



THE SOCIETY OF PENSION
PROFESSIONALS
making pensions work

The Society of Pension Professionals (SPP) response to the Pension Scams Industry Group – Evolution or Extinction?

1. Executive summary

- 1.1. **SPP members report widespread use of the PSIG Code of Good Practice.**
However, the Code has been in existence for a long time and most schemes have developed processes and procedures based on it so the question has to be asked as to whether it remains of value.
- 1.2. **SPP members report that the Pension Scams Industry Forum is useful.**
Intelligence gained from the forum is used to update procedures, communications and to flag issues to relevant staff members.
- 1.3. **Greater clarity on PSIGs remit and activities is essential.**
SPP hopes that this consultation will enable PSIG to develop this.
- 1.4. **SPP does not believe that now is the right time to consider funding arrangements.**
This is because the outcome of this consultation should firstly be known and PSIG should set out details as to what it needs to do and how, so that members then know what it is they would be paying for.

2. Consultation response

Section one – Code of Good Practice

- 2.1. Question one – Do you use the PSIG Code of Good Practice as part of your transfer due diligence processes?
- 2.2. Yes, our members report using this and even those that do not have at least taken it into consideration when building their processes.
- 2.3. Question two - Does the PSIG Code of Good Practice add value to your business proposition?
- 2.4. Yes. It has helped as referenced above.
- 2.5. Requests for Proposals (RFPs) for new business often make reference to the PSIG Code of Good practice as they want providers to follow that Code. In addition, they will also require bidders to have signed up to the TPR pledge to combat pension scams¹ which under Step 1, includes a read across to the PSIG Code of Practice.

¹ TPR Pledge to Combat Pension Scams, 2024:

<https://www.thepensionsregulator.gov.uk/en/pension-scams/pledge-to-combat-pension-scams#:~:text=Pledge%20you%20will%20combat%20pension,or%20trustees%20to%20do%20so>

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- 2.6. Question three – What improvements could be made to the PSIG Code of Good Practice?
- 2.7. Concerns about delays in updating the Code have been referenced by several SPP members. These delays mean that it can often be outdated and therefore is arguably of less relevance for long periods of time.
- 2.8. It is essential that guidance is up-to-date but given the fast moving nature of the industry and these challenges, PSIG may wish to consider publishing regular notes/updates that can be updated more easily alongside the Code.
- 2.9. Question four – Do you have any other comments on the PSIG Code of Good Practice, other than in relation to technical content?
- 2.10. The Code has been in existence for a long time and most schemes have developed processes and procedures based on it so the question has to be asked as to whether it remains of value.
- 2.11. Unless a brand new in-house house scheme or a brand new TPA starting from scratch, how often is the Code being referred to? In other words, the value of the Code to most may have diminished and it is therefore reasonable to question whether updating the Code is necessary. Doing so could be a costly exercise for limited return.
- 2.12. An alternative may be to provide regular updates e.g. advising on the latest scams, monitoring results etc. and relaying that information as widely as possible.
- 2.13. If the Pensions Ombudsman uses the Code when assessing responsibility, and providers and schemes can prove they followed the Code as a means of mitigating the risk of compensation etc. that would certainly add value and increase the need, and support, for its maintenance.

Section two - Pension Scams Industry Forum

- 2.14. Question five – Do you participate in in the Pension Scams Industry Forum?
- 2.15. Yes, most relevant SPP members attend these meetings.
- 2.16. Question six – If you participate in the Pension Scams Industry Forum, does this add value to your business proposition?
- 2.17. SPP members report that the forum is useful in highlighting issues and that members scams groups take this information into account in relation to updating procedures, communications and flagging issues to relevant staff members. There is broad agreement that intelligence gathering is useful.
- 2.18. Question seven – What improvements could be made to the Pension Scams Industry Forum?
- 2.19. New joiners often raise the same names of potential scam entities that have been previously highlighted by other members, through no fault of their own, simply by virtue of a lack of previous involvement. This is probably not the best use of other members time and could be avoided if a central list were maintained that is accessible by all members, especially new ones.
- 2.20. Several SPP members suggested more detailed minutes would be of use.
- 2.21. Question eight – Do you have any other comments on the Pension Scams Industry Forum?
- 2.22. Even if PSIG and/or the Code were to be abolished, members state that they would still find value in the maintenance of the Forum.

Section three - Pension Scams Action Group (PSAG)

- 2.23. Question nine – Are you aware of PSIG's participation in the Pension Scams Action Group?
- 2.24. Most relevant SPP members are aware of PSIG's participation in the Pension Action Group.

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- 2.25. Question ten – Do you have any comments on PSIG’s participation in the Pension Scams Action Group
- 2.26. SPP members commented that there is limited visibility and uncertainty about action taken and a lack of updates as to what PSIG has fed back to PSAG.

Section four - Raising scam awareness

- 2.27. Question eleven – Are you aware of the work undertaken by PSIG to increase awareness of pension scams?
- 2.28. There is some, albeit limited, understanding that this is happening but there is uncertainty as to the extent of this activity. There appears to be a general feeling that if work is being undertaken here, is not being communicated effectively.
- 2.29. Greater levels of self-promotion and increasing awareness of PSIG’s input into member communications may therefore be necessary.
- 2.30. Question twelve – Should PSIG increase, reduce or stop working to increase awareness of pension scam
- 2.31. Given our members response to question eleven (2.27 above), it is difficult to fully answer this question because there is uncertainty as to exactly how much work is being undertaken. That said, SPP members are clear that there is a very strong need to increase awareness of pension scams.

Section five - Industry Surveys

- 2.32. Question thirteen – What should any periodic PSIG report contain
- 2.33. This very much depends on PSIG’s remit and scope.
- 2.34. PSIF is perhaps better placed to produce such reports.
- 2.35. DWP collect data in this area so PSIG must be mindful to avoid any unnecessary duplication.

Section six - Sharing Legislative & Regulatory Expertise

- 2.37. Question fourteen – How can PSIG most effectively share legislative and regulatory expertise?
- 2.38. PSIG’s web site could perhaps be reconfigured to achieve this i.e. becoming a ‘central’ information hub with links to relevant documentation across industry, to relevant Pensions Ombudsman cases and so on.
- 2.39. Regular updates/newsletters emails are another alternative but again it was noted Lexis Nexis and others do this (albeit on a paid-for subscription basis).
- 2.40. TPR and FCA also promote awareness of scams – although it was commented that neither is particularly user friendly – and therefore PSIG would need to consider what value PSIG can add here to avoid duplication.
- 2.41. Question fifteen – Which methods of knowledge sharing would you use?
- 2.42. As detailed above, an information hub on the PSIG web site and/or regular emailed updates etc.
- 2.43. Question sixteen – Should PSIG be members of relevant industry bodies?
- 2.44. Unclear as to why PSIG should not be members of relevant industry bodies.

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2.45. **Section seven - Victim Support**

2.46. Question seventeen - What should PSIG be doing to support pension scam victims?

2.47. Again, this very much depends on the scope and remit of PSIG but it appears unlikely that direct support could be provided outside providing a suggested checklist or factsheet as to what victims need to do, how to report scams/suspected scams to Action Fraud (including a template to ensure an informative report), helping the Money & Pensions Service with their guidance in this area and so on.

2.48. **Section eight – Anything else**

2.49. Question eighteen – Is there anything else which PSIG should be more involved with?

2.50. Please refer to previous answers contained in this response.

2.51. **Section nine - Winding up**

2.52. Question nineteen – Should PSIG wind up?

2.53. Greater clarity on PSIGs remit and activities is essential and hopefully the responses to this consultation will enable PSIG to develop this.

2.54. If winding up were to be considered, there is an assumption that PSIF might have to end and so on that basis alone, SPP members would be very reluctant for this to happen.

2.55. Question twenty – If PSIG wound up, what would be the impact (if any) on pension scheme members and pension practitioners?

2.56. The immediate impact may be limited, but in the medium to long term there would be greater divergence from the existing Code. That said, the Code as a form of a common standards to be followed, could be transferred elsewhere e.g. to The Pensions Regulator.

2.57. That said, if there was another substantial change to transfer rules, regulations or legislation, this would require significant work to re-write the Code. Without PSIG this would need to be undertaken by another industry body.

2.58. Outside of the Code, the impact on members is difficult to determine given a general lack of awareness as to exactly what value PSIG adds elsewhere.

Part Two: Funding

2.59. SPP members broadly agreed that now is not the right time to consider funding arrangements as the outcome of this consultation should be known and PSIG should set out details as to what it needs to do and how, so that members know what it is they would be paying for. For example, it is unlikely anyone would pay a membership fee to what might only be a campaign group.

2.60. It was also noted that charging a fee will create an increased expectation on deliverables and likely result in a very different member mindset.

2.61. It may also be worth PSIG exploring a change of status e.g. adopting a charitable status, which may assist in securing donations from industry.

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3. About The Society of Pension Professionals

- 3.1. Founded in 1958 as the Society of Pension Consultants, today SPP is the representative body for a wide range of providers of pensions advice and services to schemes, trustees and employers. These include actuaries, accountants, lawyers, investment managers, administrators, professional trustees, covenant assessors, consultants and pension specialists.
- 3.2. Thousands of individuals and pension funds use the services of one or more of the SPP's members, including the overwhelming majority of the 500 largest UK pension funds.
- 3.3. The SPP seeks to harness the expertise of its 85 corporate members - who collectively employ over 15,000 pension professionals - to deliver a positive impact for savers, the pensions industry and its stakeholders including policymakers and regulators.

4. Further information

- 4.1. For more information about this consultation response please contact SPP Head of Public Policy & PR at: phil.hall@the-spp.co.uk or telephone the SPP on 0207 353 1688.
- 4.2. To find out more about the SPP please visit the SPP web site: <https://the-spp.co.uk/>
- 4.3. Connect with us on LinkedIn at: <https://www.linkedin.com/company/the-society-of-pension-professionals/>
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