields in the report are marked as important to complete. These fields are highlighted in a different colour:

Personal Details

Organisation title

Title

First name

Middle name

Last name

Date of birth DD Month YYYY

[Clear date](#)

Important fields are shaded in a different colour

Any important fields that are not completed will be highlighted at the bottom of the page above the Submit Button.

These fields are missing:

- Contact details
 - Landline
- Company contact details
 - Website
- Company demographics
 - Organisation type

[PRINT](#)

By clicking 'Submit' you understand and accept that if your report does not include the missing information highlighted above then it may not be possible for the police to take any further action on your report.

SUBMIT

Whilst important, these fields are not mandatory.
If the information is not available, you can still submit the report.

5.2 Person Reporting

This section will be pre-populated with the data from your dashboard profile.
If you need to change any of the pre-filled information, navigate to the dashboard profile section by clicking the **'MY PROFILE'** link.

REPORT FRAUD CALL US 0300 123 2040 CYMRAEG ENGLISH MY ACCOUNT

Pre-populated fields are taken from your account settings and can only be updated within "My profile"

PERSON REPORTING

[MY PROFILE](#)

Your Report

- Select the fraud type
 - Cheque, plastic card and online bank accounts (not PSP)
- What information can you provide?
 - Crime Report
 - PERSON REPORTING**
 - BUSINESS VICTIM
 - FRAUD DETAILS
 - SUSPECT INDIVIDUAL
 - SUSPECT COMPANY
 - PAYMENT
 - ADDITIONAL DETAILS

SAVE AS DRAFT

Personal Details

Organisation title: Fraud Manager

Title: Mr

First name: John

Middle name:

Last name: Smith

Date of birth: 12 November 1974

Contact details

Email: expertuser@example.com

Phone number: +44 777123456

Landline: +44 ext.

5.3 Business Victim

This section is to provide details of the organisation you are reporting for.

The Company Name and Registration Number fields will be pre-filled with the organisation details you registered with. It is not possible to change this information.

BUSINESS VICTIM

SELECT ALL

Company details

Company name (required)

XYZ Limited

Registration number

XX123456

Example: AA885585

Company contact details

Website

http://www.companywebsite.com

Example: http://www.example.com

Company address

Country

England

Postcode

DT6 4HA

Example: N8 7AJ

FIND ADDRESS

Street / Address line 1

1 High Street

Address line 2

Address line 3

Address line 4

Locality

Town/City

Anytown

County

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING

BUSINESS VICTIM

FRAUD DETAILS

SUSPECT INDIVIDUAL

SUSPECT COMPANY

PAYMENT

ADDITIONAL DETAILS

SAVE AS DRAFT

Enter the company demographics and indicate if you would like the local victim support service to be notified of the crime

Company demographics

We want to understand the impact fraud and cyber-dependent crime is having on businesses of all sizes. We would also like to know how you heard about Action Fraud. This information is used anonymously for statistical purposes only.

Organisation type

Limited Company

Size

Business with 250 + employees

Sector

Financial And Insurance Activities

Turnover

Less than £35 Million

Would you like details of this crime passed to your local victim support service?

YES

NO

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING

BUSINESS VICTIM

FRAUD DETAILS

SUSPECT INDIVIDUAL

SUSPECT COMPANY

PAYMENT

ADDITIONAL DETAILS

5.5 Suspect – Individual

Enter details about an individual suspect in this section.

REPORT FRAUD CALL US 0300 123 2040
CYMRAEG ENGLISH MY ACCOUNT

SUSPECT INDIVIDUAL

Help us create the suspect's profile

About the suspect

Date of first contact 20 September 2017
Clear date

Contact details

Phone number +44 07111000000
Example: +44 2079460696

Landline +44 02030000000 ext
Example: +44 2079460696 1234

Email suspectemail@example.com
Example: john.doe@example.com

Facebook suspect_facebook

Twitter @suspect_twitter_account
Example: @example_account_on_twitter

LinkedIn uk.linkedin.com/in/suspectname

Skype suspect_skype_name

Personal details

Title Mr

First name Suspect

Middle name

Last name Individual

Alias BadPerson

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING

BUSINESS VICTIM

FRAUD DETAILS

SUSPECT INDIVIDUAL

SUSPECT COMPANY

PAYMENT

ADDITIONAL DETAILS

SAVE AS DRAFT

If you have an address for the suspect, select the type of address

Address

The Suspect...

...

... lives here
... trades from here
... is usually found here

Address

The Suspect...

Country

Postcode
Example: N8 7AJ

FIND ADDRESS

Street / Address line 1

Address line 2

Address line 3

Address line 4

Locality

Town/City

County

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

- PERSON REPORTING
- BUSINESS VICTIM
- FRAUD DETAILS
- SUSPECT INDIVIDUAL**
- SUSPECT COMPANY
- PAYMENT
- ADDITIONAL DETAILS

SAVE AS DRAFT

Enter any details about the suspect appearance and vehicle, if known

Appearance

Have you met the person (suspect) face to face? ☒ YES ☐ NO

Ethnic appearance

Gender

Hair colour

Age

Height

Vehicle

Do you know anything about the suspect vehicle? ☒ YES ☐ NO

Numberplate
Example: EBZ 5155

Year of Manufacture

Brand

Model

Colour

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

- PERSON REPORTING
- BUSINESS VICTIM
- FRAUD DETAILS
- SUSPECT INDIVIDUAL**
- SUSPECT COMPANY
- PAYMENT
- ADDITIONAL DETAILS

SAVE AS DRAFT

Click **ADD THIS ENTITY** when all available information about the suspect has been entered.

To change or add any information, click **EDIT**

To add another suspect, repeat the previous steps. There is no limit to the number of suspects that can be added.

5.6 Suspect – Company

Enter details about a suspect company in this section

Click **'ADD THIS ENTITY'** when all available information about the suspect company has been entered

Company contact details

Phone number
Example: +44 2079460696

Landline
Example: +44 2079460696 1234

Email
Example: john.doe@example.com

Website
Example: http://www.example.com

ADD THIS ENTITY

Your Report

1. Select the fraud type
 Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING
 BUSINESS VICTIM
 FRAUD DETAILS
 SUSPECT INDIVIDUAL
SUSPECT COMPANY
 PAYMENT
 ADDITIONAL DETAILS

To change or add any information click **EDIT**

REPORT FRAUD CALL US 0300 123 2040 CYMRAEG ENGLISH MY ACCOUNT

SUSPECT COMPANY

Suspect company 1 **EDIT**

Help us create the suspect's profile

About the suspect

Date of first contact
Clear date

Your Report

1. Select the fraud type
 Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING
 BUSINESS VICTIM
 FRAUD DETAILS
 SUSPECT INDIVIDUAL
SUSPECT COMPANY

To add another suspect company, repeat the previous steps. There is no limit to the number of suspects that can be added.

5.7 Payments

This section is to record details of any financial transactions or payments that the victim has made to the suspect. The data captured in this section will vary depending on the method of payment.

Firstly, select the method of payment from the dropdown list

PAYMENT

Help us collect the details of the payments you made

Payment

What method was used?

- Bank account
- Payment card
- Money transfer
- Cheque
- E-money (PayPal)
- E-money (PaySafe)
- Cash

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

- PERSON REPORTING
- BUSINESS VICTIM
- FRAUD DETAILS
- SUSPECT INDIVIDUAL
- SUSPECT COMPANY
- PAYMENT**
- ADDITIONAL DETAILS

Once the method of payment has been selected, the relevant fields for that method will display. The screenshot below shows the fields that will display when 'Payment card' is selected.

PAYMENT

Help us collect the details of the payments you made

Payment

What method was used? Payment card

Payment details

Date payment made 12 September 2017

Clear date

Currency Pound Sterling

Amount 1000

Converted £1000.00

Credit or Debit card

Card number 1111222233334444

ADD THIS ENTITY

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

- PERSON REPORTING
- BUSINESS VICTIM
- FRAUD DETAILS
- SUSPECT INDIVIDUAL
- SUSPECT COMPANY
- PAYMENT**
- ADDITIONAL DETAILS

SAVE AS DRAFT

Click **'ADD THIS ENTITY'** when all available information about the payment has been entered

To change or add any information, click **EDIT**

PAYMENT

Payment 1 **EDIT**

Help us collect the details of the payments you made

Payment

What method was used?

ADD THIS ENTITY

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING

BUSINESS VICTIM

FRAUD DETAILS

SUSPECT INDIVIDUAL

SUSPECT COMPANY

PAYMENT

ADDITIONAL DETAILS

To add another payment, repeat the previous steps. There is no limit to the number of payments that can be added.

5.8 Additional Details

Enter a brief summary to describe what happened.

Maximum length 2000 characters

ADDITIONAL DETAILS

Additional Details

Enter a brief description of the crime.

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

PERSON REPORTING

BUSINESS VICTIM

FRAUD DETAILS

SUSPECT INDIVIDUAL

SUSPECT COMPANY

PAYMENT

ADDITIONAL DETAILS

(vi) Save Report as Draft

If it is not possible to complete the report in one session, you can save your progress to complete later by clicking **'SAVE AS DRAFT'**

Report Fraud

Select the fraud type

The below selection box lists all the fraud and cyber crimes you are able to report to Action Fraud, as set out in the Home Office Counting Rules. Select or type the fraud type below and carefully read the description of the chosen fraud type, which appears below the selection box.

Fraud Type:

Cheque, plastic card and online bank accounts (not PSP)

Cheque, plastic card and online bank accounts (not PSP)

This fraud occurs when there is fraudulent use of a cheque, plastic card or online bank account. This does not include companies that take money from payment cards or enable electronic money transfer.

Report Type:

☐ Information Report ☒ Crime Report

[NEW REPORT](#) [RESET TEMPLATE](#) [PRINT](#) [SAVE AS DRAFT](#)

Your Report

1. Select the fraud type

Cheque, plastic card and online bank accounts (not PSP)

2. What information can you provide?

Crime Report

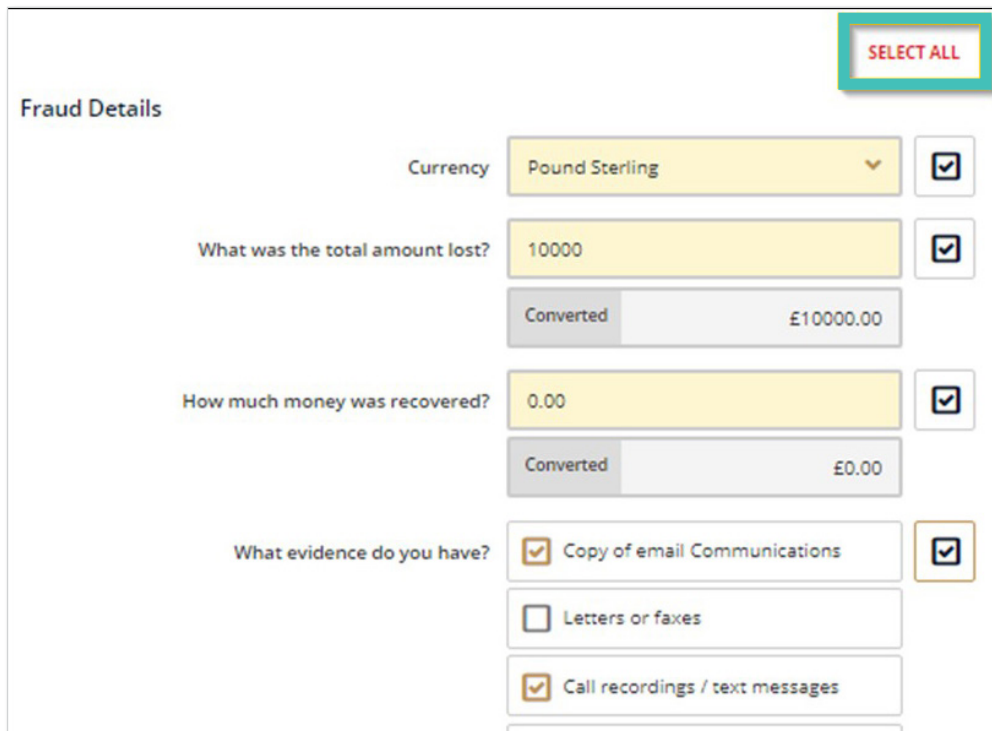
- PERSON REPORTING
- BUSINESS VICTIM
- FRAUD DETAILS
- SUSPECT INDIVIDUAL
- SUSPECT COMPANY
- PAYMENT
- ADDITIONAL DETAILS

Once a report has been saved as a draft, it can be accessed from the Action Fraud dashboard. [See Section 9: View/Edit Reports](#)

(vii) Copy Data to a New Report

When submitting multiple reports, it is possible copy the data entered to the next new report. This functionality is available when submitting of the same crime type within the same login session.

To copy data, Check the box next to any field or click **SELECT ALL** to copy all fields within a section



Fraud Details

SELECT ALL

Currency: Pound Sterling ☒

What was the total amount lost? 10000 ☒
 Converted £10000.00

How much money was recovered? 0.00 ☒
 Converted £0.00

What evidence do you have? ☒ Copy of email Communications ☒
☐ Letters or faxes
☒ Call recordings / text messages

To copy a suspect or a payment, select the Checkbox:



SUSPECT INDIVIDUAL

 Suspect individual 1 **EDIT** ☒

When the report is submitted, you can choose to start a new report already populated with the copied data.

(viii) Submit Report

When the report is completed with all available information, click SUBMIT

By clicking 'Submit' you understand and accept that if your report does not include the missing information highlighted above then it may not be possible for the police to take any further action on your report.

SUBMIT

When the report is submitted, an NFRC Reference number will be generated.

You will also receive a confirmation of the report to your registered email.

REPORT FRAUD CALL US 0300 123 2040 CYMRAEG ENGLISH MY ACCOUNT

ActionFraud
National Fraud & Cyber Crime Reporting Centre
0300 123 2040

REPORTING TYPES OF FRAUD PREVENTION NEWSROOM ABOUT US

Report complete

Your report has been submitted.
You will receive a confirmation to your registered email.

Crime reference number:
NFRC170900012341

You may continue to create new report.

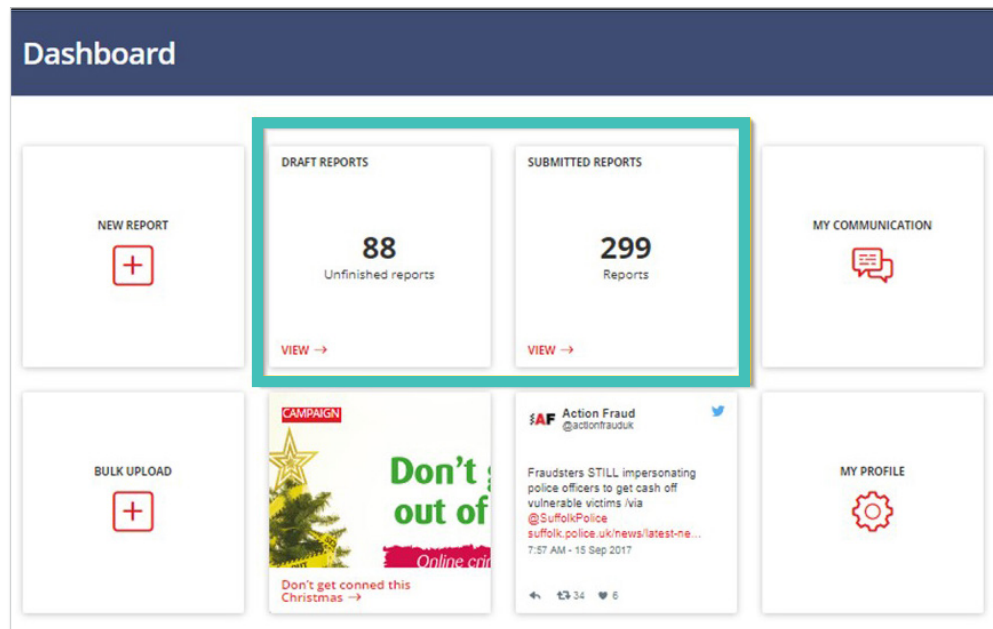
NEW REPORT **NEW REPORT WITH DATA** [GO TO DASHBOARD](#)

If you have selected data that you want to copy to the next report, click

NEW REPORT WITH DATA

(ix) View/Edit Reports

All draft and submitted reports are available to view and edit from the Action Fraud Dashboard.



Selecting either the **DRAFT** or **SUBMITTED** reports tile will open the list of reports. Use the buttons at the top to toggle between the list of draft or submitted reports.

MY REPORTS

MY COMMUNICATION

MY UPLOADS

MY PROFILE

OVERVIEW

My Reports

Submitted

Drafts

Search by case number

Case number	Type of Fraud	Status	Date reported	Date modified	Job name
NFRC171000017036	Passport application fraud	In progress	2017-10-24 16:06	2017-10-24 18:36	
NFRC171000017004	False accounting	In progress	2017-10-20 21:27	2017-10-24 18:35	
NFRC171000016983	Passport application fraud	In progress	2017-10-20 15:48	2017-10-20 15:55	
NFRC171000016966	False accounting	Created	2017-10-18 21:39	2017-10-19 21:36	
NFRC20171000016965	False accounting	In progress	2017-10-18 20:57	2017-10-18 20:57	
NFRC20171000016964	False accounting	In progress	2017-10-18 20:51	2017-10-18 20:51	
NFRC20171000016963	False accounting	In progress	2017-10-18 20:43	2017-10-18 20:43	
NFRC171000016956	Passport application fraud	In progress	2017-10-17 11:45	2017-10-17 11:45	
NFRC171000016955	Passport application fraud	In progress	2017-10-17 11:40	2017-10-17 11:40	
NFRC171000016952	False accounting	In progress	2017-10-16 23:56	2017-10-16 23:56	

« 1 2 3 4 5 6 7 ... 228 »

10 25 50 100

To search for a report, enter the NFRC Reference in the search box, and click on the report to open it

MY REPORTS MY COMMUNICATION MY UPLOADS MY PROFILE OVERVIEW

My Reports

Submitted Drafts

NFRC171000016966

Showing filtered results for "NFRC171000016966"

Case number	Type of Fraud	Status	Date reported	Date modified	Job name
NFRC171000016966	False accounting	Created	2017-10-18 21:39	2017-10-19 21:36	

10 25 50 100

This will expand to display a general overview of the report details. To view, edit or print the report, click the relevant button on this screen

MY REPORTS MY COMMUNICATION MY UPLOADS MY PROFILE OVERVIEW

My Reports

Submitted Drafts

NFRC171000016966

Showing filtered results for "NFRC171000016966"

Case number	Type of Fraud	Status	Date reported	Date modified	Job name
NFRC171000016966	False accounting	Created	2017-10-18 21:39	2017-10-19 21:36	

Status description: Your Crime has been recorded.

Report Type: Crime Report

Submitter: Darren d Jones

Suspect: Daft S Punk

Suspect company: suspect business name

Money lost: £75

REPORT HISTORY

Fulfillment Email: 2017-10-19 21:36

Action Fraud Report Update

Attachment: confirmation.pdf

VIEW REPORT EDIT REPORT PRINT REPORT

10 25 50 100

10. Track Report Status

You will be kept informed on the progress of the report. If the status of the report is updated, you will receive an email to your registered email address.

You can also track report status and view update communications from the Report History section



My Reports

Submitted
Drafts

NFRC170900008073

Case number :	Type of Fraud :	Status :	Date reported :	Date modified :	Job name :
NFRC170900008073	Rental fraud	Review	2017-09-14 14:45	2017-09-14 15:21	
Status description	You Crime is within a case which is currently under review, we may need to make enquiries with third parties. We will inform you of the outcome of as soon as possible.				
Report Type	Crime Report				
Submitter	Test CNX Busexpert				
Suspect	Angela Suspect				
Suspect company	No available data				
Money lost	£6000				

REPORT HISTORY

Fulfillment Email 2017-09-14 15:21	ACTION FRAUD REPORT CONFIRMATION
Attachment	 confirmation_jp.pdf
Fulfillment Email 2017-09-14 14:47	ACTION FRAUD REPORT CONFIRMATION
Attachment	 confirmation.pdf

[VIEW REPORT](#)
[EDIT REPORT](#)
[PRINT REPORT](#)

09

RESOURCE EIGHT:

Example Case Studies

Please note that the case studies are included to illustrate examples of concerns which can be identified when transfer requests are received and the decisions which trustees, administrators and providers can be asked to consider. The Code makes no judgment in terms of the appropriateness of the decisions made in these case studies.



Case study 1

The following is an example of a pension transfer request received by a leading pension provider. The provider, customer name, receiving scheme, trustee and administrator details have all been anonymised to protect the identities of the individuals concerned and to ensure full compliance with Data Protection obligations but all other information is factual. The case illustrates the challenges which trustees and administrators have when determining whether or not to make the transfer payment.

Summary of transfer request

- The transferring scheme is a Flexible Pension Plan with a leading pension provider.
- The customer, Mrs A, is 76 years old.
- The value of the plan is in excess of £125,000.
- The proposed transfer is to a Small Self-Administered Scheme (SSAS).
- The principal employer, XYZ Ltd, does not appear to be actively trading and does not have a valid website address.
- They (XYZ Ltd) are the Trustees and administrators of the SSAS.
- The scheme is registered with HMRC.
- Mrs A is a Director of XYZ Ltd but, from

Companies House records, there are over 60 directors and Mrs A is not a signatory to the Trustee (XYZ Ltd) bank account.

- The company address provided is a residential address at which in excess of 30 other companies are registered.
- The previous registered address of XYZ Ltd was also the registered address of some 1,900 companies.
- Although a new adviser was appointed to the plan in 2015, Mrs A has not taken FCA regulated financial advice regarding the transfer.
- Mrs A and her husband have however said that they have spoken to Pension Wise (as of 1 January 2019, Pension Wise is delivered by the Money and Pensions Service but both will be rebranded as MoneyHelper from June 2021⁸).
- The rationale for the transfer is that Mrs A's son completed a similar transfer around one year previously.
- Mrs A's son found out about the scheme from a friend and has transferred his pension plan (which was not with the same provider) to the scheme.
- The customer's husband made the initial contact with Mr B of the Trustees of the scheme. Initially this was ABC Trustees Ltd but ABC Trustees Ltd were subsequently replaced as Trustees by XYZ Ltd. Mr B is a Director of both XYZ Ltd and ABC Trustees Ltd.
- Mr B is referred to in a previous and separate class action as having advised an individual to transfer to a scheme which was subsequently linked to pension scamming.
- Mrs A does not know how her transfer will be invested but "her husband is an accountant" and Mrs A has stated that "they are happy with their decision".

⁸<https://maps.org.uk/moneyhelper/?cn-reloaded=1>

- The charges are 1.55% set fee plus 0.55% per annum payable to XYZ Ltd. These are higher than the charges on the current plan.
- Evidence of regular earnings have been provided through a P60 and salary slips but not with the scheme employer (XYZ Ltd). As referenced in the Hughes v Royal London High Court judgment, a statutory right to transfer exists as there is no requirement that earnings must relate to the scheme employer.

Key concerns

1. The proposed transfer of benefits for someone of that age is a fundamental concern. The payment of benefits rather than the transferring of benefits would appear to be a more natural course of action to be requested.
2. Mrs A is proposing to transfer to a pension with higher charges.
3. There is no evidence of regulated financial advice having been provided.
4. It does not appear that Mrs A is in full control of the decision to request the transfer of her benefits.
5. The investments are entirely unclear and may well be unregulated, limiting any investor protection she will have.
6. The absence of any apparent trading activity from the scheme employer suggesting it has been established purely for collecting pension assets.

7. Mr B's previous links to pension scamming activity.
8. The scheme employer appears to be operating from a "virtual" address both now and previously.
9. The fact that Mrs A is not a signatory to the Trustee (XYZ Ltd) bank account highlights concerns on both the control and release of the funds.
10. Given Mrs A's age, the potential vulnerability of the customer is of concern.

Decision

- In view of the concerns of a potential scam and following the key concerns outlined, the provider decided not to proceed with the transfer despite the fact that a statutory right to transfer existed and accepted the risk of not making the transfer.

Actions taken

- The provider wrote to Mrs A outlining their decision not to transfer and the rationale for this decision.
- In addition, the provider wrote to The Pensions Regulator to inform them of the decision.
- The case was also reported to Action Fraud.



Case study 2

Many commentators cite the requirement for IFA advice on any transfer over £30,000 acts as a safeguard against pension scams. However, we have seen that bogus IFAs are a significant part of the problem. Such a case is set out below:

The case below is a first-hand experience of a member wishing to transfer out of a DB scheme. The destination scheme was discovered to be a pension scam and hence we were able to prevent the scam from taking place, protecting the member's savings of nearly £60,000.

The administration team received a completed set of paperwork from Mr N requesting that his savings be transferred out of the pension fund. A member of the administration team reviewed all of the paperwork in line with best practice and did not detect any signs of scam activity. In particular, as the transfer value was in excess of £30,000, evidence that Mr N had taken IFA advice was required, and this was duly included. The IFA paperwork had been signed by a registered IFA who appeared on the FCA's authorised list.

The case was then passed to a specialist team to discuss the transfer with the member. A short telephone call with Mr N was arranged and a series of simple questions were asked about the transfer circumstances. This call identified several key pieces of information about the transfer which led to confirmation that this was a pension scam:

1. When asked about the IFA, the member gave a different name to the IFA on the completed paperwork previously sent in. In fact this 'adviser' worked for a completely different company and the member had never heard of the IFA on the paperwork.
2. The member also confirmed that he had initially been approached by an "introducer" and forms had been completed for him by the introducer and the 'adviser'.

These two pieces of information immediately raised a "red flag" against the case and so the case was referred back to the administration team.

Armed with this additional information the administration team were able to find out that the 'adviser' who had actually given Mr N the advice was not authorised by the FCA to provide such advice, and hence by providing that advice had committed a criminal act.

Our compliance team made scam reports to the FCA and the NCA. From contact with the Police, we discovered that:

- The unauthorised 'adviser' had actually been arrested, along with all the members of the firm that he was working for.
- The original (FCA authorised) IFA who signed the paperwork was also under investigation. As the police investigation was still ongoing, his approval status had remained as authorised on the FCA website. He has since been added to our internal watch list as being linked to scam related activity.
- The introducer had also been arrested as part of the same investigation.
- The receiving scheme has been added to an internal 'watch list' as being connected to scam activity.

This case highlights the value of talking to members directly. Paper-based due diligence would not have revealed the discrepancy and the transfer would have proceeded. The member could have lost their entire pensions savings and potentially the transferring pension scheme could have faced a tax charge of up to 40% of the value of the transfer in respect of what would have turned out to be an unauthorised payment.

(With thanks to XPS Pensions Group)



Case study 3

Successful prosecution of scammers. Four people who ran a series of scam pension schemes have been ordered to pay back £13.7 million they took from their victims.

David Austin, Susan Dalton, Alan Barratt and Julian Hanson squandered the money after 245 members of the public were persuaded via cold-calling and similar techniques to transfer their pension savings into one of 11 scam schemes operated by Friendly Pensions Limited (FPL). Victims were told that if they transferred their pension pots to the schemes they would receive a tax-free payment commonly described as a “commission rebate” from investments made by the pension scheme – a form of pension scam. On 23 January the High Court ruled that Austin, Dalton, Barratt and Hanson should repay millions of pounds they took from the schemes over a two-year period.

How the scam worked

Between November 2012 and September 2014, 245 victims were cold-called or lured by a series of scam websites and persuaded to transfer their pension funds into one of 11 scam schemes. The victims were told their pensions would be reinvested and they would be paid an upfront cash lump sum for making the transfer. They were also lied to that their funds would be put into assets, bonds and HMRC-compliant investments to meet the target return of 5% growth a year.

False documents were used to trick staff at the ceding schemes – the schemes where the victims had their pensions – into believing that the pension holders worked for companies linked to the scam schemes. This meant the staff were persuaded to allow £13.7 million of funds to be transferred to the scam schemes.

David Austin installed Alan Barratt, Susan Dalton and Julian Hanson as the trustees for the scam schemes and they were then paid to act on his instructions, allowing the scheme monies to be used at Austin’s will. Mr Barratt and Mr Dalton also acted as salesmen for Mr Austin’s Spain-based business, Select Pension Investments, persuading victims to transfer their pension pots into the schemes. A small proportion of the funds – between 10% and 25% of the amounts transferred

– were given back to the victims as their “rebate”, although many victims were assured that this payment was coming from the investment provider not out of their pension pots. More than £1 million was paid to “introducers” or “agents” who used cold-calling to encourage pension members to transfer over their funds.

More than £10.3 million was transferred to businesses owned or controlled by Mr Austin, including the current accounts of Friendly Pensions Limited and Friendly Investments Company Ltd. Mr Austin, a former bankrupt who had no experience of running an investment company, even used the bank accounts of his dead father-in-law and his elderly mother-in-law to move around hundreds of thousands of pounds. Mr Barratt was paid £382,208, Ms Dalton more than £168,000 and Mr Hanson £7,000. Mr Hanson’s scheme had become active only weeks before the scam was stopped. The High Court found that on the available evidence, Mr Austin and his family had derived at least £1.355 million of benefit from the scam.

Just £3.2 million of the funds was invested. Among the investments were £2 million in an off-plan hotel development in St Lucia called Freedom Bay and an unregulated commercial property bond. £120,000 went to a company registered to Mr Austin’s daughter, Camilla Austin, to fund her father’s legal costs in a separate case.

A whistle-blower contacted TPR about the scam in November 2014. TPR then appointed Dalriada as an Independent Trustee to take over the running of the schemes from Mr Barratt, Ms Dalton and Mr Hanson, to prevent further funds from being taken out of the schemes by the scammers.

Example A: The refusal of one man’s pension provider to agree to a transfer saved him from losing more than £50,000 to the scam. Donald was cold-called by Susan Dalton in February 2013 and told that if he transferred his pensions from two companies to her scheme he would get a guaranteed return of at least 5% a year, plus a 10% cash lump sum upfront.

But while one of his pension providers agreed to the transfer of his £17,000 pot, the other refused to transfer his £58,000 pot. Instead, ReAssure rejected a series of letters from companies linked to the scammers, saying it was not satisfied that the

receiving scheme was a valid one. Eventually, the scammers gave up trying to persuade ReAssure to make the transfer.

When he reached 55 in 2015, Donald contacted Susan Dalton to ask to draw down 25% of his pension. But she claimed he had never transferred his pension and then ignored his calls and emails – prompting Donald to call Action Fraud.

Donald, from Hull, said: **“If ReAssure had allowed my pension to be transferred it would have been a disaster. I would have lost everything. I have had a very lucky escape.**

“My wife and I were council tenants, so Susan Dalton should have realised that we did not have lots of money and that our pensions were an important source of income to us. She totally misled me into transferring my pension and paid no regard for my financial well-being.

“She told me what I wanted to hear, and I believed it. Looking back now, everything was basically a lie or a betrayal. I was naive. I was conned by a professional con merchant.”

Example B: A man who had given up work to care for his seriously ill partner and their three children had almost £50,000 taken from his pension pot by the scammers

Colin, from South Wales, had become the full-time carer for his partner when he was approached via text message.

He was offered up to 10% of his pension as a cash lump sum which the agent promised would not come out of Colin’s fund. Instead he was told his pot would be invested in the construction of holiday complexes in St Lucia with good returns. He was tempted by the opportunity to spend some money on his children, redecorate their home and potentially go on holiday with the lump sum.

After hearing about pension scams in 2014, Colin tried to approach the scammers but could not get in touch with them. Dalriada, the Independent Trustee appointed by TPR, later broke the news to him that he had fallen victim to a scam.

Colin, 48, said: **“I should have known that it was too good to be true. I should have sought advice and asked more questions, but I didn’t.**

“I had contributed towards my £50,000 pension pot, for which I had worked really hard, and now that has been taken from me.

“The loss of my pension will have a massive impact on my life. When my children finish school, I will be around retirement age. There will be no money to draw down when I turn 55 and no pension savings for later life.

“I was greedy. I feel stupid for throwing away my financial future for £4,200.”

Example C: A couple lost both of their pensions after falling into the clutches of Alan Barratt John and Samantha, from Hereford, were persuaded in 2013 that if they transferred their funds to Barratt’s pension scheme they would get better returns on their investments.

Their pension provider warned them that they believed the transfer could be pension liberation fraud, but Barratt convinced them to carry on, saying they would get a lump sum as commission for transferring their funds.

The couple then transferred a total of more than £78,000 – receiving £11,800 as their “commission”. But while they had been assured the funds would be invested in low-risk investments, they were sent details of a truffle trees firm in the West Country. The couple were so concerned they contacted police. HMRC later contacted the couple to tell them the “commission” had come out of their pension – and handed them a tax bill of thousands of pounds.

John, 46, said: **“As a result of my dealings with Alan Barratt my final salary pension is in a scheme that I don’t understand the status of but which I have been told is a scam.**

“As far as I know, the majority of my pension fund is invested in truffle trees, but I doubt whether that is legitimate. My partner appears to have lost her pension too.

“I deeply regret ever listening to Mr Barratt.”

(With thanks to The Pensions Regulator)



Case study 4

The following is an example of an “international SIPP” pension transfer request received by a leading pension provider. Details of all parties have all been anonymised to protect the identities of the individuals concerned. The case illustrates the complexity and the challenges which providers, trustees and administrators face when determining whether or not to make a transfer payment where there is a statutory right to transfer.

Summary of transfer request

- The transferring scheme was a personal pension plan.
- The member (Mr A) was 50 years old and resident in the UK.
- The value of the plan was just over £6,500, although the member stated that he wished to consolidate five pension plans, with a combined value of £22,000.
- The proposed transfer was to an international Self Invested Personal Pension (SIPP) plan provided in the UK by an FCA regulated SIPP operator (referred to as “Blue” in the study).
- There was an overseas investment aspect.

Key concerns

The member was called “out of the blue” by Red Wealth Management, an Appointed Representative of the Yellow Partnership LLP (which was FCA regulated). Despite the connection to Red, Yellow did not feature at all in the transfer. Red, the introducer, informed Mr A that they were “too busy” to complete the pension review (despite having cold called him) and passed him off to another firm, Green Financial Services. The connection between the two firms was unclear.

Green Financial Services was regulated by the FCA, but the member had neither met nor spoken to an adviser at Green. He may have spoken to an administrator there. He had never heard of the adviser who was named on the membership certificate for the SIPP provider (Blue). Mr A believed that Red Wealth Management and Green Financial Services Limited were both FCA regulated.

The provider obtained Red Wealth Management’s registered address from Companies House and the FCA Register). However, in a Letter of Authority signed by Mr A, Red’s address was different. Throughout the transfer process, a number of different addresses emerged, raising further concerns.

The provider could not find any internet presence for Green, other than a static web page and a Facebook page advertising ‘free pension reviews’ and a ‘free lost pensions tracking service’, together with pet insurance and mortgage advice.

The member was unclear on what the investments would be, but he thought that advice on the investments may have come from the SIPP provider (Blue). (Blue was not authorised to give investment advice.) The proposed investments appeared to be unregulated and offshore through SLO Management, based in Slovenia. Mr A had no overseas connection. This overseas connection was of concern to the provider, as overseas investments are generally not regulated by the FCA or covered by the FSCS.

From the transfer documentation provided, the investments appeared to involve investing 25% of the fund into a “fixed income” fund paying a guaranteed 7% per annum. The remaining 75% of the fund was to be invested in a “flexible fund platform” where fees of 1.3% per month would be charged. The member was effectively locked into this fund platform for a period of 10 years, owing to an early exit penalty charge (initially 8% of the fund value). Mr A was also unclear about the fees being charged.

Decision

In this case, although the member had a statutory right to a Cash Equivalent Transfer Value, such were the number and significance of the concerns identified during the due diligence process, that the provider took the decision not to process the transfer request and to advise the member of the reasons for the refusal.



Case study 5

The following is an example of a transfer request to an “international SIPP” pension transfer request from an offshore personal pension plan. The case is included for interest and to help with non-UK residents and non-UK advisers. Details of all parties have all been anonymised to protect the identities of the individuals concerned. The case illustrates the challenges which trustees and administrators have when determining whether or not to make a transfer payment.

Summary of transfer request

- The existing pension provider is referred to as “ABC” in the study.
- The transferring scheme was an offshore approved personal pension plan.
- The member (Mrs B) was 48 years old and resident in the UAE.
- The value of the plan was over £100,000.
- The proposed transfer was to an international Self Invested Personal Pension (SIPP) plan provided in the UK by an FCA regulated SIPP operator (referred to as “XYZ” in the study).

Key concerns

The existing provider, ABC, was contacted by Mrs B’s adviser, 123 Limited (123), based in Cyprus, requesting transfer out documentation and providing authority to act for Mrs B. ABC contacted Mrs B to confirm that 123 had her authority to act in this regard.

The transfer paperwork stated that the reason for transfer was the new plan was more cost effective. No copy advice was received from 123 detailing their position to Mrs B.

ABC contacted 123 to say that it would require a copy of their advice to Mrs B as part of their standard processes to consider a transfer. Subsequently, 123 contacted ABC by telephone requesting that, if ABC would not progress the transfer request without a copy of their advice to Mrs B, ABC should provide 123 with an advice letter template. This was refused and Mrs B was copied in.

The proposed receiving plan XYZ, contacted ABC again providing the signed transfer request paperwork asking that the transfer proceed without further delay. ABC informed them of the missing documentation, in particular the copy advice letter from 123 to Mrs B. Mrs B was copied in. XYZ confirmed they were aware the advice letter was outstanding. XYZ also emailed ABC asking for a template advice letter. Again the template was refused.

Investigations into 123 using web-based data did not provide clear evidence that 123 were regulated to provide pension transfer advice. Subsequent further investigations and calls with the local regulator provided that 123 was not licensed to provide advice on pension transfer business.

Mrs B was contacted by phone by ABC initially to ensure that 123 were authorised to act on her behalf and additionally to confirm her desire to transfer out of ABC. She was copied into exchanges with 123 and XYZ. She was frustrated by the delays in the transfer and felt the requirement by ABC to see an/the advice letter to her from 123 unacceptable. She formally complained to ABC about the delays in the transfer.

The provider considered Mrs B to be vulnerable, owing to her failure to have concerns that 123 were not regulated to provide advice on pension transfers and were not providing a copy of their advice.

Decision

ABC declined the transfer, acting on the best interests of the member, on the grounds the adviser was not regulated to provide pension transfer advice and failed to provide an advice letter which was required as part of ABC’s standard processes dealing with transfer requests.

