



financial advice

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Pension liberation fraud

'Pension loans' or cash incentives are being used alongside misleading information to entice savers as the number of pension scams increases. This activity is known as pension liberation fraud and it's on the increase in the UK.

What is pension liberation fraud?

Pension liberation, also known as 'pension loans' and 'pension scams', is a transfer of your pension savings to an arrangement that will allow you to access your funds before the age of 55.

But accessing pension savings before minimum pension age is only possible in rare cases, like terminal illness. This activity can be fraudulent where individuals are not informed, or are misled, as to the consequences of entering into one of these schemes.

An increasing number of companies are targeting savers claiming that they can help them take their pension cash early.

Pension liberation can result in tax charges and penalties of more than half the value of a member's pension savings, and those being targeted are usually not being told about the potential tax implications. This is in addition to high charges, typically 20% to 30% for entering into one of these arrangements and high risk investments for the remaining pension savings.

What to look out for

- Being approached out of the blue over the phone or via text message.
- Pushy advisers, often unregulated, who claim to be able to help you access your pension before age 55.
- Companies that offer a 'loan', 'saving advance' or 'cashback' from your pension.
- Any reference to 'loopholes', overseas investments, creative or new investment techniques.

If you're a pension scheme member and concerned that you may have been the target of pension liberation fraud, contact **Action Fraud** on **0300 123 2040**.

Find out more information from the [Pensions Advisory Service](#).



**Don't let your pension
become prey.**

