

Scammed out of his retirement.

Don't be next.



Visit www.pension-scams.com

 **Pension wise**
Your money. Your choice.
Backed by HM Government

ActionFraud
National Fraud & Cyber Crime Reporting Centre

The PENSIONS
Advisory Service



Geoff's story

Tricked into being part of the scam

Bold text highlights typical hallmarks of a scam. These are based on real life experiences of scam victims.

Age: 56

Situation: Two company pensions that he's been paying into for 30 years altogether

Investment offer: overseas property developments

Geoff is looking forward to his retirement. Now he can access his pension more flexibly, he's been thinking about how to spend his money – he wants to help his daughter with a deposit for a flat, and is hoping he'll have a bit left to do up the house and maybe upgrade his car.

His friend mentions an investment opportunity he's bought into, where he got 30% of the value of his pension pot upfront, plus promises of good annual investment returns. Geoff's interested and agrees to have a chat with Chris, his friend's financial adviser. Chris explains that he just needs to sign a document saying he wants to transfer his pension into another scheme, and the money will then get **invested in a hotel** complex in an up-and-coming tourist region **overseas**.

Geoff has a read of the brochure Chris gives him and checks out the website, both of which **look very credible** – they've got government logos and mention the Financial Conduct Authority. He knows he has to **act quickly** as the offer expires in a couple of days so decides to go for it. You only live once.

Within a couple of hours, a **courier** comes round with some papers to sign. Geoff has a quick look through and notices that they say he is now a company director and trustee of his pension scheme. He's a bit confused by that but assumes it's probably all fine, and the courier's waiting, so he signs on the dotted line.

Geoff gets some of his **cash upfront** and spends it on home improvements. He wants to know when he can get the rest of the lump sum, so he tries to call Chris to find out. The line is disconnected, so he searches online and is unable to find any contact details for Chris or his firm.

After several more months of trying to locate Chris and the missing money, Geoff calls The Pensions Advisory Service for advice. It quickly becomes apparent that he has probably lost all his pension savings. By **signing the papers and becoming a company director**, he has also taken on new legal duties with Companies House and HMRC that he didn't know about. This leads to HMRC fining him for tax-related offences. Now Geoff can't help his daughter buy a flat, and he'll have to keep on working for far longer than he'd planned so he can pay back his fine. All his savings are gone.



Don't be next.

How not to be next

If you're thinking about how to invest your retirement savings, follow these ten steps to protect your pension



1. Be wary of cold calls and unsolicited texts or emails

Scammers will often claim they're from Pension Wise or other government-backed bodies. These organisations would never phone or text to offer a pension review.



2. Check everything for yourself

People have fallen for scams because they'd been 'recommended by a friend'. Do your homework, even if you consider yourself to be financially savvy – false confidence can lead to getting stung.



3. Make sure your adviser is on the Financial Conduct Authority (FCA) approved register

Pension scammers may pose as financial advisers. Check to make sure yours is FCA-registered at www.fca.org.uk/register.



4. Check the FCA's list of known scams

Visit www.fca.org.uk/scamsmart to see if the deal you're being offered is a known scam.



5. Steer clear of overseas investment 'deals'

Well-known scam types include unregulated investment in a hotel, vineyard or other overseas opportunity, and where your money is all in one place – and therefore more at risk.



6. Don't fall for 'guaranteed' returns or professional looking websites or brochures

You can never guarantee returns on an investment, and anyone can create a smart website or brochure these days. Question everything, however credible it sounds or looks.



7. Don't be rushed into a decision

Scammers will try to pressure you with 'time limited offers' or send a courier to your door to wait while you sign documents. Take your time to make all the checks you need – even if this means turning down an 'amazing' deal.



8. If you're aged 50 or over and have a DC (defined contribution) pension, talk to Pension Wise

Pension Wise is there to help you investigate your retirement options. Visit www.pensionwise.gov.uk for more information (and to check what kind of pension you have).



9. Ask The Pensions Advisory Service for help

You can call them on 0300 123 1047 or visit www.pensionsadvisoryservice.org.uk for free pensions advice and information.









10. Contact your provider and call Action Fraud if you think you've been scammed

If you've already signed something you're now unsure about, call Action Fraud on 0300 123 2040 and contact your pension provider immediately. They may be able to stop a transfer that hasn't taken place yet.

What can you do with your pension pot?

If you are over 55 years old you can now access your pension savings in new ways, giving you more options about how you fund your retirement years.

Under age 55	Age 55 or older
 You can't release or 'cash in' your pension (unless you are too ill to work)	 You can use your pension to buy a regular income for the rest of your life (an 'annuity')
 You can transfer your pension from one regulated scheme to another	 You can use your pension to provide a flexible retirement income ('drawdown')
	 You can take your pension as cash in stages
	 You can take the whole pot as cash in one go

There may be tax implications for how you access your savings. HMRC charges a tax penalty of at least 55% of an unauthorised withdrawal from your pension savings. Make sure you understand how you will be affected before you make a decision about how to use them.



People like you have lost their life savings after falling for a scam. Don't be next.

A cross-government initiative by:



Pension scams
Help for individuals

© The Pensions Regulator
March 2016



You can reproduce the text in this publication as long as you quote The Pensions Regulator's name and the title of the publication. Please contact us if you have any questions about this publication. We can produce it in Braille, large print or on audio tape. We can also produce it in other languages.

