

News story: Tough new measures to protect savers from pension scams

The government has today (20 August 2017) confirmed new measures to protect private pension savers from the threat of unscrupulous pension scammers.

The measures will include:

- a ban on cold calling in relation to pensions, including emails and text messages
- a tightening of HMRC rules to stop scammers opening fraudulent pension schemes
- tougher actions to help prevent the transfer of money from occupational pension schemes into fraudulent ones

The cold calling ban will be enforced by the Information Commissioner's Office (ICO).

The government is also tackling scammers by ensuring that only active companies, which produce regular, up-to-date accounts, can register pension schemes. Limiting transfers of pension pots from one occupational scheme to another will mean trustees must check their receiving scheme is regulated by the Financial Conduct Authority, or has an active employment link with the individual, or is an authorised master trust.

The announcement comes as new figures released today show almost £5 million was obtained by pension scammers in the first five months of 2017. It is estimated that £43 million has also been unlawfully obtained by scammers since April 2014, with those targeted having lost an average of nearly £15,000, as scammers try to encourage savers to part with their money with false promises of low-risk, high-return investment opportunities.

Minister for Pensions and Financial Inclusion Guy Opperman said:

Today's figures highlight the extent to which people's savings are being targeted and stolen through elaborate hoaxes – leaving them with little opportunity to build up their savings again. That is why we are introducing tough new measures for those who scam.

If people have saved for a private pension, we want to protect them. This is the biggest lifesaving that individuals normally make over many years of hard work. By tackling these scammers, people should know that cold calling, apart from exceptional circumstances, is banned.

Economic Secretary to the Treasury Stephen Barclay said:

It's utterly unacceptable that people who have worked all their lives to build up a pension pot should be subject to scams which may leave them out of pocket.

Pensions are often the most valuable asset a person has upon reaching retirement – and that's why we are determined to crack down on scammers and protect our hardworking savers.