

Focusing on the priorities

➤ **With work ongoing to tackle issues around both pension transfer scams and clone firm investment scams, and a number of recommendations identified by the recent WPC inquiry, *Pensions Age* asks: What one initiative do you think should be prioritised in the fight to combat pension scams?**



“This is very difficult as we need a number of solutions working together and most of those have been set out in the Work and Pensions Committee’s recent report. If I were to choose only one, assuming that no others are brought into play, I would opt for prioritising the development of a cross-industry scams intelligence database.

“If we need to fight scammers, we need to know who they are and how they operate. In the industry, we have to use our own best efforts to identify scammers, but it is difficult for us to share that learning with our colleagues in other schemes or firms. There are lots of reasons why, including confidentiality, but our concerns are hampering our ability to stop scams.

“A properly governed intelligence database could be used to check out those involved in promoting a transfer and to input findings for others to build on. Such intelligence would save time and effort and reduce the cost of due diligence and could also be shared with regulators and enforcement.

“PSIG is committed to creating such

a database, and have already set out our initial requirements, but we are looking for help, either financial, so we can do it ourselves, or by working with central resources to create a joint database.”

PSIG chair, Margaret Snowden

“Given the vast majority of fraud now originate online – either via search engines or on social media – including financial scams in the Online Harms Bill would be a huge step in the right direction. Online platforms like Facebook and Google are currently making money by hosting scam adverts. This cannot be right, and if the bill can force these firms to take greater responsibility for the content they host that would go a long way to ensuring fewer people fall victim to fraud.”

AJ Bell senior analyst, Tom Selby

“We need targeted education to improve awareness of scams. A recent TV advert showed a couple crying while a man on water skis lived the high life on their retirement savings. This is a start, but it’s not enough.

“When we respond to a transfer value request, we should include an education pack with true stories, videos and a list of tell-tale signs, all in clear language. The member would confirm they’ve read the materials and understand the risks before the transfer goes ahead. The industry must drive the message home that if something looks too good to be true, it very probably is.”

First Actuarial head of pensions administration, Robert Wakefield

“The fact is that many pension ‘scams’ are not illegal. They are simply inappropriate investments that are not regulated by the Financial Conduct Authority (FCA), but the pension providers or wrappers are. Currently we seem to be focused on trying to educate normal savers about a landscape far too complex for some in the pensions industry to understand.

“Even the most savvy saver who can navigate the FCA register, is at risk if that same regulated adviser or provider is allowed to sell them highly complex, unsuitable and unregulated products. This approach is doomed to failure from the outset.

“The only possible way to stop pension scams is to ensure that FCA-regulated providers can only offer FCA-regulated investment products.”

PensionBee chief engagement officer, Clare Reilly

“There is no single silver bullet but there is no doubt action is most effective while a member is still in their pension scheme. It is important trustees talk to members leaving as unfortunately it is too easy for scammers to tick all the right boxes on paperwork. We’d also like to see barriers removed to make it easier to support members including changes to tax rules to allow free to member independent advice; guidance on signposting members to safe haven receiving vehicles; and clarity on providing online modellers.”

XPS Member Engagement Hub client lead, Helen Cavanagh