

Scammers ‘gonna scam! How to keep your savings safe

Did you know that between April 2023 and March 2024, 833 people contacted the Money and Pensions Service to report over £13.6million was lost due to financial crime and scams. That means each customer lost, on average, £16,297 to fraud.

Scams can be devastating. People can lose decades of savings in an instant. But there are steps you can take to shore up your anti-scam defences.

What is a pension scam?

Pension scams come in many different shapes and sizes. But, at their core, they’re a way to coerce and manipulate you into releasing money from your pension. Scammers could steal small amounts of money, or the whole pensions pot in one go.

A scam-spotter’s guide

Some scams are easy to spot. A dodgy email address here, a botched spelling there. A big red flag might be a so-called company urging you to click a link or to enter personal information.

But with some scams, it’s less obvious.

Some scammers will create near-perfect replica websites of pension providers, banks, and other reliable services, enticing you in before striking like a scorpionfish on the seabed or a leopard in the long grass. The true nature of a scam website is usually revealed by looking at their URL – the web address.

But what if someone is already in contact with you?

It’s about listening or reading what they’re saying. After all, pension scams can involve seriously attractive offers.

An **early-release pension scam**, for instance, involves you releasing cash from your pension before the age of 55. If someone is offering you something along those lines, it’s almost certainly a scam. That’s because you can only usually take money from your pension *after* hitting age 55.

Stay on the lookout for words such as ‘pension liberation’ or ‘pension loan’. Scammers will claim that you can take a loan from your pension pot. If you accept this offer, you might end up transferring your pot into a scammer’s account – often abroad – and they’ll take a hefty fee, before ‘loaning’ you part of your pension.

That’s before you’ve had to pay a tax bill on what’s been withdrawn.

A **pension review scam** is where someone will contact you offering a free pension review. Immediately, alarm bells should be ringing. Professional advice on pensions is never free. But a scammer might claim they work for an FCA-regulated company, meaning it’s harder to spot when you’re being duped.

Scammers have silver tongues, and whether it’s over the phone or an email, they might use tempting language to lure you in.

We’ve curated a short guide to a scammer’s favourite phrases, so you know what to listen out for:

- Pension liberation
- Loan
- Loophole
- Savings advance
- One-off investment

- Cashback

Scammers might also offer you – even promise you – high returns with low risk. If you’re thinking that sounds totally backwards, then you’d be right. Because that’s not how investments work. A legit investment is about accepting a certain level of risk to – hopefully – increase your return. But they can be volatile, and you might get back less than what you put in. Having a high return with a guaranteed low risk should be setting off major alarm bells in your head.

So, if someone offers you guarantees that they can get you better returns, start waving a red flag. It’s probably a scam.

After all, if something sounds too good to be true, then it probably is.

Scammers won’t just play it pretty, either. No, sometimes it’s in-your-face, Wolf of Wall Street-style sales tactics. Scammers might pile on the pressure with time-limited offers. They might even send a courier to your front door, who’ll stick around until you’ve signed a document.

If you’re being offered a new investment opportunity, scammers might talk about unusual high-risk investments in fairly attractive markets, like property, renewable energy bonds or forestry. Many of these investment ‘opportunities’ will be overseas and hard to track down as legitimate businesses. After all, they might genuinely be fake. Even if they aren’t, it could still be a scam.

Sometimes, a scammer will offer you something a little less immediate. A ‘fixed-term pension investment’ for example could see you lose money over several years, only to realise something is wrong a long way down the line.

If, at any time, you’re feeling uneasy, under pressure, or flustered about making a decision about your future, then you should immediately take a step back, take a deep breath, and consider whether this feels legit.

4 ways you could avoid a scam

1. Reject any unexpected pension offers, regardless of how they’re presented to you. Whether it’s in person, over the phone, online or even through social media.
2. Verify that who you’re speaking to is legit by visiting <https://www.fca.org.uk/scamsmart>. You can even call the Financial Conduct Authority on 0800 111 6768, to confirm that the firm you’re talking to is authorised.
3. Never be pressured to make a decision about your money. It’s your pension, and if somebody is rushing you into a decision then it is for their best interests, not yours.
4. Consider getting impartial, expert information from [Pension Wise \(who also provide guidance on how to spot a scam\)](#), or get advice from an authorised financial advisor. [MoneyHelper could help you there.](#)

So, do not let a scammer enjoy your retirement. To learn more about how scams work, [check out the FCA’s website here](#). You can also learn to protect yourself against fraud at the [Stop Think Fraud campaign](#). The [FCA also have a ScamSmart tool](#), which enables you to check a pension or an investments, and report a scam.