

# XPS Express for Employers

Bringing you the latest pensions news for employers

## Scam protection – taking the Pensions Regulator’s pledge



### At a glance

The Pensions Regulator (TPR) has launched an initiative asking trustees, providers and administrators to pledge to take all possible actions to protect members from scams

The pledge sets out the minimum steps pension schemes can take to protect members from scams

For employers, since transfer options are often used as a risk and cost reduction measure, it is important to make sure they can be offered safely to members without the risk of scams

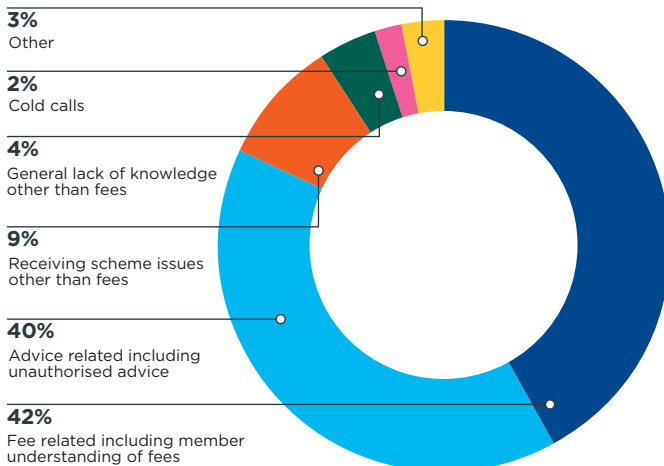
This not only minimises the risk of a member losing their savings but also reduces the risk of a scheme having to reinstate poorly advised members

There are a variety of ‘red flag’ warning signs that may be present and speaking directly to members who wish to transfer is the best way to pick up on these – the pledge recognises this



### What red flags are being seen?

Out of 45 warning signs that XPS look for, issues relating to fees and advice related concerns account for over 80% of red flags raised.

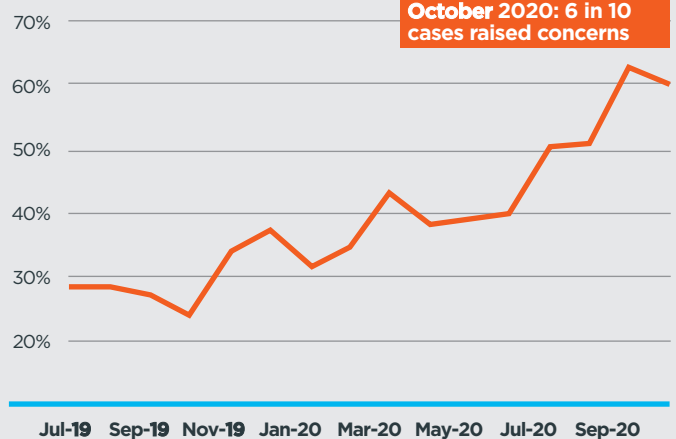


Source: XPS Member Engagement Hub, scam protection calls held in 2020



### Incidence of ‘red flags’ is increasing

Proportion of transfers covered by our protection service with at least one red flag



Source: XPS Member Engagement Hub



### Actions employers can take

1. Check whether your trustees have signed up to TPR’s pledge.
2. Make sure your scheme uses a scam protection service which involves speaking to members, rather than just a paper based approach.
3. Work through the XPS’ pledge checklist to help you review and improve the processes your trustees have in place to identify scams and engage with members, in order to be able to meet the pledge.



Our pledge to  
combat pension scams

XPS are proud to have  
committed to TPR’s pledge



# What we have learnt from our experience

In the 5 years our Scam Protection Services has been running we have been involved in 4,500 transfers representing £1 billion of pension pots. This allows us to track, analyse and respond to developments in scam activity.

## Case study

### Mrs B



**Mrs B lived overseas and was approached at her place of work<sup>1</sup> by someone who encouraged her to transfer her pension.**

**The paperwork appeared legitimate<sup>2</sup>.** However several red flags were identified by our Scam Protection Service. The **subsequent investigation<sup>3</sup>** found that the adviser who appeared on the FCA register was in fact working with unregulated introducers and cold callers overseas. The **adviser was then reported<sup>4</sup>** and had their permissions removed.

Once this was discussed with Mrs B she **decided not to transfer<sup>5</sup>**, preventing a 55% tax charge.



# 55%

Tax charge saving

### Key points

<sup>1</sup> <b>Approached at her place of work</b>	Similar to cold calling, an unsolicited approach is a warning sign of a potential pension scam.
<sup>2</sup> <b>Paperwork appeared legitimate</b>	It is only through speaking to members that some scam warning signs can be identified.
<sup>3</sup> <b>Subsequent investigation</b>	If a red flag is raised, it is investigated further by our team of experts.
<sup>4</sup> <b>Adviser reported</b>	XPS reports concerns to the appropriate authorities, which will help to protect others from being scammed in the future.
<sup>5</sup> <b>Decided not to transfer</b>	Speaking directly to members has a real impact, and sometimes causes them to rethink and change their own minds, saving them from a decision they later regret.

**XPS Scam Protection Service Checklist**  
Click [here](#)



For more information on our  
**XPS Scam Protection Service**  
Click [here](#)



**XPS Member Engagement Hub**  
Locating, communicating and protecting your members

**XPS LIVE**

[Register now](#)

## Event

**15 Dec 2020**  
3:00pm to 4:30pm

**Live Webcast**

**XPS Live | Let's Stand up for Members and Stamp out Pension Scams**

For further information, please get in touch with **Vicky Mullins** or **Helen Cavanagh** or speak to your usual XPS Pensions contact.



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