PRESS RELEASE

FOR IMMEDIATE RELEASE

PENSIONS POLICY INSTITUTE

PPI

"Victims of pension scams losing more than £80,000 on average, but scarcity of data poses a problem for protection" says Pensions Policy Institute

During the current COVID-19 pandemic, there are serious concerns about the rising risk of scams pension savers are exposed to. In these uncertain times, scammers are taking advantage of financial issues and volatile markets, while many individual savers are facing greater financial stress, increasing the risk that those targeted will become victims.

The Pensions Policy Institute (PPI) is today publishing *How have scams evolved since the introduction of pension freedoms?* This Briefing Note explores the scam risks pension savers face in a post-pension flexibilities landscape, and the barriers to improving the effectiveness of initiatives aimed at protection of pension savings.

Following the introduction of pension flexibilities in 2015, Government and regulators have concerns that pension scams may have a broader focus than was previously the case. Though a pensions cold calling ban was put in place a year ago, a significant proportion of people are continuing to fall victim to pension scams, and increasing protection of pension savers from scams and fraud remains as crucial as ever, particularly as scammers continue to evolve to use new types of scams and different channels of contacting potential victims.

The data available about the number of scams taking place, as well as the amount lost in each scam, does not offer a comprehensive view of the true scale of the issue. There are two factors that particularly impact scams data. Firstly, that not all pension scams are reported by victims, and secondly, that the data that is available is not collected in a comparable and easily-aggregated way across the industry, which makes it hard to take a holistic view of the issue. However, it is estimated that in 2018 victims of pension scams lost an average of £82,000.

Lauren Wilkinson, Senior Policy Researcher at the PPI said "Gaps in data on scams make it difficult to assess the true scale of the impact and nature of scams taking place, and in turn this makes it more difficult for regulators and industry to enact improved procedures for protecting savers. Given how much is being lost on average by victims of pension scams, finding a way to better protect savers is vital to improving adequacy of retirement incomes in later life. A better understanding of the nature of scams and how many people are being affected will help policymakers and industry to improve this process. The Pension Scams Industry Group (PSIG) has this year carried out a survey with the Police Foundation to establish the scale of scam activity affecting pension scheme members, with data expected to be available in the coming months. PSIG's previous pilot study in 2018 found that the information wasn't readily available at an organisational level, although in some cases it was collected at a scheme level. However, this is a step in the right direction and should hopefully shed more light on the scale of the problem."

~~ ENDS ~~

For further information please contact -

Danielle Baker, Head of Membership & External Engagement (PPI)
020 7848 4467 or 07714250910, email: press@pensionspolicyinstitute.org.uk

Notes for editors

1. **We are an independent educational research charity: The Pensions Policy Institute (PPI)** does not lobby for any particular solution and we are not a think-tank taking politically influenced views. The PPI is an educational research charity, which provides non-political, independent comment and analysis on policy on pensions and retirement income provision in the UK. Its aim is to improve the information and understanding about pensions policy and retirement income provision through research and analysis, discussion and publication. Further information on the PPI is available on our website www.pensionspolicyinstitute.org.uk.