

Be aware – Pension scams are on the increase

The Money Advice and Pensions Service has provided a useful guide to help households whose income has been impacted as a result of the Coronavirus pandemic – for more information see the link below.

<https://www.moneyadvice.service.org.uk/en/articles/coronavirus-and-your-money#coronavirus-scams>

For our members of the Retirement Benefit Scheme “RBS” we have highlighted two areas, whereby scammers may be actively seeking to encourage you to take decisions which will have a negative impact and cause you financial loss, as well as additional stress at an already fraught time. So please take time to read the article below to protect your retirement planning and to avoid falling into the hands of unscrupulous criminals.

Pension release and pension unlocking

You may be targeted by firms who offer to help you access funds from the RBS, to help tide your household income over during the Coronavirus lockdown. You need to be aware that if you’re under the age of 55 and cash in your pension, using pension release, or unlocking, or any of the other terms these firms use to make this choice seem viable – by encouraging you to ‘sell’ your pension (which you can’t) or by having a pension loan (again which you can’t) **you will have to pay a 55% tax charge** on any funds you release. In addition, you will usually have had to pay a high charge to these firms who are offering you their assistance to do this.

The firms that offer these services are not regulated by the FCA and while doing this is not illegal, it’s not advisable to take money out of your pension pot unless you’re covered under some very specific circumstances, for example because you have been deemed seriously ill, in which case the team running the Scheme will usually have been notified by HR and will be working with you to ensure that your benefits do not fall foul of the tax charges above.

If you have any concerns, you can contact the NFU Mutual Retirement Benefit Scheme Pensions Team by e-mailing the RBS mailbox at: rbs@nfumutual.co.uk.

But our members that are over age 55 and thinking about their retirement cannot afford to be complacent either, as these firms will also try to relieve you of your pension funds too.



To help you spot the signs and protect yourself from a scam, the Financial Conduct Authority (FCA) and Pensions Regulator suggest following four simple steps.

Step 1 - Reject unexpected offers

If you're contacted out of the blue about a pension opportunity, chances are it's a scam. Pension cold calling is illegal, and you should be very wary. An offer of a free pension review from a firm you've not dealt with before is probably a scam.

Step 2 - Check who you're dealing with

Search **ScamSmart** and check the FCA's register to make sure anyone offering you advice is authorised. If they are, check they're permitted to give pension advice by calling the FCA Consumer Helpline on 0800 111 6768.

If you don't use an FCA-authorised firm, you risk not having access to compensation schemes.

Step 3 - Don't be rushed or pressured

Take your time to make all the checks you need – even if this means turning down what seems to be an 'amazing deal'.

Step 4 - Get impartial information or advice

You should seriously consider seeking financial advice before changing your pension arrangements. In some cases, for example where you are wanting to transfer more than £30,000 from a DB scheme, you must obtain this advice.

Consider using **The Pensions Advisory Service** which provides free independent and impartial information and guidance.

If you suspect a scam, report it.

You can report an unauthorised firm or scam to the FCA using the **online reporting form** or on 0800 111 6768.

If you suspect a scam, **report it to Action Fraud** on 0300 123 2040 or at **www.actionfraud.police.uk**.

Be ScamSmart with your pension.

To find out more, visit www.fca.org.uk/scamsmart