ISSUE 10 ■ SUMMER 2020

FISHFINANCIAL

SMARTMONEY

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CORONAVIRUS IMPACT ON THE GLOBAL ECONOMY
It's more important than ever to stay the course

BEWARE OF PENSION FRAUDSTERS
Safeguard your hard-earned retirement savings from COVID-19 scammers

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INSIDE THIS ISSUE

Welcome to the Summer 2020 edition of *Smart Money.*

The coronavirus (COVID-19) is having a widespread impact across all aspects of financial life, including retirement plans. The current global stock market turbulence, as a consequence of COVID-19, will no doubt be concerning for individuals whose pension savings are invested partly or fully during these volatile market conditions. On page 04, we look at why making decisions based on what's happening in the short term can be a risky thing to do. It might be tempting, for example, to move all your investments into cash or other lower-risk investments for a while – but in doing that, you might miss out on the point when the value goes back up, so you could lose out in the long term.

During this difficult time, fear and worry are understandable, particularly as the coronavirus outbreak led to the biggest daily drop in the FTSE 100 since the financial crisis of 1987. Trying to second-guess the impact of events such as the coronavirus or the recent stock market volatility – or even attempting to make a bet on them – rarely pays off. Instead, investors who focus on long-term horizons – at least five to ten years – have historically fared much better, and we look into this further on page 06.

The coronavirus outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. Moreover, it is also having a growing impact on the global economy. The markets have been extremely volatile as investors weigh the effect of the coronavirus against measures aimed at easing its economic impact. Therefore, it's hard to say how this will affect investments in the short term. Even with events like the coronavirus and global market volatility dominating the headlines, the key is to keep calm and remember that ups and downs are a normal function of markets, and part and parcel of investing. Turn to page 07 to read the full article.

AN UNDERSTANDING OF YOUR FINANCIAL NEEDS AND ASPIRATIONS

We hope you enjoy this issue. Whether you're saving for the future, enjoying your retirement or funding care in later life, if you have any further requirements, please contact us – we look forward to hearing from you.

Contents

REMOTE WORKING SUCCESS

During the COVID-19 pandemic, Fish have been working hard to ensure our business has continued to be able to offer the same service level our clients expect.

As part of the office refurbishment, we upgraded our back office systems and IT within the office to provide for this very situation. This foresight has enabled the whole team to easily transition to working from home during these difficult times. We start our day with a video team meeting so that we can all keep in contact face to face to discuss the changing circumstances brought on by the coronavirus and the personal challenges we are facing.

Fish are committed to minimising the impact the pandemic has had on our clients, be it redirecting our office phones so there is always someone available to take their call, ensuring client awareness of our secure messaging service, having full access to our records and the clients' investments online, and the ability to have face-to-face client meetings online.

Embracing new technology and staying ahead of the curve compared against our competitors is something we are always striving for. I am pleased to report that going forward in the post-COVID-19 lockdown, we are fully prepared and have the means to ensure your money is looked after whether we are in the office or working remotely.. ■

ALI NAJI

Having graduated with a 2.1 in Economics from the London School of Economics in July 2019, I was still intent that my first graduate role be one where I could continue to learn extensively, not only from potential post-qualifications but more importantly from the people within the company.

This was the main reason behind my decision to join Fish in the summer of 2020. At my interview, they placed huge emphasis on fostering an environment that allows its graduates, as well as everyone else, to develop and succeed. The team has been extremely supportive, and I have thoroughly enjoyed my time so far.

When I am not working, I love to socialise with friends and family, whilst travelling is also something I enjoy; visiting Venezuela a couple years back remains one of my personal highlights. I am also a huge sports fan, and if I am not playing sports I would certainly be watching it, with football and tennis being my favourites.. ■

CONGRATULATIONS TO FARNHAM RUGBY CLUB!

This is Fish Financial's first year sponsoring the Farnham RUFC as Principal Partner, and despite the season being cut short by the pandemic, the 1st XV finished top of their league and have been rewarded with promotion to London 1 South – the highest league achieved in the club's history! It was a thoroughly progressive season at all levels, with some great results across the board. With training just starting again, subject to government and RFU guidelines, we look forward to hearing more about when and how the next season will take shape – and fingers crossed for holding the postponed Sportsman's Lunch later in the year too!. ■

COVID-19 EFFECTS ON RETIREMENT PLANNING

REMEMBER THAT PENSION SAVINGS ARE FOR THE LONG TERM

The coronavirus (COVID-19) is having a widespread impact across all aspects of financial life, including retirement plans. The current global stock market turbulence, as a consequence of COVID-19, will no doubt be concerning for individuals whose pension savings are invested partly or fully during these volatile market conditions.

However, making decisions based on what's happening in the short term can be a risky thing to do. It might be tempting, for example, to move all your investments into cash or other lower-risk investments for a while – but in doing that, you might miss out on the point when the value goes back up, so you could lose out in the long term.

TIME FOR MARKETS TO RECOVER

It's really important to remember that pension savings are for the long term. If you're young and currently paying into a workplace pension, then there is time for your pension pot to achieve growth over the long term and recover from the fluctuations currently being experienced in the stock markets. You shouldn't be too concerned, as you have many years ahead of you, and this will provide time for markets to recover before you take your pension income.

If you're older and closer to retirement, you may have seen your funds 'lifestyled'. This means your pension will have been moved into predominantly less risky funds and invested in 'safer' places such as in cash, gilts or bonds, which are lower risk and usually offer a fixed rate of return. The older you get, the more schemes tend to choose to invest in such assets to limit investment risk. However, not all pension schemes offer automatic lifestyling.

ANNUITIES

If you're about to retire and were planning to buy an annuity, in March, the Bank of England cut the base rate twice in just over a week in a further emergency response to the coronavirus pandemic, reducing it from 0.25% to 0.1%. This has meant annuity rates have also fallen. An annuity is a type of retirement income product that you buy with some or all of your pension pot. It pays a regular retirement income either for life or for a set period.

If you are thinking of securing an income by purchasing an annuity, the recent volatility shows the importance of gradually reducing the risk in your portfolio as you approach your expected annuity purchase date. Doing this provides greater certainty over the secured income you can expect to generate from your fund.

DRAWDOWN

If we continue to see a protracted period of negative investment returns, and you're already using drawdown or plan to move into drawdown soon, you might also want to avoid taking out any more than you need to while fund values remain depressed. The more you can leave invested, the more you will benefit over time once there is a recovery.

Drawdown is a way of taking money out of your pension to live on during retirement. You have to be aged 55 or over and have a defined contribution pension to access your money in this way. You keep your pension savings invested when you reach retirement and take money out of (or 'drawdown' from) your pension pot. Since your money stays invested – and it's usually in the stock market – there is the risk that your fund may fall in value. The upside is that investment growth can provide higher returns and see your pot continue to increase in value.

CONTRIBUTIONS

If you are still in the process of saving for your retirement (and if appropriate), now might be a good time to consider increasing your pension contributions if you can. Even though your strategy may depend on the movement of the markets, increases in contributions over the long term can make a difference to your eventual retirement pot value, if it coincides with the market recovery.

Again, there is no need to panic – at this stage, we do not know what the long-term implications of coronavirus will be. We can help you see the bigger picture, weigh all your options and take a balanced assessment of your risks.

STAGGERED

New research[1] has revealed how many pensioners are opting for a staggered retirement and working part-time before giving up work completely to make sure their pensions last the rest of their lives. With people living longer, and with the added prospect of health care costs in later life, retirees increasingly understand the benefits of having a larger pension pot in later life.

Of those who haven't accessed their pension pot, half (51%) say it is because they are still working, while more than a quarter (25%) of people in their 60s say it is because they want their pensions to last as long as possible.

Of course, retirees who haven't accessed their pension pot must have alternative sources of income. When asked about their income, nearly half (47%) said they take an income from cash savings (47%), others rely on their spouse or partner's income (35%) or the State Pension (22%), while 12% rely on income from property investments (12%). ■

PROFESSIONAL FINANCIAL ADVICE COUNTS

If you're about to retire, the amount of exposure you have will reflect both your attitude to investment risk and the time you have until retirement. Most importantly, before taking any major decisions relating to your pension, take the time to get professional financial advice.

Source data:

[1] LV= survey of more than 1,000 adults aged over 50 with defined contributions – 25 February 2020

A PENSION IS A LONG-TERM INVESTMENT.

THE FUND VALUE MAY FLUCTUATE AND CAN GO DOWN, WHICH WOULD HAVE AN IMPACT ON THE LEVEL OF PENSION BENEFITS AVAILABLE.

PENSIONS ARE NOT NORMALLY ACCESSIBLE UNTIL AGE 55. YOUR PENSION INCOME COULD ALSO BE AFFECTED BY INTEREST RATES AT THE TIME YOU TAKE YOUR BENEFITS. THE TAX IMPLICATIONS OF PENSION WITHDRAWALS WILL BE BASED ON YOUR INDIVIDUAL CIRCUMSTANCES, TAX LEGISLATION AND REGULATION, WHICH ARE SUBJECT TO CHANGE IN THE FUTURE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED.

PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

FOCUS ON LONG-TERM HORIZONS

TIME IN THE MARKET, NOT TIMING THE MARKET

During this difficult time, fear and worry are understandable, particularly as the coronavirus (COVID-19) outbreak led to the biggest daily drop in the FTSE 100 since the financial crisis of 1987. Trying to second-guess the impact of events such as the coronavirus or the recent stock market volatility – or even attempting to make a bet on them – rarely pays off. Instead, investors who focus on long-term horizons – at least five to ten years – have historically fared much better.

We all have different objectives in life and need different strategies to help achieve them. Sensible diversification – owning a mix of assets, including shares, bonds and alternative investments such as property – can help protect investors over the long term. When one area of a portfolio underperforms, another part should provide important protection.

RISK TOLERANCE AND TIME HORIZON

If you have a well-diversified portfolio, then it's more important than ever to stay the course. You have a strategy in place that reflects your risk tolerance and time horizon, so remain committed. This will help you navigate through periods of uncertainty when some investors are panicking or acting out of fear. Volatility is not all bad, as long as you are prepared to take advantage of the unique opportunities it brings.

In volatile markets, it is perfectly normal for investors to become nervous, question their investment approach and concentrate on the potential for short-term losses over their longer-term investment strategy. Be aware of the psychological effect this type of volatility has on you as an investor, and resist the urge to be reactive.

PROPER DIVERSIFICATION AND PERSEVERANCE

It's important to understand that this movement is not all bad for investors. Some commentators may talk about volatility as detrimental to markets and investors, but fail to mention the opportunities that arise for investors during periods of market volatility.

No one knows how severe any market turbulence will be or what the markets will do next. It could be over quickly or become more protracted. However, no matter what lies ahead, proper diversification and perseverance over the long term are very important.

UPS AND DOWNS OF DIFFERENT TYPES OF MARKET CONDITIONS

It's likely that the coronavirus will continue to have an impact on markets over the coming months and even years. However, major events causing markets to fall, particularly in the short term, is something we've seen time and time again. And it doesn't mean that markets won't recover. History shows again and again that the ups and downs of different types of market conditions are part and parcel of investing.

The key is to remain calm when stock markets fall. Don't panic. Don't frantically sell. If you can avoid it, don't even log into your investment account. At moments like this, the skills and experience of professional financial advisers come into their own. Not only do we have the experience of dealing with different types of market conditions, but we can also help to take the emotion out of your decisions. ■

LIFE'S FULL OF SURPRISES

Whatever your level of confidence, we could help you make better-informed investment decisions. If you would like to find out more or require any further information, please contact us.

CORONAVIRUS IMPACT ON THE GLOBAL ECONOMY

IT'S MORE IMPORTANT THAN EVER TO STAY THE COURSE

The coronavirus (COVID-19) outbreak is first and foremost a human tragedy, affecting hundreds of thousands of people. Moreover, it is also having a growing impact on the global economy. The markets have been extremely volatile as investors weigh the effect of the coronavirus against measures aimed at easing its economic impact. Therefore, it's hard to say how this will affect investments in the short term.

Even with events like the coronavirus and global market volatility dominating the headlines, the key is to keep calm and remember that ups and downs are a normal function of markets, and part and parcel of investing. Bear markets are a fact of any investor's life. Single-day volatility will continue to be common, and we can expect choppy markets as investors and firms react to the ongoing pandemic.

RECALIBRATING THE MARKETS' OUTLOOK

If the markets follow the pattern established over the past few months, sudden market drops have been followed by similarly acute intra-day upswings as the markets absorb the news and recalibrate their outlook.

What we've recently been experiencing is global stock market lows not seen since the 1987 market crash – and as a consequence, many hard-hit companies have laid thousands of employees off. However, it's important not to let global uncertainties affect your financial planning for the years ahead.

'PREPARE, DON'T PREDICT' APPROACH

When markets look worrying, a 'prepare, don't predict' approach can often be the best strategy. Understandably, market falls can be unnerving and make you question your investments. A few months in, it is still hard to grasp the scale and scope of COVID-19's global impact. A third of the world population has been under some sort of 'lockdown'. Over 200 countries have been affected, and the number of new cases and deaths in many places has grown exponentially. All the while, a second crisis in the form of an economic recession is underway.

The increasing concerns surrounding the coronavirus outbreak pandemic have had a significant impact on markets around the world. However, performance chasing can be a costly mistake not only due to the narrow investment choices it encourages, but also due to the higher costs and taxes incurred. Overall, investors can end up selling low, buying high and, importantly, missing out on creating long-term value.

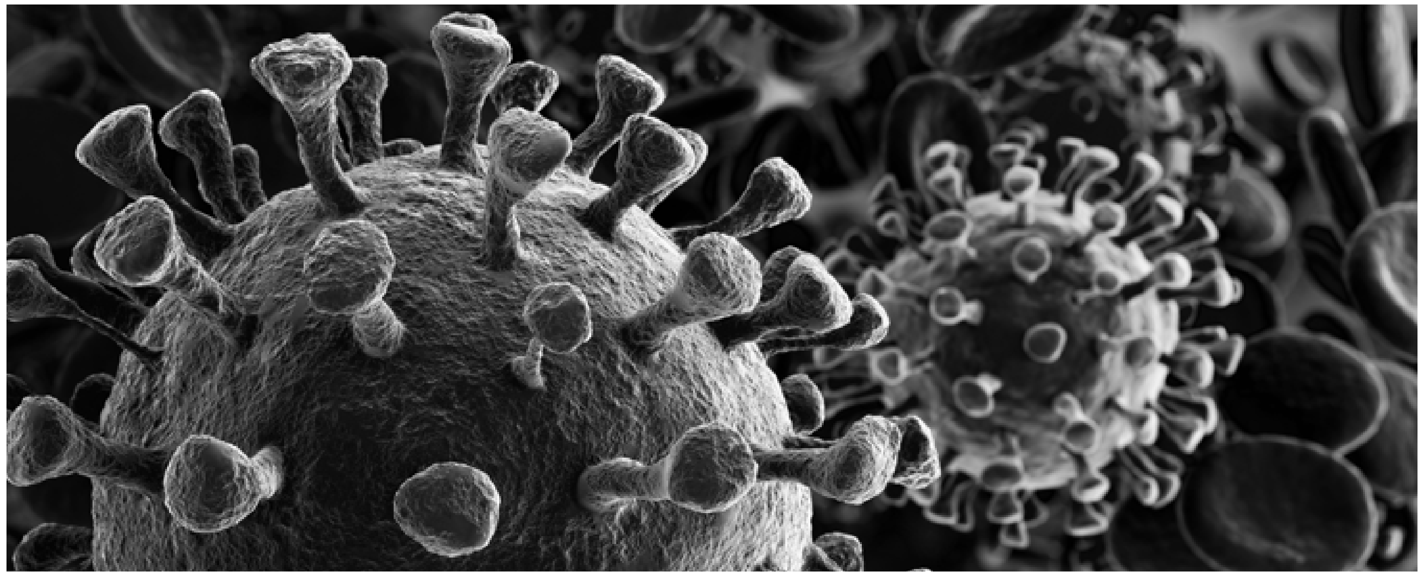
FINANCIAL PLANNING FOR THE YEARS AHEAD

Remember that the overall direction of developed stock markets is a relentless and continual rise in value over the very long term, punctuated by falls. It's important not to let global uncertainties affect your financial planning for the years ahead. Individuals who curtail their investment planning, particularly during market downturns, often miss out on opportunities to invest at lower prices.

Such volatility is less worrying if you take a longer-term view. It's important to stick to your strategy and keep moving ahead consistently by spreading risk and growing your wealth. Volatility in stock markets understandably makes investors nervous. However, on the flipside, not all volatility is bad – without volatility, stock prices would never rise. ■

TRY TO THINK LONG TERM

Even during this pandemic crisis, our financial solutions and expertise to clients still remains the same, to actively grow and protect their wealth over the long term. If you would like to find out more or discuss your situation, please contact us.



HOW SECURE IS THE FUTURE OF YOUR FAMILY OR BUSINESS?

PROJECTING OURSELVES INTO THE FUTURE TO SEE WHAT'S AROUND THE NEXT BEND IS NOT AN EASY THING TO DO

Given the current situation during this difficult and unsettling time with coronavirus (COVID-19), it's important to think about how secure the future of your family or business would be in the event that you were no longer around.

Understandably, we would rather not dwell on such a scenario, but this crisis has highlighted the importance of protecting the things that really matter – like our loved ones, home, lifestyle and business – in case the unexpected happens.

The outbreak of the coronavirus may mean you have concerns about your life insurance and whether you're covered. If you have life insurance to provide for those left behind, or to cover business loans after your death, it's important to keep paying the premiums, even if you're tempted to put it on hold to cut costs. You could lose your cover and may struggle to find the same level of cover if you start another policy later on.

FULL REPLACEMENT VALUE

For many of us, projecting ourselves into the future to see what's around the next bend is not an easy thing to do. However, without thinking, we insure our cars, homes and even our mobile phones – so it goes without saying that you should also be insured for your full replacement value to ensure that your loved ones and business are financially catered for in the event of your unexpected death. Making sure that you have the correct type and level of life insurance in place will help you to financially protect them.

Life insurance provides a safety net. Ultimately, it offers reassurance that your family and business would be protected financially should the worst happen. We never know what life has in store for us, as we've seen in recent weeks with the outbreak of COVID-19, so it's important to get the right life insurance policy. A good place to start is to ask yourself three questions: What do I need to protect? How much cover do I need? How long will I need the cover for?

ASK YOURSELF

- Who are your financial dependents – your husband or wife, registered civil partner, children, brother, sister or parents?
- What kind of financial support does your family have now?
- What kind financial support will your family need in the future?
- What kind of costs will need to be covered, such as household bills, living expenses, mortgage payments, educational costs, debts or loans, or funeral costs?
- What amount of outstanding business loans do I have now?

FINANCIAL SAFETY NET

It may be the case that not everyone needs life insurance. However, if your spouse and children, partner, other relatives or business depend on you to cover the mortgage, other living and lifestyle expenses, or business loans, then it will be something you should consider. Putting in place the correct level of life insurance will make sure they're taken care of financially.

That's why obtaining the right professional financial advice and knowing which products to choose – including the most suitable sum assured, premium, terms and payment provisions – is essential.

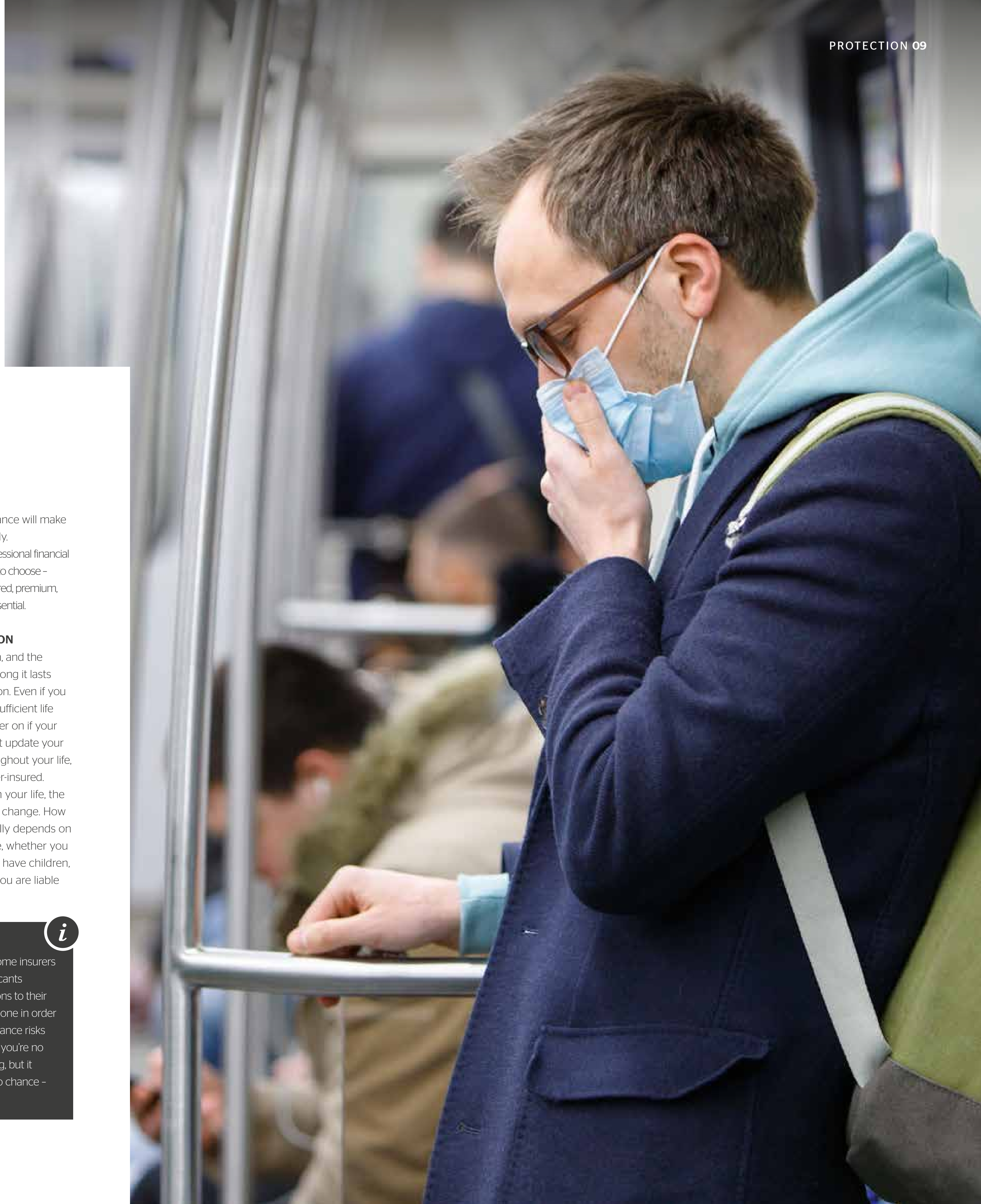
NO ONE-SIZE-FITS-ALL SOLUTION

There is no one-size-fits-all solution, and the amount of cover – as well as how long it lasts for – will vary from person to person. Even if you consider that currently you have sufficient life insurance, you may need more later on if your circumstances change. If you don't update your policy as key events happen throughout your life, you may risk being seriously under-insured.

As you reach different stages in your life, the need for protection will inevitably change. How much life insurance you need really depends on your circumstances – for example, whether you have a mortgage, you're single or have children, or you have business loans that you are liable to pay. ■

DON'T LEAVE IT TO CHANCE

Since the outbreak of COVID-19, some insurers are restricting cover for new applicants and have introduced new questions to their application forms. This has been done in order to establish and manage the insurance risks it poses. Planning for a time when you're no longer around may seem daunting, but it doesn't have to be. Don't leave it to chance – speak to us for more information.



INCOME PROTECTION INSURANCE

HOW WILL YOU PAY THE BILLS IF YOU WERE SICK OR INJURED AND COULDN'T WORK?

There is a growing unease about the economic fallout of coronavirus (COVID-19), with many businesses laying off contractors and putting staff on extended leave, as well as natural worries about contacting the disease.

What this crisis has shown is that being unable to work can quickly turn our world upside down. No one likes to think that something bad will happen to them, but if you can't work due to a serious illness, how would you manage financially? Could you survive on savings or sick pay from work? If not, you may need some other way to keep paying the bills – and income protection insurance is an option to consider.

You might think this may not happen to you, and of course we hope it doesn't, but it's important to recognise that no one is immune to the risk of illness and accidents. No one can guarantee that they will not be the victim of an unfortunate accident or be diagnosed with a serious illness. This won't stop the bills arriving or the mortgage payments from being deducted from your bank account, so forgoing income protection insurance could be tempting fate.

COVER MONTHLY PAYMENTS

Income protection insurance is a long-term insurance policy that provides a monthly payment if you can't work because you're ill or injured, and typically pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner.

KEEP YOUR FINANCES HEALTHY AS YOU RECOVER FROM ILLNESS OR INJURY:

- Income protection insurance replaces part of your income if you become ill or disabled
- It pays out until you can start working again, or until you retire, die or the end of the policy term – whichever is sooner
- There's a waiting period before the payments start, so you generally set payments to start after your sick pay ends, or after any other insurance stops covering you. The longer you wait, the lower the monthly payments
- It covers most illnesses that leave you unable to work, either in the short or long term (depending on the type of policy and its definition of incapacity)
- You can claim as many times as you need to while the policy is in force

GENEROUS SICKNESS BENEFITS

Some people receive generous sickness benefits through their workplace, and these can extend right up until the date upon which they had intended to retire. However, some employees with long-term health problems could find themselves having to rely on the state, which is likely to prove hard.

TAX-FREE MONTHLY INCOME

We're already seeing, as a consequence of COVID-19, how many people are finding it a struggle financially without a regular income. Even if you were ill for only a short period, you could end up using your savings to pay the bills, but how long would they last? In the event that you suffered from a serious illness, medical condition or accident, you could even find that you are never able to return to work. Few of us could cope financially if we were off work for more than six months. Income protection insurance provides a tax-free monthly income for as long as required, up to your nominated retirement age, should you be unable to work due to long-term sickness or injury.

PROFITING FROM MISFORTUNE

Income protection insurance aims to put you back to the position you were in before you were unable to work. It does not allow you to make a profit out of your misfortune. So the maximum amount of income you can replace through insurance is broadly the after-tax earnings you have lost, less an adjustment for state benefits you can claim. This is typically translated into a percentage of your salary before tax, but the actual amount will depend on the company that provides your cover.

SELF-EMPLOYMENT

If you are self-employed, then no work is also likely to mean no income. However, depending on what you do, you may have income coming in from earlier work, even if you are ill for several months. Self-employed people can take out individual policies rather than business ones, but you need to ascertain on what basis the insurer will pay out. A typical basis for payment is your pre-tax share of the gross profit, after deduction of trading expenses, in the 12 months immediately prior to the date of your incapacity. Some policies operate an average over the last three years, as they understand that self-employed people often have a fluctuating income.

COST OF COVER

The cost of your cover will depend on your occupation, age, state of health and whether or not you smoke. The 'occupation class' is used by insurers to decide whether a policyholder is able to return to work. If a policy will pay out only if a policyholder is unable to work in 'any occupation', it might not pay benefits for long – or indeed at all. The most comprehensive definitions are 'Own Occupation' or 'Suited Occupation'. 'Own Occupation' means you can make a claim if you are unable to perform your own job. However, being covered under 'Any Occupation' means that you have to be unable to perform any job, with equivalent earnings to the job you were doing before not taken into account.

YOU CAN ALSO USUALLY CHOOSE FOR YOUR COVER TO REMAIN THE SAME (LEVEL COVER) OR INCREASE IN LINE WITH INFLATION (INFLATION-LINKED COVER):

- **Level cover –** with this cover, if you made a claim, the monthly income would be fixed at the start of your plan and does not change in the future. You should remember that this means if inflation eventually starts to rise, the buying power of your monthly income payments may be reduced over time
- **Inflation-linked cover –** with this cover, if you made a claim, the monthly income would go up in line with the Retail Prices Index (RPI)

WHEN YOU TAKE OUT COVER, YOU USUALLY HAVE THE CHOICE OF:

- **Guaranteed premiums –** the premiums remain the same all the way throughout the term of your plan. If you have chosen inflation-linked cover, your premiums and cover will automatically go up each year in line with RPI
- **Reviewable premiums –** this means the premiums you pay can increase or decrease in the future. The premiums will not typically increase or decrease for the first five years of your plan, but they may do so at any time after that. If your premiums do go up or down, they will not change again for the next 12 months

MAKING A CLAIM

How long you have to wait after making a claim will depend on the waiting period. You can typically choose from between 1, 2, 3, 6, 12 or 24 months. The longer the waiting period you choose, the lower the premium for your cover will be, but you'll have to wait longer after you become unable to work before the payments from the policy are paid to you. Premiums must be paid for the entire term of the plan, including the waiting period.

INNOVATIVE NEW PRODUCTS

Depending on your circumstances, it is possible that the payments from the plan may affect any state benefits due to you. This will depend on your individual situation and what state benefits you are claiming or intending to claim. This market is subject to constant change in terms of the innovative new products that are being launched. If you are unsure whether any state benefits you are receiving will be affected, you should seek professional financial advice. ■

DON'T LEAVE IT TO CHANCE

Since the outbreak of COVID-19, some insurers are restricting cover for new applicants and have introduced new questions to their application forms. This has been done in order to establish and manage the insurance risks it poses. Planning for a time when you're no longer around may seem daunting, but it doesn't have to be. Don't leave it to chance – speak to us for more information.

BEWARE OF PENSION FRAUDSTERS

SAFEGUARD YOUR HARD-EARNED RETIREMENT SAVINGS FROM COVID-19 SCAMMERS

Fraudsters are exploiting fears over the COVID-19 pandemic to target pension savers and investors. The Pensions Regulator, the Financial Conduct Authority (FCA) and the Money and Pensions Service have issued a joint statement urging people not to make rash pension decisions in the wake of the global pandemic, as criminals try to exploit public fears over the market turmoil to dupe victims out of their cash.

Nearly one in ten over-55s fear they have been targeted by suspected scammers since the launch of Pension Freedoms, new research shows[1]. The study found 9% of over-55s say they have been approached about their pension funds by people they now believe to be scammers since the rules came into effect from April 2015.

MOST RECENT PENSION FRAUD DATA CASES

Offers to unlock or transfer funds are tactics commonly used to defraud people of their retirement savings. Most recent pension fraud data from ActionFraud, the national fraud and cybercrime reporting service, shows 991 cases have been reported since the launch of Pension Freedoms, involving losses of more than £22.687 million.

Some scammers have very convincing websites and other online presence, which make them look like a legitimate company. Always check with the FCA to make sure they're registered. Pension scam victims lose an average of £91,000, according to the FCA and the Pensions Regulator.

PERSUADING YOU TO TRANSFER YOUR PENSION POT

Scammers will make false claims to gain your trust – for example, claiming they are authorised by the FCA or that they don't have to be FCA-authorised because they aren't providing the advice themselves, or claiming to be acting on the behalf of the FCA or the government service Pension Wise.

Scammers also design attractive offers to persuade you to transfer your pension pot to them (or to release funds from it). It is then often invested in unusual and high-risk investments such as overseas property, renewable energy bonds, forestry or storage units. Alternatively, it could be invested in more conventional products but within an unnecessarily complex structure that hides multiple fees and high charges, or it might even be stolen outright. ■

DON'T LET A SCAMMER ENJOY YOUR RETIREMENT

If you're contacted out of the blue about your pension, chances are it's high risk or a scam. Be wary of free pension review offers. A free offer out of the blue from a company you have not dealt with before is probably a scam. Should this happen to you, please contact us.

Source data:

[1] Consumer Intelligence conducted an independent online survey for Prudential between 23 and 25 February 2018 among 1,000 UK adults aged 55+, including those who are working and retired

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Authorised and Regulated by the Financial Conduct Authority

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