IN4ORM

£30 million lost in scams

£30 million in pension savings have been lost to scams in the last three years. It has been reported that complaints made to Action Fraud highlighted that a total of £30,857,329 has been stollen by scammers since 2017, but it is expected that the true figure could be much higher.

Pension pots both big and small are being targeted, with amounts being taken ranging from £1,000 to £500,000. The Pension Regulator (TPR) and the Financial Conduct Authority (FCA) confirmed that the average victim are males in their 50s.

TPR and FCA have given four recommendations to help savers to protect their money. They should:

- Reject unexpected offers – where individuals are contacted unexpectedly about their pension, there is a high risk that it could be a scam. Savers should be wary of free pension review offers. Research does, however, show that 95% of unexpected pension offers are rejected
- Clarify who they are dealing with – the Financial Services Register can be used to check whether or not anyone offering financial advice or services is FCA-authorised
- Take their time when making decisions – savers should ensure that they aren't rushed or pressured into making important financial decisions. They should make sure they complete all the checks they need to prior to making any commitments
- Seek impartial information and advice – The Pensions Advisory Service, Pension Wise, and financial advisers can all assist individuals in relation to their pension

Over 800,000 are missing pension contributions

Independent think-tank, Resolution Foundation, has conducted a report into auto enrolment enforcement, which has highlighted that over 800,000 workers who are eligible to receive a workplace pension have either not been enrolled at all by their employer, or are in receipt of contributions that are less than the minimum level required.

The report comments that many workers will not be aware that they are not receiving any, or the correct pension contributions, and so may only realise that there is an issue at a much later date.

The contribution issue seems to largely effect part time and temporary workers with over one-tenth of agency workers not being auto enrolled.

The research for the report was conducted over a three year period. As a result of the report, recommendations are being made to TPR to undertake a more proactive enforcement of auto enrolment rules and the Regulator is being encouraged to act faster and tougher when non-compliance is detected.

If you have any queries please contact your usual 44 Consultant or email admin@44benefits.co.uk

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