

THE
PENSIONS
ADVISORY SERVICE

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What we do

1. Free information and guidance to the public on pension matter

- Talk to pensions expert
- 80,000 customers (2013/14)
- Telephone, web chat, online, written
- 41 employees
- 400 volunteers
- Budget of £3.5m



2. Help by resolving disputes between the member and the pension scheme

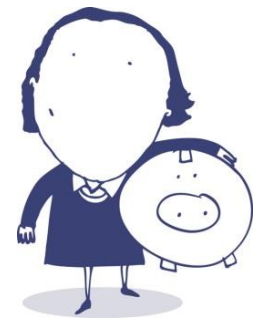
THE **PENSIONS** ADVISORY SERVICE

- Language
- Complexity
- Process
- Freedom & choice questions
- Scams



Language

- New e.g. with proportion
- Not intuitive e.g. 5 year guaranteed period
- First and only time
- Unnecessarily embarrassed
- Dealing with change



Language

I have an annuity and wondered if you could tell me if the new regulations allow me to do anything with it, I have tried asking the annuity provider but I got a lot of waffle in reply that sounded vaguely negative

Confused about how I get my company pension. According to Bluefin who hold the records, my retirement age was 60. So I thought I would just get my pension of however much they said forwarded to me from last October. Now they are asking if I would like an annuity?

What is really confusing the pension annuity comes with a "without overlap" stipulation and we have no idea what this actually means

“Apologies in advance if this is a stupid question - I have never fully understood pensions! However, I have had a couple of Personal Pensions running for some years – am I right that combining the calculated income from State Pension, work pension and personal pensions will tell me how much my pension will be?”

Complexity

- Legacy products
- Rules different to legislation
- Imagining future self

I had a works pension for 17yrs. In December 2012 I transferred it to a private scheme. I have regular statements and updates on my investment but I have no idea if my pension is doing well and whether I have done the right thing. I'm totally clueless when it comes to pensions. I've just received a new statement but I don't understand it. Would you be able to give me some help?

I have a Pension through X with £14,000 fund. The Budget said you can withdraw all of the money if it is a low amount. X said that I cannot as it is not that sort of pension. Can you help me?



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Complexity

Top 5 Complaints

- Entitlement
- Mistakes
- Decision making
- Overpayments
- Others!



Process

- Waiting 12 months, in their minds
- Expect access to “freedom & choice” in April 2015
- Could be a three-step process
- Could take some time
- Important checks to perform before

Take guidance and/or advice – a requirement of some product providers is that you will need to go through a regulated adviser or intermediary

Exit current plan/scheme – this may require you to prove ownership/entitlement, provide evidence of personal details and complete exit forms

Apply for new plan – this will almost certainly require forms completed and evidence of age and other money laundering requirements.

Freedom & choice questions

- Tax and marginal tax rate
- Scams or unregulated investments
- Cashing in pension fund
- Retirement options
- Transferring out of a defined benefit



Pension scams

For many, pension savings can offer financial security throughout retirement and for the rest of their lives. For others, a pension can help support career choices, pay off debt and provide for those who mean the most to us. Whichever way you decide to use yours, remember, your pension is a valuable asset that can help shape your financial future.

Like anything valuable, your pension can become the target for illegal activities, scams or inappropriate and high risk investments. Below we have identified the promises, processes and pressures, people face when dealing with pension scammers.

We've outlined just how dangerous these dealings are and the threat to your financial future. We've also provided our 5 top tips on how to keep your pension safe from scams. It's your financial future that's at stake, and we want you to be prepared, be confident and be aware of how to spot and avoid the scammers.



The Hook

- "Get a **free** pension review!"
- "**Access** your pension fund."
- "We can offer you **immediate access** to cash."
- "Why wait till 55 - we can get you **early access** to your pension."
- "We can provide a **pension loan**, so you can start enjoying your money now."
- "Forget 25% of your pension as a cash lump sum, **we can get you more**, maybe even all of it!"

The HUSTLE

- You'll normally be contacted **out of the blue**.
- They may suggest it is part of a **Government initiative**.
- They may say that it is time for your **annual review**.
- They could claim that their offer is a **once in a lifetime opportunity**, or that they've found a **legal loophole**.
- Scammers will offer to **send couriers** round to collect your paperwork, usually the **next day**.

The Truth

Accessing your pension savings before the age of 55 is **not allowed**. This can only happen in special circumstances, like if you're suffering from serious ill health.

The 'hooks' and 'hustle' methods used are to tempt you with the promise of money, and to pressure you into a transfer or to provide your details.

Companies that claim to be Government endorsed are false, and any review of your pension should be done by a regulated financial adviser.

The Outcome

Pension scams are serious. If you fall victim, it's likely that you could **lose some**, if not **all**, of your pension savings.

You could also have to pay high commission costs or arrangement fees. You may even find yourself with a tax penalty from HMRC, for an **'unauthorised payment'** from your pension fund.

Once everything has been taken away you could end up **owing money!**

If someone calls you, always call them back. Reputable companies will always take your call and are happy to phone you back. Scammers are not happy to be directly contacted or will provide you with false information.

If Government, guidance or review are mentioned by a caller be suspicious. The official guidance guarantee offered by the Government isn't set up, or even available yet!

Check the Financial Conduct Authority's register. This will tell you if the company is registered and the firms that are being investigated. It's also good to check HMRC's list, when dealing with QROPS or overseas transfers.

Find out how many companies are involved in the transaction. If things go wrong, the more companies involved means the less chance you have of finding out who the real culprit is.

Check any rate of interest to see if it's a credible amount. Offers of 8% or more guaranteed investment return, you should be wary of.

If in doubt...

... you should contact **The Pensions Advisory Service** first on:

 0300 123 1047

If you think you're already a target of a pension scam, contact **Action Fraud** on:

 0300 123 2040

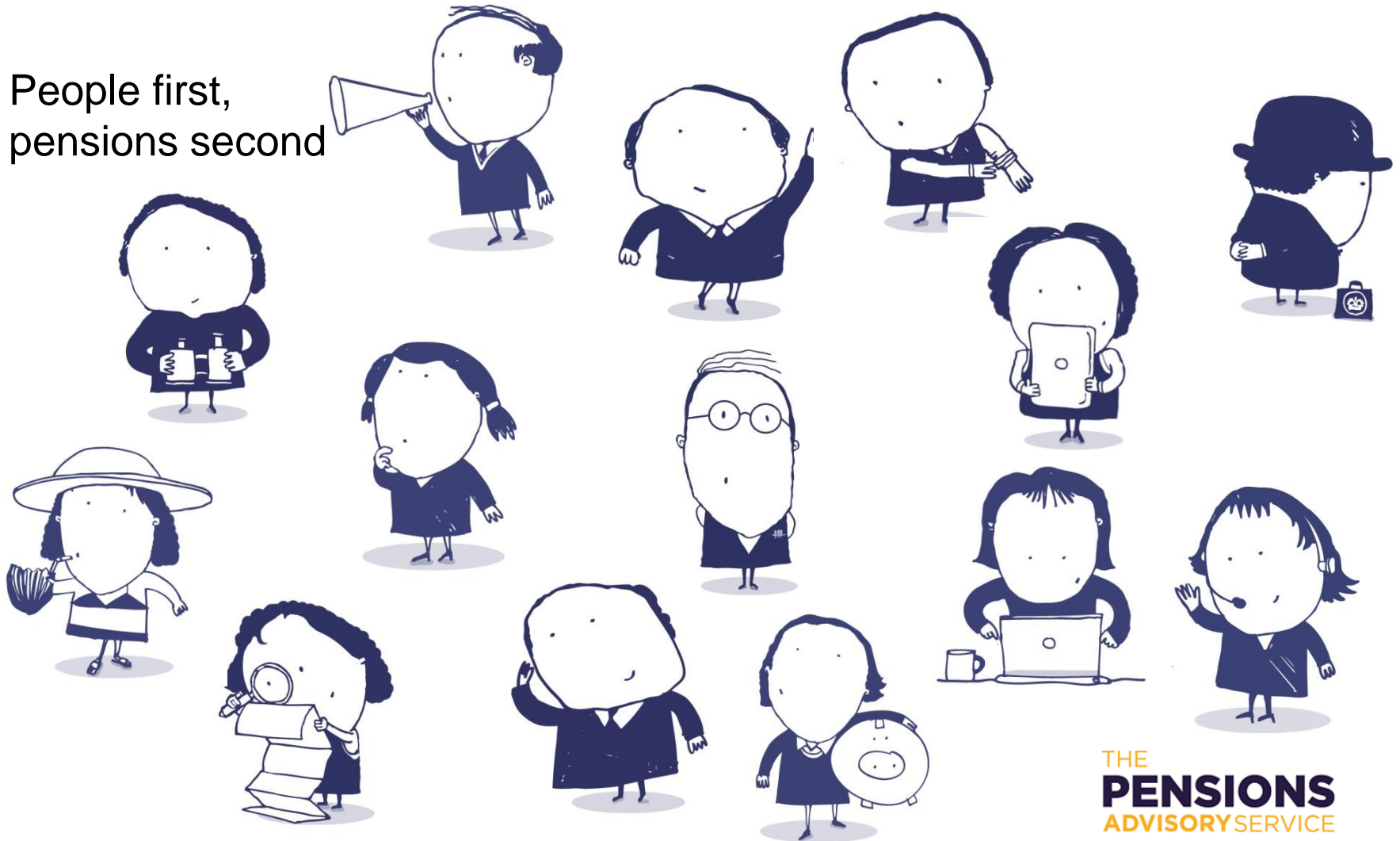
If I could wave a magic wand.....

- think about it sooner rather than later
- normalise taking guidance
- work together as an industry



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People first,
pensions second



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Thank you for your attention