



Looking After Your Pension by Looking Out for Scams

by Bradley Warden, Partner



Today, more than ever, there is a range of choice when it comes to what you can do with your pension. An unwelcome side-effect of this freedom is an increasing number of pension scams.

One of the options open to British expatriates is to transfer their UK pension into a Qualifying Recognised Overseas Pension Scheme (QROPS). For many people this is a suitable way to bring their pension with them.

However, it is by no means a 'one size fits all' solution. It is also an area where scammers look to defraud people out of their pension savings. It is crucial to look at all your options and seek regulated, personalised advice.

The UK's Citizens Advice found that two in five scams start with a cold call, estimating that 11 million people have received unsolicited calls or texts about pension services. Tell-tale signs of scams include offering a free pension review, early access or unusually high and guaranteed returns. Generally, if it sounds too good to be true, it probably is, and once you transfer your pension, it's too late. Besides losing your pension savings you could face a tax bill and penalty fees.

Many unregulated companies offer QROPS services. While they may not necessarily be scams, these are unprotected investments that risk losing your pension savings, whether they aim to defraud you or not. Remember, with unregulated companies there is no recourse when things go wrong.

You can protect yourself by thoroughly researching anyone that approaches you about your pension. A Google search can tell you whether they are regulated and bring up reviews on consumer websites. Look for a regulated adviser who will carry out a high level of due diligence when recommending options tailored for you. In any case, be careful not to sign anything under pressure.

Ideally the advisory firm should outline your full range of options, not only QROPS, to establish what the best pension solution is for your particular circumstances.

If you decide that a QROPS is right for you, you need specialist guidance to navigate the complex tax and jurisdiction issues. Whether you are UK resident or an expatriate, your adviser should be authorised and regulated for pension business by the UK Financial Conduct Authority. And as with any investment, make sure that the underlying funds in your scheme are suitable for you, your risk profile and objectives.

It can only take a moment to lose a lifetime of savings but with careful planning and professional advice you can both protect and make the most of what you have.

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“I wasn't sure whether or not a QROPS would be right for me. Now I understand all my options.”

Talk to the people who know.

Living in France does not necessarily mean you should transfer your UK pension into a QROPS. With the new UK pension regime, it is crucial you consider all your options and how they affect you.

Please contact us for personalised advice.

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