

## **SOPRA STERIA RETIREMENT BENEFITS SCHEME (“THE SCHEME”)**

### **PENSION SCAMS**

Unfortunately pension scams remain a risk for members. Indeed the Pensions Regulator (TPR) has flagged particular concerns that scammers may see COVID-19 as an opportunity to target pension savers. There is a concern that members might increasingly look to transfer their benefits, prompted by the perceived instability of their employers or volatile financial markets.

TPR has gone as far as to provide a letter in conjunction with the Financial Conduct Authority (FCA) and the Money and Pensions Service to be issued by scheme trustees to all members considering a transfer of their benefits. In particular this highlights the protection available to defined benefit (DB) pension scheme members from the Pension Protection Fund (PPF).

TPR is currently asking trustees, providers and administrators to pledge to do what they can to protect scheme members and follow the principles of the Pension Scams Industry Group (PSIG) Code of Good Practice. The Trustee and the Scheme Administrator is working together to sign up to this pledge but, in the meantime, is fully committed to ensuring that Scheme members are fully protected. However, the Trustee is keen to stress that all members should remain vigilant and be mindful of the key warnings set out below.

The PPF has a duty to protect people with an eligible defined benefit pension when an employer becomes insolvent. So, if you are a member of an eligible DB scheme and your employer becomes insolvent and cannot afford to fund the scheme so that it has enough assets to pay you the benefits due, then the PPF will pay you compensation, subject to certain limits. If you transfer your Scheme benefits to a personal pension arrangement, for example, you will lose the potential protection of the PPF. More information on the PPF and the level of protection it gives to eligible DB schemes can be found at: <https://www.ppf.co.uk/who-we-are>

**Please remember that you cannot change your mind once you have transferred out of a DB pension.**

You must remain vigilant and aware that scammers see your pension pot as an attractive target, so here are some reminders of the key things you should watch out for if approached about your pension.

### **NO REPUTABLE FIRM WILL COLD CALL, TEXT OR E-MAIL YOU OUT OF THE BLUE ABOUT YOUR PENSION**

#### ***Unsolicited contact***

Have you been contacted through a cold call or a text message? Reputable pension providers or advisers will not use this sales technique. Cold calls or texts are a common way to introduce a person to a scam and the pushier the sales person, the more likely it is to be a scam.

#### ***Single investment***

Putting all your eggs in one basket is rarely a good idea. Usually a reputable financial adviser will recommend a range of investments to reduce or spread risk. Any suggestion that you invest all of your pension fund in a single speculative investment should be treated with a high level of caution.

#### ***Home visits and couriered paperwork***

Again, these are not usually offered by reputable pension firms, not least due to the costs associated with them. If home visits and/or couriered paperwork are part of the deal then it is likely to be a scam. Applying pressure on people in this way is a technique used by scammers to persuade people to transfer quickly without the chance to take proper advice.

***Unrealistic levels of investment returns***

In today's investment market, the sort of high returns that scammers offer are unrealistic and would introduce significant risk to your pension fund. Be very wary of marketing material that promises big investment returns and/or targets 'sophisticated investors'. Remember, if it looks too good to be true, it probably is. Always discuss your options with a properly regulated professional independent financial adviser before making important decisions. Scammers work with unregulated advisers or introducers meaning that you are not protected if you rely on their advice. You can check that your adviser is a regulated adviser on the FCA register here: [Financial Services Register | FCA](#).

***Accessing part of your pension before age 55***

Unless you are in very serious ill health, or one of the very few people with a protected pension age, this is a scam, pure and simple. It can also lead to severe tax penalties.

***Overseas Investments***

Overseas investments, especially overseas property investments, must be treated with a great deal of caution and they are likely to be unregulated investments. Scammers work with unregulated investments meaning that you are not protected if you invest in them. Proper research should be conducted and, once again, you should speak to a professional independent financial adviser.

Find the latest guidance from the Pensions Regulator here:

<https://www.thepensionsregulator.gov.uk/en/pension-scams>

The Administrator of the Scheme is in regular contact with the Regulator to identify potential scams, has processes to try to identify these schemes and may raise concerns with you prior to any transfer proceeding. However, as noted above, you should continue to be vigilant. Once a transfer has been made, it is too late to revisit your decision.

**Sopra Steria (Retirement Benefits Scheme) Trustees Limited**

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