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ONE IN 10 'TARGETED BY PENSION FREEDOM SCAMMERS'

- **Offers to unlock or transfer pension funds are the most likely scam tactics**

Nearly one in 10 over-55s fear they have been targeted by suspected scammers since the launch of Pension Freedoms, new research for Prudential¹ shows.

The study found nine per cent of over-55s say they have been approached about their pension funds by people they now believe to be scammers since the rules came into effect from April 2015. Offers to unlock or transfer funds are tactics commonly used to defraud people of their retirement savings.

One in three (33 per cent) of over-55s say the risk of being defrauded of their savings is a major concern following Pension Freedoms. However, nearly half (49 per cent) of those approached say they did not report their concerns because they did not know how to or were unaware of who they could report the scammers to.

Most recent pension fraud data² from ActionFraud, the national fraud and cybercrime reporting service, shows 991 cases have been reported since the launch of Pension Freedoms involving losses of more than £22.687 million.

Prudential's research found fewer than one in five (18 per cent) of those approached by suspected scammers had reported their fears to authorities. Nearly half (47 per cent) said the approaches involved offers to unlock pension funds or access money early, and 44 per cent said they involved transferring pensions.

About 28 per cent of those targeted by suspected fraudsters were offered alternative investments such as wine and 20 per cent say they were offered overseas investments while 13 per cent say scammers had suggested investing in crypto-currencies. Around 6 per cent believe they have been victims of frauds.

Vince Smith-Hughes, retirement income expert at Prudential, said: "Pension Freedoms, though enormously popular with consumers, have created a potentially lucrative opportunity for fraudsters and people need to be vigilant to safeguard their hard-earned retirement savings.

“If it sounds too good to be true then it usually is and people should be sceptical of investments that are offering unusually high rates of return or which invest in unorthodox products which may be difficult to understand. If in any doubt, seeking independent advice from regulated professional advisers will help ensure they won’t get caught out.

“The Pensions Advisory Service, FCA and The Pensions Regulator are doing good work raising awareness of the risks of scamming and by reporting suspected scams consumers can help the authorities tackle the issue and maintain confidence in Pension Freedoms.”

Retirement savers can report suspected frauds on the ActionFraud helpline 0300 123 1047 or online at https://www.actionfraud.police.uk/report_fraud and more advice is available at <http://www.thepensionsregulator.gov.uk/pension-scams.aspx> or by calling the Pensions Advisory Service on 0300 123 1047.

- Ends -

Media enquiries

David Gwyer 020 7004 8079

david.gwyer@prudential.co.uk

Lak Herath-Culley 020 7004 8950

lak.herath-culley@prudential.co.uk

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Radio interviews via ISDN or various smartphone apps can be arranged on request.

Notes to editors

¹ Consumer Intelligence conducted an independent online survey for Prudential between 23rd and 25th February 2018 among 1,000 UK adults aged 55+ including those who are working and retired

² <https://www.actionfraud.police.uk/fraud-az-pension-liberation-scam>