

New measures to protect pension savers from scam transfers

The new regulations, which come into force on Tuesday 30 November, will mean suspicious transfers can be stopped from ending up in the hands of a fraudster, as pension trustees and scheme managers get new powers to intervene.

Minister for Pensions Guy Opperman said:

We are tackling the scourge of pension scams in practical terms to safeguard pensioners' hard-earned savings.

These measures will provide better protection for savers.

Fraudsters frequently offer "too good to be true" incentives such as free pension reviews, early access to pension cash, or other time-limited offers. Lured in by these bogus offers, targets are then tricked into transferring their savings into a scam scheme and defrauded out of their savings.

Where there are tell-tale signs of fraud or methods frequently used by scammers, trustees and scheme managers will be able to prevent a transfer request – giving it a "red flag".

In other circumstances where fraud is suspected, an "amber flag" will pause a transfer until the scheme member can prove they have taken scam specific guidance from the Money and Pensions Service (MaPS).

The Government is working closely with regulators, the Pension Scams Industry Group (PSIG) and enforcement agencies to protect pensioners and raise awareness of the dangers presented by unscrupulous fraudsters.

Helen Morrissey, Senior Pensions and Retirement Analyst at Hargreaves Lansdown:

Scammers rob people of their hard-earned retirement savings and for too long schemes have been powerless to stop them. These measures are a welcome step forward in protecting scheme members by giving schemes the power to stop transfers or refer members for guidance if they have any suspicions.

Anthony Arter, Pensions Ombudsman, said:

Having witnessed the real damage that pension scams can inflict on an individual's retirement I welcome the new transfer regulations which look to make transfers safer. I am optimistic that over time

statutory clarity regarding the level of due diligence expected of trustees and additional information and guidance to be given where appropriate to those planning to transfer, will help combat pension scams, and also reduce the number of transfer complaints to The Pensions Ombudsman.

Complaints received after the regulations come into effect, will be investigated within the framework of those regulations (and industry guidance) on a case by case basis, having regard to the facts and evidence in each case.

The government has committed to reviewing the new regulations within 18 months to ensure they remain as effective as possible in targeting the evolving methods used by scammers.

In May 2021 the DWP launched the consultation “Pension Scams: Empowering Trustees and Protecting Members”. The [consultation response](#) can be found on GOV UK

Media enquiries for this press release – 0115 965 8781

Follow DWP on: