

#ProtectYourPension: Action Fraud warns to look out for pension fraudsters as new data reveals a total loss of £17.7 million in 2023

Action Fraud is warning savers to stay vigilant and protect their pensions and investments from fraudsters trying to trick people out of their lifetime savings, as new data reveals £17.7 million lost to pension fraud last year.

There were 559 reports of pension fraud in total within the UK and £17,750,635 lost in 2023, with an average loss of £46,959 per person.

Thames Valley Police saw a total reported loss of £737,591 across 20 cases.

Detective Inspector Duncan Wynn of The Central Fraud Unit, said:

“Pension fraud can not only cause life changing large financial losses, but it also serves to shatter lifelong dreams and goals with many having to alter their plans for later life.

Fraudsters will present as ‘experts’ with your best interests at heart, but their number one goal is always to leave you out of pocket.

Always seek advice, being pressured or rushed is a sure sign something is not right.

Do not be afraid to challenge, this is your money you have worked for, and you have every right to say no.

Action Fraud, the national fraud and cybercrime reporting service, has launched a pension fraud awareness campaign, warning people to protect their pension pots and investments from fraudsters, by encouraging the public to do their research before making changes to pension arrangements.

Claire Webb, Acting Director of Action Fraud, said:

“Criminals will go to great lengths to trick anyone out of their money, in this case, it’s someone’s lifesavings at risk. Losing any sum of money saved for retirement can be devastating.

“Prevent a fraudster from taking away the hard-earned cash you’ve put towards your retirement by protecting your pension and investments and doing the research on who you’re dealing with before making any big changes.

“Avoid pension opportunities offered out of the blue, like pension reviews or too good to be true investment opportunities. Don’t let anyone rush you into making big decisions and seek advice from an independent professional service or trusted family and friends.”

Pension fraud often includes [free pension reviews](#), too good to be true investment opportunities, pension transfer opportunities, or offers to help [release money from your pension](#), even if you’re under 55.

Data also revealed April had the highest number of reported losses, accounting for 15% of total reported losses in 2023. Individuals who go on to report fraud, tend to check on their pensions to review their financial positions in the new financial year and only notice the fraudulent activity upon checking their pension’s status.

Steve Smart, Joint Executive Director of Enforcement and Market Oversight, at the Financial Conduct Authority, commented:

“It doesn’t matter the size of your pension pot, scammers will target anyone to destroy their retirement dreams so it’s vital that consumers know how to protect themselves.

“The best way to protect yourself is to know who you’re dealing with. Always check the [FCA Register](#) to make sure that anyone offering you pension advice, or any other financial service is authorised by the FCA to perform the service they are providing for you, and that the details they are providing are the same as those on the Register.

“Unexpected and unsolicited offers, free pension reviews, promises of high returns which sound too good to be true and pressure to make a decision quickly are all warning signs of scam. Use the information and tools on the [FCA Website](#) to protect yourself and your retirement.”

Michael Broomfield, Head of Intelligence at The Pensions Regulator (TPR), said:

“Tackling pension scams remains a top priority for TPR which is why we lead the Pension Scams Action Group, a multi-agency taskforce bringing government, industry, and law enforcement together to stop scammers and prevent savers falling victim.

“The pensions industry must also play its part by reporting any suspicions about scams and joining the 700 schemes who have already committed to our saver-protecting Pledge to Combat Pension Scams campaign.”

How can you protect yourself?

Here are some steps to protect yourself from fraudsters trying to get your pension.

Unsolicited communication about your pension: if you get a call out of the blue (a cold call) about your pension, the safest thing to do is hang up. It's illegal and probably a fraudster. If you get offers via email or text, you should simply ignore them.

Seek advice first: if you're thinking about changing your pension arrangements, you should get financial advice beforehand. If you want to find an adviser, make sure they're authorised by the [Financial Conduct Authority](#). Never take advice from the company that contacted you, this may be part of the scam.

Investment opportunities: don't be rushed into making an investment. Remember, legitimate organisations will never pressure you into investing on the spot.

You should treat investment opportunities with extreme caution if there's:

- pressure to invest (eg time-limited offers);
- downplayed risk of losing your money; or
- promised returns that sound too good to be true.

Be mindful of tax implications: you'll pay up to 55% tax on payments from your pension provider if they make an ['unauthorised payment'](#). This is a payment made outside of the government's tax rules and usually includes:

- any payments before you're 55 (there are [exceptions](#));
- a ['trivial commutation' lump sum](#) of over £30,000; or
- regular payments into your account after you've died.

For more information on pensions, please visit: <https://www.moneyhelper.org.uk/>

What to do if you have been a victim:

Report it: if you're worried about a potential scam, or you think you may have been contacted by a fraudster, report it the Financial Conduct Authority. Call them on 0800 111 6768 or use the [contact form](#) to get in touch.

If you have made a payment: inform your bank as soon as possible, they can help you prevent any further losses. Monitor your bank statements regularly for any unusual activity.

Notes to editors:

- There were 559 reports of pension fraud in total and £17,750,635 lost in 2023, with an average loss of £46,959 per person.
- There highest record month for reported losses was April 2023 with £2,720,406.