



10 DOWNING STREET
LONDON SW1A 2AA

THE PRIME MINISTER

5 November 2020

Dear Andy,

Thank you for your letter of 27 September following your attendance at my constituency surgery with Mr and Mrs Burgess.

The Government is committed to protecting people from pension scams and pursuing those who perpetrate them. That is why we established Project Bloom, a cross-government, regulator, law enforcement and industry taskforce to share intelligence, raise awareness of scams, and take enforcement action.

Since the Government launched a consultation on pension scams in 2016, we have introduced two new measures: a ban on pensions cold calling, and changes to the pension scheme registration process to make it harder for fraudsters to open pension schemes. A third measure, helping trustees to prevent transfers to fraudulent schemes through limiting the statutory right to transfer, is included in DWP's current Pension Schemes Bill.

The Pension Schemes Bill will make it harder for criminals to get their hands on members' pension savings. The clause in the Bill enables the Secretary of State to make regulations to set conditions which must be satisfied before a member can transfer their accrued pension rights to a different scheme.

In response to the COVID-19 pandemic, regulators in the pensions sector, the Financial Conduct Authority (FCA) and the Pensions Regulator (TPR) supported by the Money and Pension Service (MaPS), have issued a public statement urging savers to keep calm and not rush any decisions about their pensions. This builds on the joint £4 million ScamSmart pensions scams campaign run by the regulators over the last two summers – which drove 400,000 users to the ScamSmart website, with hundreds warned off using an unregulated firm. The Government supports the collaborative approach of TPR, the FCA and MaPS in recommending that savers use guidance and information channels before making decisions about retirement.

You mention a proposal from Margaret Snowden for a tax amnesty on unauthorised payments charges. The Government encourages pension saving, to help ensure people have an income, or funds on which they can draw, throughout retirement. This is why, for the majority of savers, pension contributions are tax-free. The unauthorised payments regime exists to prevent the use of this generous tax relief for reasons other than providing for retirement.

I have much sympathy for anyone who falls victim to a pension scam, and HMRC seeks to treat each case sympathetically and based on its own facts. However, the tax on savings liberated from pensions schemes is there to prevent tax avoidance, and a blanket tax amnesty would undermine this.

Thank you, once again, for writing.

A handwritten signature in black ink, appearing to read 'V. G. ...'.A handwritten signature in black ink, appearing to read 'Bob ...'.

Mr Andy Agathangelou