



PASA Consultation response

Pension Scams Industry Group (PSIG):
Evolution or Extinction

July 2024

PASA 

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1 About PASA

The Pensions Administration Standards Association (PASA) was created to provide an independent infrastructure to set, develop, guide and assess administration standards.

PASA acts as a focal point and engages with industry and government to create protocols for understanding good administration - but also appreciates there's no one size fits all. PASA develops evidential Accreditation practices allowing benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA focuses on three core activities:

1. **Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers**
2. **Publishing Guidance to support those standards**
3. **Being an independent Accreditation body, assessing the achievement of good standards by schemes**

There's no organisation providing such services across schemes, yet there's a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, savers and regulators.

2 Consultation questions and answers

Question 1 – Do you use the PSIG Code of Good Practice as part of your transfer due diligence processes?

PASA doesn't process transfers. However, PASA has published [DB Transfers Good Practice Guidance](#), which directs administrators and trustees to the PSIG Code in various circumstances, i.e. next steps should the case show signs of a scam, how to undertake due diligence to combat scams, non-statutory transfers and transfers made under trustee discretion.

Question two - Does the PSIG Code of Good Practice add value to your business proposition?

PSIG covers the extremely important area of pension scams at an individual level. This is distinct to PASA's focus on cybercrime and fraud from an organisational perspective. PASA directs our members to the PSIG Guidance as the industry standard for protecting pension savers against scams. There is no other organisation which provides this service and we believe PSIG's work is invaluable.

Question three – What improvements could be made to the PSIG Code of Good Practice?

A focus on investment scams and cybercrime is crucial, as these are a likely unintended outcomes of people accessing dashboards. Horizon scanning for future scam vulnerabilities would also be helpful.

It would be useful to have a contents page and a summary explaining what each of the five sections of the Code contains.

Question four – Do you have any other comments on the PSIG Code of Good Practice, other than in relation to technical content?

The PSIG Code is a bedrock standard for the industry and it's crucial it is maintained.

Question five – Do you participate in in the Pension Scams Industry Forum?

No, PASA sits on the Advisory Board of PSIG via our President, Margaret Snowdon, OBE.

Question six – If you participate in the Pension Scams Industry Forum, does this add value to your business proposition?

N/A

Question seven – What improvements could be made to the Pension Scams Industry Forum?

N/A

Question eight – Do you have any other comments on the Pension Scams Industry Forum?

N/A

Question eleven – Are you aware of the work undertaken by PSIG to increase awareness of pension scams?

Yes.

Question twelve – Should PSIG increase, reduce or stop working to increase awareness of pension scams?

It's important for PSIG to continue its work to increase awareness of pension scams, both to individual savers and to the pensions industry.

Question thirteen – What should any periodic PSIG report contain?

It's essential to identify:

- The intended purpose of the report
- The frequency with which the report will be produced
- Who will provide data to support the report

More data and content could be included in an annual report, but given the fast-moving nature of scam activity, there's a risk content would be outdated by the point of delivery. Reporting monthly would allow for the timely provision of information. However, it would be difficult to include the same amount of data as an annual report and maintain the same response rates from participants. It may also prove difficult to spot emerging trends over a short period.

Quarterly reports would be most likely to strike a balance between efficiency and relevance and should focus on critical metrics, including:

- Suspected scam activity
- Denied or abandoned transfer requests
- Confirmed successful scams
- End-to-end transfer timescales

It would be helpful to capture the following for each of the metrics:

- Total number involved
- The broad category the activities belong to
- The percentage involved as a % of all transfer requests
- The median transfer values involved
- The change in values since the last report

In addition to providing key metrics, the reports would also serve as a vital platform to highlight emerging issues. This proactive approach to industry awareness is essential in fostering a collective effort to combat scams.

An annual report could be considered in addition, as a comprehensive summary of the PSIG's activities throughout the year. It would not only provide a helpful overview but also ensure the group remains focused on the correct areas and ensure transparency and commitment to stakeholders.

Regardless of the agreed reporting period and content, participation is crucial. It's essential for scam information to be readily available to the broader industry without unnecessary barriers. This approach fosters a 'herd protection' mentality, where everyone is focused on tackling scams .

Surveys and reports could be useful for raising awareness of particular issues. For example, a report showing the response of the authorities after a scam is identified could be useful. Likewise, surveying the industry (and potentially, if possible, victims) about their experience after a scam is reported. The results of which, might be used to lobby the Government and/or improve experiences and responses.

Question fourteen – How can PSIG most effectively share legislative and regulatory expertise?

Of those you mention, the most promising are:

- Information sharing and training materials on the PSIG website
- Webinars and seminars
- Partnerships with overseas regulators

A recorded seminar or webinar targeted at trustees would be more efficient and impactful than a short slot at several trustee meetings.

Question fifteen – Which methods of knowledge sharing would you use?

Materials on the website have the significant advantage of being available at the time they're needed at the end of a web search.

PSIG might encourage the Information Commissioner's Office (ICO) to form a view on when schemes can share personal data to combat pension scams. This could potentially unblock schemes' effectiveness at stopping them, sometimes in real-time. At present, they can share only high-level information.

Question sixteen – Should PSIG be members of relevant industry bodies?

Forming close links and formalising liaison with industry bodies would be a good way forward.

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

The industry tends to be focused on complying with requirements to warn members and carry out due diligence checks. But the decision to go ahead with a transaction largely lies with the individual (unless red flags empower trustees to stop it).

PSIG could work with MoneyHelper and consumer protection groups outside the pensions world to support victims through the process: reporting to Action Fraud, dealing with the tax charges, finding consumer help, legal advice etc.

In addition, PSIG could consider a consumer facing section of their website. This could include information and warnings about common scams and also secondary scammers.

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

A kite mark system for schemes or arrangements is an option, but would be a significant undertaking. Members might also see a kite mark as an overall badge of quality for the scheme or FCA product.

PASA already runs an accreditation scheme for administrators, which contributes to combating scams. PSIG could explore scope to develop its links with other bodies to build on member education.

Question nineteen – Should PSIG wind up?

No. PSIG has a place in the pensions industry. The information sharing via PSIF and the practical guidance provided is invaluable to the industry. PSIG also conducts lobbying activities that others, such as PASA, do not.

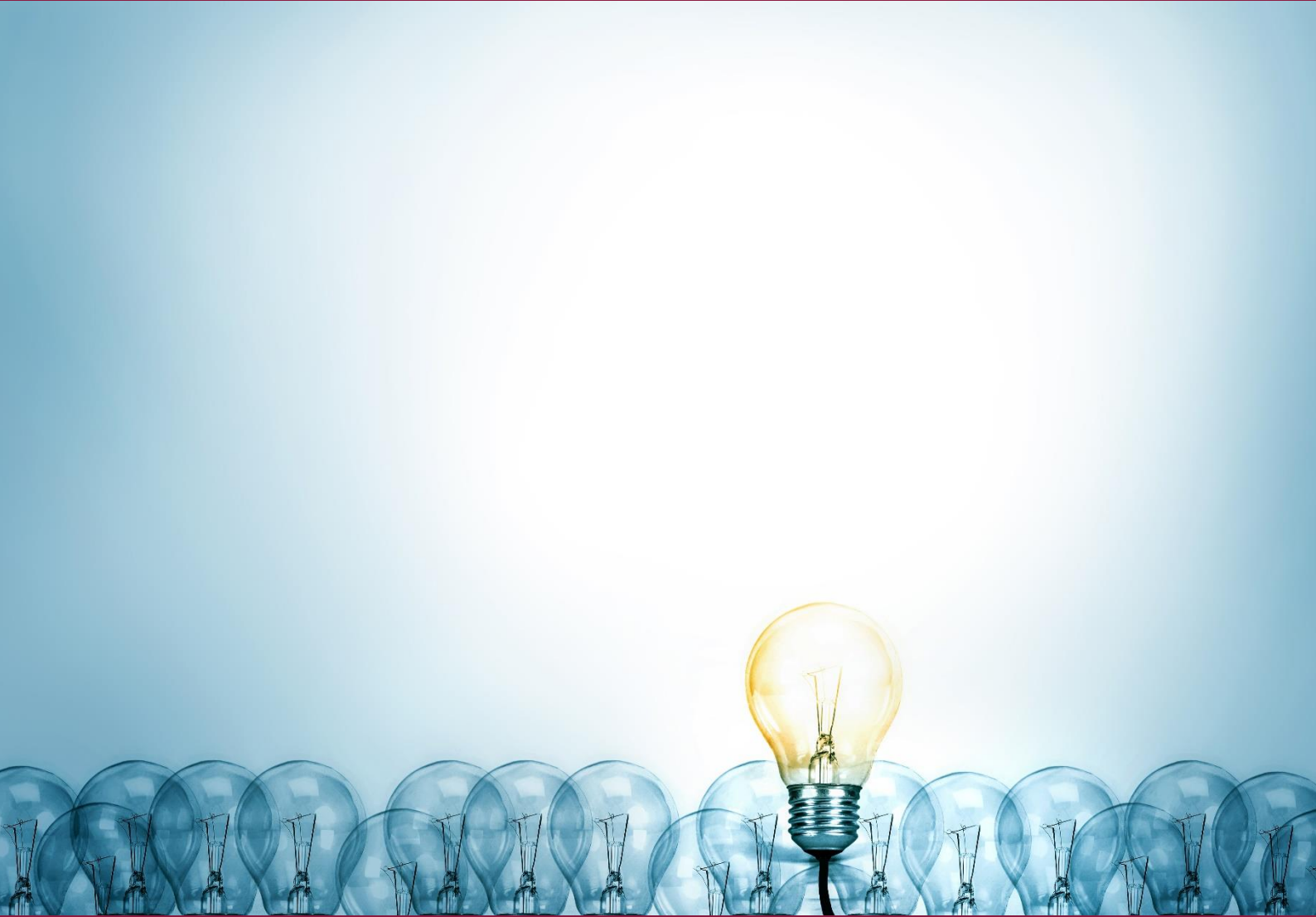
Question twenty – If PSIG wound up, what would be the impact (if any) on pension scheme members and pension practitioners?

The practical guidance and support materials provided by PSIG are used across the industry. If these were not maintained, this would leave a gap. There's no other body currently provided this service to the industry.

Part Two – Funding

It should be considered any increase in PSIG output will likely have a cost impact which will need to be funded.

PASA



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PASA is a Community Interest Company, and our full name is Pensions Administration Standards Association CIC.

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