

## Work and Pensions Committee

### Oral evidence: Protecting pension savers – five years on from the pension freedoms: Pension scams , HC 648

Wednesday 6 January 2021

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Members present: Stephen Timms (Chair); Debbie Abrahams; Shaun Bailey; Siobhan Baillie; Neil Coyle; Steve McCabe; Nigel Mills; Selaine Saxby; Dr Ben Spencer; Chris Stephens; Sir Desmond Swayne.

Questions 213 - 265

#### Witnesses

**I:** Nicola Parish, Executive Director of Frontline Regulation, The Pensions Regulator; Commander Clinton Blackburn, National Coordinator for Economic Crime, City of London Police; Mark Steward, Executive Director of Enforcement and Market Oversight, Financial Conduct Authority; and Graeme Biggar, Director General, National Economic Crime Centre.

Written evidence from witnesses:

[PPS0064](#) The Pensions Regulator

[PPS0048](#) Financial Conduct Authority



## Examination of witnesses

Witnesses: Nicola Parish, Commander Clinton Blackburn, Mark Steward and Graeme Biggar.

Q213 **Chair:** Good morning, everybody. Welcome to this meeting of the Work and Pensions Select Committee and our session on protecting pension savers. I am very grateful to the four witnesses who are joining us virtually this morning. I ask each of them to tell us very briefly who they are, starting with Nicola Parish.

**Nicola Parish:** Good morning, Mr Chairman. I am Nicola Parish. I am the executive director of frontline regulation at the Pensions Regulator. I am representing TPR but I am also here because TPR is the chair of Project Bloom.

**Mark Steward:** I am Mark Steward. I am the executive director of enforcement and market oversight at the Financial Conduct Authority. We are also members of Project Bloom.

**Commander Blackburn:** Good morning. I am the economic crime co-ordinator for the UK, responsible for economic crime. We are also a member of Project Bloom.

**Graeme Biggar:** Good morning. Happy new year, everyone. I am Graeme Biggar. I am the director general of the National Economic Crime Centre, which is a multi-agency team set up within the National Crime Agency to combat economic crime.

Q214 **Chair:** Thank you all very much for being with us. I will start with the first question. What do you think is the scale of pensions scamming in the UK at the moment and how many people it takes to make a scam? What is the size of the teams of people who are doing this at the moment? Are you seeing trends in this area that you are able to tell us about? I will put those points to each of you. Let's do it in the same order, starting with Nicola.

**Nicola Parish:** Thank you. Pension scams clearly have a devastating effect on people and they really do wreck people's lives, so Project Bloom is very pleased and welcomes the Committee's focus on this particular area.

Project Bloom was established in 2012. It is a multi-agency taskforce and it co-ordinates and targets efforts to combat pension scams and fraud. We do that through education, prevention and enforcement. It is not a statutory group, a statutory body. It does not have its own funding or resources, but it brings everybody together in partnership, with a shared interest in tackling pension scams. We work through five workstreams. We have five particular objectives of raising public awareness, understanding the problem, enforcement and regulatory intervention, legislation, and non-legislative interventions. Various of our partners lead on those workstreams. We have had great success in a number of the



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areas of educational campaigns, improving intelligence sharing, partnership working, disruption and enforcement and in influencing Government policy and legislation. We know that we have made some progress, but of course there is much more that could be done.

You asked about the scale of the size of pension scamming. We know from the reports to Action Fraud that more than £30 million has been reported as having been scammed from individuals over the last three years. That is a serious amount of money but the true extent of pension scamming is likely to be significantly higher than that. We know that there is underreporting by individuals and by the pensions sector. The average that people lose is about £82,000 and we know that from a 2019 survey from the Action Fraud information. We know that that can have a devastating impact on people who are victims of pension scams. We know there is an issue—

**Chair:** Sorry, when was that survey, Nicola?

**Nicola Parish:** That information is from 2019. What I think we can all agree on is that there is an issue here, so it is very important that we do something about it. That is when we come to the successes of Project Bloom, the importance of educating people so that they can spot the signs of a scam and they do not hand over their money in the first place. I have more I could say there, but I know my other colleagues may want to talk about the size of the problem.

Q215 **Chair:** Are there any particularly striking trends that you see at the moment in this area?

**Nicola Parish:** Certainly pension scammers have changed their modus operandi over time. We know that a few years ago particularly it was about setting up a sham pension scheme and encouraging people to move from their bona fide scheme into a sham. More recently, it is about just encouraging people to come out of their pension scheme into a vehicle that is being used for investment fraud, so it is more of a vehicle for investment fraud than needing to be the sham pension scheme that it was historically.

Q216 **Chair:** Thank you very much. Mr Steward?

**Mark Steward:** I agree with Nicola that it is difficult to estimate the full size and impact of pension scams. That is largely because pension scams sit within a subset of broader investment fraud, which we know has been increasing, and I will come to why I think that is happening. We have also used and relied on the figure of £30 million, which derives from the material that was provided to Action Fraud by victims. We agree that it is an underestimation, but it is not quite clear how high the figure is. We did a case this year that involved up to £90 million of pension savings. That was just in one case, so we know already from cases that we are working on that the number is higher than the £30 million that was reported to Action Fraud.



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Part of the scale and impact can be gleaned from the data that Action Fraud collects, as well as from the reports that are made to our contact centre. We have seen an increase in the number of reports of investment fraud generally and we think within those numbers there will be pension money as well that has gone missing. For example, in the last 12 months we have had 10,000 cases reported to our contact centre. Not all of them turn out to be what they purport to be but they all get assessed and triaged. That is a significant increase on previous years.

We have also identified around 30,000 instances of what we call unregulated activity in the last 12 months. Within that field of unregulated activity, there is a lot of other issues, not just potentially pension fraud or pension scams, but that number of 30,000 is a significant increase again on previous years. That is indicative of a rising trend here. What is also clear, by contrast, is that even when we are able to dig into those figures, the volume of pension fraud itself is quite small, but we suspect that because of the rise of investment fraud generally it is placing more pressure on people who are seeking to access or use their pension savings earlier than they should be, making them more vulnerable to fraud.

Nicola mentioned some of the work that is being done to prevent this through Project Bloom. The FCA and the Pensions Regulator have been running a number of campaigns and doing some research into some of these numbers, which show that people are enormously vulnerable to some of the scams that we know exist. This is a feature that is driving the increase. Covid and lockdown has placed people under more financial pressure. Household finances are stretched and so the temptation to use savings or to be tempted by offers of free pension reviews, for example—which we warned about—are very real. Of course a free pension review is hardly free. It is the first step in a process that will lead someone to investing in something that is too good to be true. We know as well that people still think that investment returns of 8% are realistic and viable, when in fact they are nothing of the kind.

The other significant driver here—and you have mentioned trends—is the increase in online advertising and online marketing of what look like genuine opportunities, but in fact are fraudulent or scam-like. Again, we have seen a significant increase. It has been happening for two or three years now, but that has sped up in the last 12 months, perhaps coinciding with people spending more time at home because of the current situation that we are in and spending more time online as well. There is a natural need now for people to perhaps do a lot of shopping online and the opportunities to also be attracted by too-good-to-be-true investment offers online are very real as well, combined with the fact that there is no regulation of social media and advertising on social media. We see that as a very significant driver of the increase of online scams and frauds.



It is very easy for a scammer, who in the old days might have to set up quite a sophisticated outfit of glossy brochures, office fronts, people, the appearance of a legitimate business, where now all they need is an online advertisement that can be created very easily. The identifying details, names and addresses that might appear on the advertisement are not checked and invariably they are false, so the scammer has anonymity in that process. With the way social media works, there is an automated straight-through processing of the advertisement so that you can industrialise this process and run multiple advertisements offering all sorts of different things daily. We see ads being run daily and this has increased the temptation and the opportunity.

We are obviously doing things about this and trying to address this. I know there will be opportunities perhaps to delve further into this, but I think these are the main ones right now for impact and trends. There are all sorts of other ones as well but, in summary, those are the main ones.

**Q217 Chair:** Thank you very much. We will certainly come back to some of those points. Commander Blackburn, what are the scale and trends that we are seeing at the moment?

**Commander Blackburn:** Good morning. In 2020 we saw 637 pension frauds reported to Action Fraud. In the past three years we have seen losses—as Nicola raised—of £30.8 million. To put it into the context of how it looks across the whole of the landscape, we are talking about last year seeing 822,000 reported frauds. That is across the whole landscape for the last financial year and that is a loss across the UK of about £2.3 billion.

Pension fraud has been steadily decreasing since 2015. However, that said, 2019-20 has shown a slight upward trend in reported pension scams. The pension scam data are a subset of a much bigger problem. Pension scams are often reported as investment frauds, as we have already heard. Investment fraud is slightly increasing and will do as a result of the pandemic as well, but we may not see that final result for a number of years. To put it in perspective with investment fraud, what we have seen between this year and last year is about 1,500 further offences. Overall in 2020 we saw nearly 19,000 investment frauds reported to Action Fraud. Online scams—

**Q218 Chair:** The Pension Scams Industry Group suggests that billions are being lost in pension scams at the moment. Is that plausible, given the figures that you have given us?

**Commander Blackburn:** It is plausible, yes. It is obviously just not being reported to us through Action Fraud to capture the correct data that is mirroring up with what it is reporting.

Online scams and the use of social media platforms appear to be increasing significantly as well. To put that in perspective, in the last year we saw that 12% of all the reported frauds featured some sort of social



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media or encrypted messaging services. As has already been said, we do not know what the true scale of the problem is because of the underreporting issue. Mark and Nicola have quite articulately covered the recent trends and I do not think there is much more that I can add. We are seeing very much the same.

Q219 **Chair:** Are you able to make any comments on who is doing this and what sorts of teams of people are putting these scams together? Is it one person; are we talking about large groups? Who is doing it?

**Commander Blackburn:** It is how long is a piece of string, to some extent, with these type of offences. It can range from anyone. It can be one person sitting in a bedroom on a laptop; it can be a whole organised crime group working locally, nationally or internationally. With the use of internet and social media, they can commit it from anywhere in the world, which is what makes it such a difficult crime type to investigate.

Q220 **Chair:** Thank you. Mr Biggar?

**Graeme Biggar:** A lot of this has been covered already, so I will be very brief. To reinforce Clinton's point, it is a range of different kinds of groups that can do this, but some of it is clearly very organised and sophisticated. That is an important point and that is how it can happen at scale, when it is done like that.

Secondly, I reinforce the point that pension fraud, certainly from where I sit, is a subset of investment fraud. It is very damaging because you are talking about large amounts of money that have a huge impact on people. There is obviously underreporting of pension fraud. Some of that is hidden inside investment fraud, but where I sit—and probably the same for Mark and Clinton—our focus is primarily on the investment fraud as a whole. There are some extra elements that come with pension fraud, but if we are trying to tackle investment fraud as a whole, we will pick up a lot of the things that are necessary for pension fraud.

Finally, on trends, I reinforce Mark's point about the increasing use of the internet and the online world. We have seen that in all of our lives over the last few years and particularly in the last year with covid. The particular thing—and you have heard this from other people who have given evidence—has been the emergence recently of cloned websites of firms and also, which I think you have heard about, fake comparison websites, which take people then to the cloned websites or investment opportunities. That has been a more recent development and something that we need to get more on top of. We can talk about that later.

Q221 **Shaun Bailey:** My first question for everyone on the panel is: to what extent do you feel that the pension freedoms have removed the division between pension scamming and other types of financial fraud?

**Nicola Parish:** We have probably covered that quite a lot already, but broadly the answer is that previously, before pension freedoms, you would need to have a sham pension scheme to be able to move your



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pension pot from one pension scheme to another. That is not necessary now. Now, because of pension freedoms, it is possible to release some of your pension pot and so we are seeing the emergence of vehicles being used for investment fraud.

I will pick up on one point about the pension scamming element as opposed to general investment fraud. For me, the real difference here is when you think about the impact that the fraud will have on the individual. We are talking about people who have been saving money for their retirement. If they get scammed at that point in their life, they have very little time and very little opportunity to make up the difference, to do anything about that. It has a huge impact on people's lives in retirement. It really does make a difference. That is the real difference in what is a pension scam compared with an investment scam.

It just underlines the importance of doing everything we possibly can through Project Bloom and all of our partners to make sure that people do not part with that hard-earned pensions pot, to make sure they understand what a scam looks like, how to spot the signs of a scam and to make sure they do not hand over their money in the first place. To that extent, Project Bloom has been very successful with the ScamSmart campaign. We have reached four out of five pension savers in the target group of 45 to 64. Four out of five of them have seen the advert and 77% say they recognise the messages there. I think that is the very important point.

**Shaun Bailey:** I do not know if anyone else has anything to contribute on that at all. No. That is great, thank you.

**Mark Steward:** Sorry, I was going to come in. I could not get off mute quickly, I am sorry. First of all, I agree entirely with what Nicola is saying. Obviously, pension freedoms have brought greater choices for consumers and with that comes the peril that not everyone will navigate those choices well. The cost of greater choice is greater complexity and all the normal risks that come with individual judgment. It is very clear that there is a correlation between pension freedoms and the way in which a scammer or a fraudster will try to gain that as an opportunity. We saw the very same thing in Australia earlier when the same policy changes were implemented.

That means that there needs to be a lot of investment, not so much in financial literacy for consumers but in consumer information, to enable those choices—the worst choices that we are talking about—to be avoided by consumers. The campaigns that we have run through Project Bloom and the ScamSmart website that the FCA runs, together with the other information that we have, have been very effective but I think it has always been limited by the amount of money we have had to spend on it. It needs much broader, saturating coverage. That is what happened in Australia and it is worth looking at. The success of these campaigns has been good; I think we need to go further but there is a real question of resource and money here.



**Q222 Shaun Bailey:** That is great. Thank you for that, Mark. Turning more broadly to the roles of trustees in the fight against some of the more advanced scams, we have heard that many trustees feel that they are unable to prevent their members from making sometimes questionable decisions, because now they have the statutory right to transfer. We have recently had the Pension Schemes Bill go through Parliament. We have seen a wide discussion about the role of trustees and their power to intervene. I am curious to understand, Nicola and Mark—and maybe the others as well—what greater work can be done with trustees to perhaps get them to understand their role a bit, but also perhaps to link that up. Trustees have enhanced powers to try to intervene where possible now. How do we work with the trustees to ensure that we can limit these scams at times?

**Nicola Parish:** Shall I start with that one and then you pick up if you want, Mark? It is a good opportunity for me to mention the PSIG code of practice, which sets out good practice for trustees and in particular the sorts of due diligence that they should be doing when they receive a request for a transfer from a member. PSIG is a very important part and member of Project Bloom. We would like to see more industry join up to PSIG; that would be helpful.

The code of practice is there. TPR has been running a campaign since November to get people to sign up to that code of practice. We call it our pledge campaign. We are calling on industry—trustees, administrators and providers—to sign up to that code of practice. It sets out very clearly what we expect of the pensions industry in those areas, what they should be doing to help protect members and help protect savers from being scammed, and explains how you spot a scam. It says that the industry should be pushing those messages out to savers, so that not only can the industry spot them but the savers can spot them as well. It explains the due diligence and the detailed work that we expect trustees to be going through before there is a transfer. It also requires reporting, which we have talked about already: the importance of getting industry to report in when they suspect a pension scam. That pledge has been running. We have had over 100 organisations sign up to it at TPR, which is great news.

We also have a new module on pension scams in our trustee toolkit. We have had over 1,000 people go through that module. It has been running since November and is more information to trustees to explain very clearly and simply what is expected of them to help prevent people being victims of pension scams. There is all of that.

If the Pension Schemes Bill goes through, the statutory right to transfer will be limited, so people will only be able to transfer into a master trust authorised by the Pensions Regulator, a pension scheme authorised by the FCA or a pension scheme with a demonstrable employment link. Again, with the help of trustees there, we will be reducing the opportunity for pension scammers to get their hands on people's pension pots.



Importantly, if that becomes legislation, if the trustees decide to exercise their discretion and not allow a transfer, the member cannot do anything about that. That puts a lot of power and responsibility in the hands of the trustees if those provisions go through.

**Shaun Bailey:** Thank you, Nicola. I do not know if there are any more comments quickly on that point before—

**Chair:** I think we will come back to some of those points as we go through. Let's move on for now.

Q223 **Chris Stephens:** My questions are around the Committee's concerns about the majority of cases that were reported to Action Fraud not being investigated, *The Times* newspaper investigation and a review that has been carried out by Sir Craig Mackey. My first question is to Commander Blackburn. Do you believe that the review has been sufficient to identify and deal with the operational problems that have been uncovered?

**Commander Blackburn:** To go back to the series of questions that you have asked, on the vast majority of cases that you are talking about not being investigated, I go back to what I said earlier about the 822,000 reports of fraud in the last financial year. We are talking about huge volumes here. Policing has limited resources and competing demands and, sadly, we have to make some very difficult decisions as a result. I do not believe this is an area of crime where we can arrest ourselves out of this offence type. Traditionally there has been an emphasis on reducing criminals. Preventing people from becoming a victim in the first place is an absolutely vital part of addressing fraud.

As volumes increase, there has to be a focus on other strategies, but this will come with increased funding, increased support, investor protection and consumer education. We want to prevent people from becoming a victim in the first place. We do a lot of awareness raising, especially on social media and with regional media, on emerging frauds as they present. We will probably hear a little bit about that later when we talk about operational time.

We also work with other police forces to raise awareness of certain prevalent types—for example, courier fraud, romance fraud, again talking about Operation Otello—but as a national fraud reporting mechanism, it gives us oversight of the fraud trends across England and Wales. This enables us to do vital awareness-raising work. Action Fraud resources are specifically focused on the reports most likely to present an investigative opportunity for forces and for those that present probably the most risk, threat and harm to victims concerned. There are some very good examples of work that is taking place regionally and nationally. For example, in July 2020 the Metropolitan police charged four people who were responsible for taking pensions off 275 victims, amounting to £22 million of loss, but fraud reports result in a number of different ways.

It is not just about judicial outcomes. The City of London police, for example, as the lead force, took down 30,000 websites in the last year,



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phone and e-mails being blocked, accounts being frozen, money transfers being stopped and returning money back to victims that ultimately would have been stolen. While not every single report can be investigated because of the sheer volume, absolutely every single report to us does matter. It goes into understanding the complex patterns that are being built across the UK to help us steer some of the prevent work. Also, 85% of the reported pension frauds that we had last year were passed out to UK law enforcement for further action, so that was 545 of the 687 that we talked about.

On the second part of your question about what we saw in *The Times* last year, we expect a very high level of service from the contractors that supply our call-handling service, and we do not tolerate what played out in the newspapers in 2019. Some very swift dismissals took place following that and an improvement plan was put in place with 81 applicants, which covered a number of themes, including recruitment, training, culture and processes. I am pleased to say that 95% of those now have been completed. Through the City of London police, the Police Authority Board commissioned what is known as the Mackey review and that was published in January 2019. That made 15 recommendations for areas of improvement, eight of which have now been implemented to date.

One of the key things is that while everything that happened was absolutely wrong, absolutely disgusting, the Mackey review felt that Action Fraud and NFIB have the potential to serve policing well in the UK. There is a number of issues needed to improve it, including one of resourcing, which we have been very much addressing. We have a retired police officer based on site advising daily. The calls are audited and training is assessed. We have a monthly performance framework. Since 2019 when this broke in the press, from the cohort of victims that have reported, satisfaction rates have been no less than 90% and up to 97% as it stands now.

**Graeme Biggar:** I look at fraud more broadly, not just with policing but with law enforcement and the system in the round. In slight defence of Action Fraud, *The Times* report exposed some stuff in Action Fraud that was terrible, as Clinton has said, and action has been taken on that, but the large share of the criticism of Action Fraud is a criticism of the way we deal with fraud in this country in the round. The criticisms get heaped on Action Fraud because that is the point where people report to, but it is only one small part of the system. Clinton mentioned the number of reports that are coming in, and now about a third of all crime is reported. Last year it became the biggest single reported crime for the first time and it has less than 1% of police dedicated to looking at it. We have this massive mismatch in the law enforcement, the policing response. Unsurprisingly, that does not lead to brilliant outcomes.

We are never going to be able to dedicate the number of police to investigate individual cases that would be needed to go after every single



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one in the way that we would like to do, in the way that victims would like us to do, so we need to be more intelligent about how we approach that. That is what we have been trying to do and drive from the National Economic Crime Centre, where I sit, working very closely with the City of London police, the Financial Conduct Authority, the Home Office and a range of other partners.

The trick to doing this, in the way that you cannot address every single report, is absolutely as Nicola and Clinton have mentioned. You need to start with protect. How do you stop this happening in the first place? That is absolutely about comms to consumers, customers and members of the public. It is absolutely about working with the industry to find ways of making it harder. It is absolutely about working with the online world to make it harder for scams to be advertised. There is a lot that is happening there and more that can happen.

Secondly, we need to do the pursue bit better, going after the criminals. We cannot get every single one but we can try to be more intelligent about the cases that we are picking. We are picking the ones that are causing the most harm and affecting the most people. It is quite a tricky exercise to take the reports that come into Action Fraud, the 20,000 calls that Mark mentioned that come into the FCA, and do analysis on those to try to identify where the networks and links are and focus our resources on those. But that is what we are embarked on at the moment.

We reckon across law enforcement we currently have 90 major investigations into investment fraud—not pension fraud specifically but investment fraud in the round, which will include pension fraud. That is across the Serious Fraud Office, the NCA, the Financial Conduct Authority, all the regional and organised crime units and policing. We are doing our best to try to make sure that those are absolutely the most important cases, that we have done the deconfliction across them to make sure that all the links have been spotted and that we are working across all the agencies to best support all of those cases. If we can drive those through, we think we can make more of a material dent in the problem that we are seeing. I hope that helps.

**Q224 Chris Stephens:** Yes, thanks to Graeme and Clinton for pretty comprehensive answers there. I have one other question, probably to both of you. I think Graeme touched on it, but the Association of British Insurers has previously told this Committee that intelligence sharing in the pension industry is not as comprehensive as it is in the general insurance industry. Why is that a problem and what steps can we take to improve that?

**Graeme Biggar:** I will have a first crack at that and others will want to come in. Project Bloom, under Nicola and TPR, has been working on this—and previously it was led by the NCA, of course—so we have all collectively been working on the problem as a whole and then information sharing in general for some time. It is better than it used to be but you are absolutely right: there is a lot more that needs to be done. It comes



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at a number of levels. There is information sharing, which I think is particularly what you were talking about, Chris, between providers—so still within the industry, which happens quite well in some other sectors—so that they can spot people who are approaching different customers of the different firms. We are working on that with the industry. In the overall Government's economic crime plan, jointly sponsored by the Treasury and the Home Office, there is a commitment to look at improving information sharing, which covers within industries as well as between industries and Government.

There is more work to do there, but there is definitely scope for more information sharing within industry and then between industry and regulators and law enforcement. We get a fair bit of information from the industry already and they can report to Action Fraud. We have been working more recently on trying to make sure we are getting more developed information sharing, so packages of information sharing rather than just individual reports, because we can do a lot more with it if we proceed like that.

I think you had Peter Hazlewood from Aviva in front of you back in October and he mentioned that they had done just that, collected together a lot of information and provided it through an information-sharing gateway we have into the NCA to enable us to do more work with it. That is absolutely something that we can look to do more of. I think others will want to pick up on that answer as well.

**Chair:** Before they do, I think Debbie Abrahams wants to pick up a point on this.

Q225 **Debbie Abrahams:** Yes, please. Thanks, Stephen. Thank you, everyone, and good morning. I think everybody has commented on resourcing and the lack of a comprehensive understanding of the scale of the issue. In my experience, resourcing tends to follow when there is a serious concern, whether that relates to the scale of the numbers or of the amount of cash that is being defrauded from people. Are there any plans to try to ensure you have a more comprehensive understanding of the scale that would then push the resourcing issue for you?

The second bit of my question is about the training of staff. I understand there is only two weeks training for Action Fraud call handlers, when they have to decide whether what is being reported is a crime and should be forwarded to you, Commander Blackburn. Is that seriously enough time for call handlers to decide whether these issues are crimes or not?

**Nicola Parish:** Can I pick up on what more could be done on encouraging people to report and mention the pledge that I talked about earlier? The PSIG has set out a code of practice, which TPR has asked industry to sign up to. As part of that pledge, trustees and providers and administrators are being asked to confirm that they will report suspected pension scams to Action Fraud. We are running a campaign at the moment. We have 100 organisations signed up so far, but the push



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behind that is saying it is very important that we get industry as well as victims. We know the difficulty with asking victims to report, so asking industry to report in because we think there is much more industry could do here to report in pension scams.

**Q226 Debbie Abrahams:** I think there may be issues around that, though, Nicola, if you are asking the industry themselves to investigate if they are keeping their investors safe. Isn't there something more independent that could be done, some research that could be done? That is what I am driving at. I think if you leave it down to the industry, in my experience from the last 10 years on and off this Committee, it may take a while.

**Nicola Parish:** I think that there is more that the industry could do, though. It is important to emphasise that we see that in other areas, other sectors. For example, when the pandemic hit, the banking sector was going out to its customers and saying, "Be aware of being scammed, of investment fraud. This is what it might look like". I think we should be calling on the pensions industry to take more responsibility here. You mentioned investigating. I am not talking about investigating pension scams but reporting their suspicions, because that information is vital. They are best placed to access that information. I think there is a responsibility on industry here.

**Q227 Chair:** Sorry to butt in, but one point that has been made to us by the industry is that it is not quite clear to them that they are supposed to report to Action Fraud. They kind of see Action Fraud as something for the consumer, but you are saying that the industry should be reporting to Action Fraud as well. Is it clear to them how they can do that?

**Nicola Parish:** It is interesting because PSIG—which is the industry voluntary group, the Pensions Scams Industry Group—has set out a code of practice that does say, "We want reports of suspicions of pension scams to be reported in." That is exactly what the industry voluntary group has said it wants the industry to do.

**Mark Steward:** The question is a very good one because it is challenging the extent to which we are proactively trying to get our hands around the problem as opposed to waiting for it to become apparent. If you go back—and Clinton will know this well—to pre-online days, fraud only manifested itself once the victim realised that his or her investments or money had gone missing, and that could be years after the investment had been made. There was no other means of detecting that fraud had occurred, so that had very obvious consequences for the law enforcement process because evidence will have gone missing, the trail will basically have gone cold for long-term investments, which pension investments tend to be.

One of the consequences of the move towards online scams is that it means that the law enforcement radar, including the regulatory radar, is able to detect these scams at the same time as victims are being induced to invest. That is a very novel set of circumstances. We have been



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extremely active in putting ourselves in a position where we are detecting these things online, almost as soon as the ads are appearing. That has taken us a little bit of time, but we are close to that capability now, which means that we can provide specific warnings to the public and to the industry in virtually real time. That is a very ambitious strategy to try to curb what is happening but it is one that is within reach.

We have been very active with our warning list over a number of years, but particularly this year, with the numbers that we have added to the warning list increasing by about 100%, which is a significant increase. *[Inaudible.]* We are being far more proactive in looking for these things as they appear. We almost know what time of day these ads start to appear. I think that information that then leads to victims reporting—*[Inaudible.]*—is information that can be used by consumers. It can be used by—*[Inaudible.]* That is a really—*[Inaudible.]*

**Chair:** Mark, there is a problem with hearing you. You dropped out a few times.

**Graeme Biggar:** Chair, could I briefly pick up on what Mark was saying? I might be able to build on it.

**Chair:** Yes, by all means.

**Mark Steward:** —set of circumstances, so things online almost as soon as the ads are appearing and that is—*[Inaudible.]*

**Chair:** Sorry, Mark, we are losing large chunks of what you are saying. I think Graeme was going to pick up the point.

**Graeme Biggar:** We are working with the FCA and City and also the National Cyber Security Centre on this. How can we spot what is happening online as it is happening and take action? That is action in two ways: first, in putting messages out to the public, putting it on to the warning list on the FCA website, but secondly, also in getting the sites taken down. We are looking at that very proactively. The National Cyber Security Centre, with City of London police, have been running the suspicious e-mail reporting service since April, I think it was launched, where members of the public can forward emails they are receiving that look suspicious. The National Cyber Security Centre can triage those and try to take action to take the websites down.

Since November we have been working with the NCSC to get a focus on investment fraud within that, so particularly to look for websites that are on Mark's warning list that look like they are fraudulent or are not FCA regulated, and passing those over to the NCSC so that, with its private sector partners, it can get them taken down. That has been tested for a couple of months and has resulted in about 100 websites being taken down. It is a relatively small number in comparison with what we are seeing but it is a start. What we are looking to do next is to move on to spotting fake comparison websites, which is this new gateway into investment fraud, and take them down at source.



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That is part of what Mark was probably going on to say about how we are trying to be a bit more proactive and get ahead of the game in addressing some of this fraud online.

**Commander Blackburn:** Could I also come in, Chair? Is that okay?

**Chair:** Briefly, if you would, yes.

**Commander Blackburn:** Very quickly, to pick up on a couple of comments. On the Action Fraud training of two weeks and whether that is long enough, first of all, the two weeks is a very comprehensive course. What follows from that is a four-week mentoring period, but they also have access to a very sophisticated database of knowledge and to mentors as well. I wanted to pick up on that bit, because I did not want you to think it was just a two-week period and then they were abandoned. That is not the case; they are very much supported with it.

On the demand versus resource, obviously it was going to be an issue, as we have heard, with huge demands. That is something we are working on with the Home Office in trying to build capacity within the system. We are working across the whole of the policing landscape, with police and crime commissioners as well, on trying to put fraud per se on the radar and raise the profile of it.

**Chair:** Thank you very much. Shaun, you were going to come in at this point. Can I come back to you in a few minutes, though, because we are getting a little bit behind?

**Shaun Bailey:** That is fine.

Q228 **Selaine Saxby:** Good morning, everyone. ScamSmart has an annual reach of 220,000 people. How many people do you feel it needs to reach to have an impact on the number of scams? With so many different messages coming through from Government in so many different Departments, do you think the public has the capacity to take this on or is there perhaps a better way in which we could reach people? I am not sure who would like to go first.

**Nicola Parish:** Shall I pick that up? I do not know if Mark has come back on the call or not, but I can at least start and let's see if he has managed to get back on the call.

The ScamSmart campaign I mentioned already—which I hope at least answers your question in part—has managed to reach four out of five of its target audience, which is those who are the most likely to be vulnerable to pension scams, which is the 45 to 64-year-olds. Of those, 75% say that they recognise the signs of a scam. I think the short answer to your question about the capacity for a campaign like that and whether anybody is listening is that it has come through in the numbers. It was a multimillion-pound investment—it was £5.2 million invested by the FCA and TPR. Mark talked about the difficulty of finding that funding, but spending that money has certainly been worth it for us, knowing that



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it has reached its target audience and has stopped people handing over their hard-earned cash.

**Mark Steward:** I can come in, if that is helpful.

**Chair:** Yes, we can hear you.

**Mark Steward:** Good. I will try to go slowly and perhaps that might help me stay online. There have been nine ScamSmart campaigns supported by the ScamSmart website, as well as the money that Nicola mentioned. It is not just a website, though. The campaigns involve television advertising, radio advertising and press advertising. The television audience for the advertisements has reached an audience of 180 million. Obviously, that is several people watching the same ad more than once, but that is the information that we have from the post-campaign surveys that we have conducted. It generated over 1,000 media articles and more than 70 million digital advert impressions. As Nicola says, it has reached four out of every five pensioners, who we have been targeting. This is the group of people aged between 45 and 64 who are contemplating retiring or are in the process of retiring, and they are the people we have been focusing on.

There have been more than 1 million visits to the ScamSmart website in the past three years, so the figure of 220,000 is not telling the entire story. We think that the campaigns have been very successful because the audience they have targeted has listened and heard, but what we know is that the messages need to be repeated again and again and again for them to be driven home. That is a question of resource and money, because these campaigns are not cheap. We initially found money to do this using proceeds of crime, which is probably a very good use of proceeds of crime, but it is still not enough. The FCA is raising some more money this year to try to expand ScamSmart campaigns, but I think it needs broader investment from a broader range of public bodies to ensure these messages are driven home to the audience that needs to hear them.

**Nicola Parish:** Could I pick up on one very small point? I know we are pressed for time. From all of those statistics, it feels as though the public has the capacity that you talked about, but for me it comes back to what we have talked about already and what is very important in Project Bloom—the importance of education. I do not think you can repeat the message enough times, too many times. We have to keep on letting people know how to spot the signs of a scam, keep reminding them of what they are, to ensure that there is an ongoing constant knowledge of people so they do not hand over their money.

When the pandemic hit in March of last year, very quickly TPR, FCA and MaPS got out some guidance to trustees and a warning alert to potential victims of scams to say, “This is a very difficult time. We understand it is a difficult time. It is economic uncertainty and people are feeling vulnerable and that is when the scammers might hit, so do not make any



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rushed decisions about your pensions now. Please take time. There is no need to rush; there is plenty of time." I think there is a certain capacity for that ongoing messaging and it is very key and important that we do it.

We started at the beginning of the pandemic by saying, "Don't do anything in a hurry. There is no rush. People will be feeling vulnerable and the scammers know that." We followed it up in the summer with the TV and ad campaign that Mark has talked about. Then, in November TPR got some messages out to trustees that said, "Businesses are struggling. We know businesses are struggling. If you are a trustee of a struggling business, these are the things you should be doing. Don't forget, your members will be worrying about this and thinking about transferring out, so you need to be communicating with them as well." I think that constant ongoing communication, which we will continue with through Bloom, TPR and our partner agencies, is very important. I do not think we can do this too much.

**Q229 Selaine Saxby:** Do you feel there is parity between when TV and newspapers carry an advert that is promoting a scam and the action that is taken against them compared with the actions that are taken online with search engines and social networks, and in particular search engines potentially being paid twice, first to promote the scam but then also to promote the regulator warning of a scam? What more could be done in that space, please?

**Mark Steward:** Maybe I can come in on that, because it is the FCA that is paying social media for some of these warnings to appear. The irony is very rich, that social media is receiving a fee from both the scammer and the regulator. We do not think there is parity between, for example, traditional media and social media in these matters. It is clear that social media is largely unregulated in this space and that there are few gateway controls on the admission of advertising into either the search engines or Twitter or with Instagram. That is something that concerns us.

We have started a dialogue with social media to try to address this, but we do not have any real powers here. What we need to do is very much by negotiation and agreement, which is not always the fastest way to get something done, particularly if it is something that might affect the revenue base of the organisations that we are talking to. We are getting positive responses from social media, but we would like to see far more effort. The objective of these discussions is to see, in a short space of time, a significant reduction in the volume of online scams that we detect.

At the moment, we are not seeing that reduction. In fact, we are seeing the numbers continuing to increase and that is not a good trend. It is going the wrong way. Investment fraud is not a harm that is recognised by the proposed online harms Bill. That would go some way to helping, but it is not included in the online harms Bill. There may be other measures that might be needed if we cannot move the dial on that trend



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line back towards a trend that is seeing a reduction in these ads rather than an increase.

Q230 **Chair:** Mark, is the FCA pressing for financial harms to be included in the online harms Bill?

**Mark Steward:** Given the numbers that we have talked about this morning, we certainly see a good case for investment fraud to be included as an online harm, given the scale of harm that investment fraud causes to consumers, leaving aside the existential harm that pension scams cause to consumers who need that money for their retirement.

**Graeme Biggar:** Could I possibly add to that one? I wholeheartedly support what Mark said and will broaden it slightly. I think it is the view of all the operational partners involved that the online world is an increasing vector for fraud. Clinton mentioned some figures earlier on this. It is not just investment fraud, but you see it in online shopping, romance fraud, across the board. Obviously, it is the likes of Google, who are being paid twice, as the question implied and Mark answered, so that is the search results. It is also the websites being hosted by someone, then it is also social media that can spread investment opportunities through Instagram and Facebook. We see a lot of that going on, too, some of it aimed more at the younger generations than those who are more liable to pension fraud, but we have seen increases in investment fraud against people in their 20s and 30s. We all see this as a big problem, we all think that the online world needs to do more about it, and we all think that some form of regulation is necessary. The online harms Bill at the moment is a missed opportunity in that regard.

Q231 **Dr Ben Spencer:** I want to ask a couple of questions about getting money back to the victims of scams. The Personal Investment Management & Financial Advice Association told us that less than 1% of funds can be returned. How effective are the bodies in Project Bloom at getting lost money back to victims?

**Nicola Parish:** It is important to say right up front that once you have handed your money over to a scammer, it is very hard to get it back. It is a very difficult thing. That money will be dissipated very, very quickly. Of course, it comes back to what we were talking about earlier: the importance of education and not handing the money over in the first place. At TPR we have had two prosecutions in the last two years where we have put two different scammers—unrelated cases—in prison, which has been a real success for us. We have had one prison sentence of five years and one prison sentence of just over three years.

We have followed that up with Proceeds of Crime Act recoveries, confiscation orders. We have received over £500,000 through our POCA work, which will be going back to victims. It is part of what TPR is doing. As part of our transformation, we have built a criminal prosecution capability now and we have an approach that is about protecting savers,



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which is stopping more money coming in. It is about punishing those who commit crimes and then it is about going after their ill-gotten gains.

There are opportunities to get some moneys back. I have talked about POCA. TPR had a High Court case where we have an order for the return of £13.7 million from scammers, but I would not want to give any impression other than that it is incredibly difficult to get money back. It is much better not to part with the money in the first place.

**Q232 Dr Ben Spencer:** That is very helpful. So I can understand that a bit better, the moneys that you have returned are big headline figures. What proportion of the total funds are you getting back from your recovery?

**Nicola Parish:** What is the total proportion of those funds as compared with what was taken in the first place?

**Dr Ben Spencer:** Exactly. You said £500,000 and £13 million. What proportion is it?

**Nicola Parish:** The High Court order for £13.7 million was pretty much the entirety of the moneys that we believed to have been scammed. Of course it is always difficult trying to put a precise figure on that. With the Proceeds of Crime Act one, they are confiscation orders for moneys that we could prove and trace had been taken from victims. That may be a different story from how much was taken in the first place, so I cannot sit here and say to you that is 100%, because it is difficult. These are hugely complex investigations to be able to establish entirely how much was scammed in the first place, but they are a handful of cases in the context of what we have just been hearing about with the whole of pension scamming generally.

It just underlines that, even though we have come on great strides in TPR with our criminal prosecution capability, at the moment we have current investigations running where we are looking at scams that we think have taken more than £54 million. That is what the investigation looks like at the moment. We have 44 suspects in 82 schemes and over 18,000 savers. We are working with five different police forces, so there is lots of activity, lots of investigations, lots of prosecutions going on, which then gives you the opportunity to use POCA to get the money back, but it is still very hard to do that. Those moneys are dissipated and very often that is what has happened, so it is much better not to hand over the money in the first place.

**Q233 Dr Ben Spencer:** Do you have the tools in legislation that you need to be able to pursue that? You were explaining that it is a difficult task because of what the criminals do to dissipate it, so is the challenge that you have now one because of that dissipation difficulty, which is a very sort of forensic approach you have to go through, or is it that you do not have the legislative tools? Is POCA enough from the legislation side to help you here?



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**Nicola Parish:** I think you hit the nail on the head. These are hugely complex cases requiring lots of forensic investigation, so that makes it very difficult. But also scammers do not just sit on the money. It will be dissipated far and wide, spent and so on, so being able to trace and track it down is difficult. I would not say that there is a particular tool that we are missing. It is more the environment in which we are trying to operate and how we are trying to get the money back. Mark may want to come in. I will stop talking; it looks like Mark is about to mention it.

**Mark Steward:** No, you go ahead, Nicola.

**Nicola Parish:** I was just going to say that another opportunity for victims to get their money back potentially is if there is an FCA-authorized firm in the chain. Let's say an FCA-authorized adviser was to advise to go into a scam. You see this happening very few times, but if it does, that opens up the potential for the pension scam victim to go to the financial compensation scheme to get a degree of compensation in that situation. It is a pretty unlikely scenario. We do not see a lot of those situations and there is a limit on the compensation; I think it is £85,000 at the moment.

**Mark Steward:** Perhaps if I can come in very briefly, one of the key messages in our ScamSmart campaign is to urge consumers, if they are looking to do something with their pension, to get advice from a regulated FCA adviser, obviously not only because you will get better advice but because if anything does go wrong, there are safety nets in place, from the financial ombudsman scheme to the compensation scheme that Nicola mentioned.

I was going to add something different on the scam side as well. It is one of the unique factors in the way in which these scams are trending through online advertisements. Not only are we able to detect these things in real time, but we have a little dilemma when we detect them because if the ad has been alive for maybe days or weeks, there is the potential that it has already attracted victims. At that point, once we place that firm on our warning list, those who are responsible for the ad—and they can be some way down the track—will know straight away that the scam has been detected by us, so any money that they have collected that may still be in the UK, and therefore recoverable by us, will go missing straight away, as will the evidence.

There is a slight binary dilemma as to whether you pause the warning, to see if you can find evidence that there is money that you can retrieve and recover, either through a POCA restraint or through a civil injunction, a freezing injunction, which can take time to get—both things can take a little bit of time to get—which can then mean that you do not issue the warning straight away, which means that the scam might induce additional victims in the meantime, or do you press the button and issue the warning straight away because the interests of protecting new victims are much greater? You are damned if you do and damned if you don't,



because either way you are doing something that might be prejudicial to either a current victim or a potential victim, so we have to make some very careful decisions.

Our tendency is to protect future victims and to issue the warning, but we sometimes will pause because we think there are realistic chances to try to recover money. Obviously, that is a very good thing if we can do it. We have been successful in some cases, but more often than not the money has already been dissipated. By dissipated, it has either gone overseas or been spent and it has been spent on something that then cannot be found. It is a very good question and it is one that occupies a lot of time on our part, and a lot of judgment as well as to how we best try to maximise recoveries for consumers as well as protecting those who might be victims in the future.

**Q234 Dr Ben Spencer:** I have a question about the perception of the whole system to people who are victims of pension scams. You have the industry acting voluntarily to respond to pension scams, the regulator is receiving no funding to co-ordinate a response, and victims are paying their own savings towards trustees they have no role in appointing. At the same time, HMRC is pursuing victims and gaining revenue from them. What impression do you think this gives to victims of pension scams and what do you think needs to be changed, if anything?

**Nicola Parish:** It probably goes without saying that it is absolutely devastating for anybody who has been the victim of a pension scam. The impact on them is enormous and then to find out that you have a tax bill that you were not expecting is doubly devastating. I completely understand and recognise what you are saying about how this feels from a victim's perspective, absolutely.

**Q235 Nigel Mills:** I am going to try to touch on FCA enforcement and FCA-regulated people. It would be interesting to know what the feeling of the panel is on how well we perform in enforcement in these situations. If you give a mark out of 10 for how good we are at protecting people from scams and enforcing action once the problem has happened, what sort of score would you give the whole system? Is it a nice high eight or nine or would you probably agree with perhaps most of the victims we have seen and give quite a low score in this situation? Does anyone want to lead us off?

**Chair:** Mr Biggar.

**Graeme Biggar:** I was hoping Mark was going to start. Nigel started by mentioning the FCA, but I will give it a go. I am not going to give a numeric score, Nigel, sorry, but I think we are improving in doing this. I do not think we are nearly good enough. It goes back partly to the scale of the challenge: 35% of crime is fraud—less than 1% of policing—the number of people who are being affected by this and the increasing volume we see going through online. We are getting better, but our



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response is not nearly good enough. We have set out between us a range of things that we are doing at the moment to get better.

ScamSmart is succeeding in getting through to people. It is never going to be enough people and the message is never going to be heard enough, particularly when you have scammers who win your trust and tell you to ignore what people are doing. We are doing better with the sector in getting them to work well with their clients in avoiding scams. We are beginning—as Mark started off by saying and I concluded—to be more proactive in the way we are spotting these things happening kind of as they are happening. That is also a part answer to Ben’s point about whether you can get the money back. It is very hard in any of these frauds. It will be slightly easier if you catch it earlier.

One thing that I have not mentioned in our response is trying to use data better to identify the network. We have a national data exploitation capability within the NCA that is developing at the moment, which is a place where we can put lots of data sets together and interrogate them and machine learn our way through them to identify new networks. We have been doing that with data we have had from banks, from suspicious activity reports, with FCA data, and we have been linking that into Action Fraud data to try to identify the networks and make sure we are going after the biggest ones. That has thrown up some networks that we did not know existed before, so that again is helpful in trying to get ahead of the curve and not just responding to individual victim reports.

We have a number of investigations that are starting on the back of that, but we all know that there is an awful lot that is not being touched. We are doing our best to be top down and go for the most harm-creating groups that are doing this and also then, as we have talked about before, if we can get into the way that these are advertised and run online, that is the other big way of cutting down the volume of stuff that is happening.

**Q236 Nigel Mills:** I know you do not want to give me a mark out of 10, but I assume when you are bidding for resources and trying to make a case for more activity in this area, you must have some measurement of the overall system performance. What can you tell me? Do you regard it as adequate? Is it below adequate? There must be some assessment that you put together as to how you work out where to prioritise more resourcing and where the biggest gaps are.

**Mark Steward:** Perhaps I can come in at this point, given that you were addressing the question to the FCA.

**Nigel Mills:** Will you give me a score then, Mark?

**Mark Steward:** It depends on what you are measuring. There are those who think that the 1% of police resourcing in this space means that 99% of the resourcing falls on the FCA. Of course, we are not a police force,



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we are a regulator, and we do not have the same suite of powers and functions as the police force either.

Secondly, if you are measuring the number of people in jail for pension scams, the score will be low. It will be low not because of the effort or the industry being applied to the problem, but because of the scale and difficulty of the challenge that exists. Anyone who thinks that the scale and difficulty is not very, very high, frankly does not know what they are talking about.

If you are measuring a reduction in overall harm, I think the score might be a little bit different because we know from the work that we are doing that our ScamSmart campaign works. We know that our warning list works. We know that we get very few victim reports from people who are victims of scams that have been identified on our warning list, so we know that works. We know that there is an overall avoidance of people being scammed because of the work that we are doing. Of course, reducing the number of victims as well as reducing the number of fraudsters are both legitimate law enforcement priorities, and that is what we are doing.

My answer is that I think we are tackling the problem that is confronting us. We are not in charge of the hands that we are dealt. We have to make the best fist of it that we possibly can, and I think that is exactly what is happening.

**Nicola Parish:** Could I add a little bit to that from a Project Bloom perspective? I mentioned earlier the strategic action plan, and I guess it comes back to your question as to whether what we are doing in enforcement and education is enough. From a Project Bloom perspective, we look at it even more broadly than that. Under our strategic action plan, we have talked already about improving public awareness, so that is one area where we know that the ScamSmart campaign has been successful. We are also trying to understand the problem more. Again, we have talked about the issue with data and trying to get more data in so that we can really get a proper grip and understand the data and make some tactical and strategic decisions based on better data.

We also have joint working. We have the prosecutions that we have heard about. Project Bloom has been really successful in bringing together all of these partnerships. One really good example is the Insolvency Service and TPR where with Mr Bessent we got some disqualification orders. The Insolvency Service got disqualification orders and winding-up orders. We appointed an independent trustee. We prosecuted for fraud and then we got a POCA order. We have that joint working in the enforcement space.

We are also working with DWP and Treasury. They are leading on a piece of work looking at legislation and regulations. We influenced, for example, the cold-calling ban. We are influencing the Pension Schemes Bill through our colleagues in DWP and HMRC as well. Then we have the



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non-legislative interventions coming in through the industry group, led by PSIG. We have talked about the pledge campaign already and getting industry to sign up to that and take some accountability and responsibility here.

It is not just about education and prosecutions; it is about that whole joint approach, where Project Bloom has really made some strides. When I was asked the question before about how victims would feel, I understand how they feel but I hope that when you see the holistic approach that we are taking and the successes that we are having—and, of course, there is more that can be done—it would give some comfort that real progress has been made over the last few years.

Q237 **Nigel Mills:** You talk about it being successful, and I agree and I fully accept all the progress, but how do you measure what is being achieved? Presumably you must have some assessment at the start that says, “We are not doing anywhere near enough. Are there other things we should do?” Then, you presumably have some vision that if you can get all the things you talk about in place and operating effectively that you have gone so far. Do you have any kind of scoring or chart or something that says, “For the resources we have, we think we can get eight out of 10 performance if we get all the new powers and everything works, but we cannot get to 10 out of 10,” or do you think, “Oh God, we are still stuck at five or six, even with all that and there is much more we would really like to do”?

**Nicola Parish:** It comes back to what Mark says. It really depends on what you are measuring. For each of our strategic action plans we have particular—

**Nigel Mills:** But you must have a feeling. Come on, you have been doing this for ages now.

**Nicola Parish:** We have particular objectives and things we are trying to achieve through that. We have some statistics on the ScamSmart campaign, how successful that has been, for example. We have had objectives around what we would like to see in cold calling or how the pension Bill might develop. For each of these particular workstreams, there will be aims and objectives of those workstreams. I would say that overall they are being successful and they are achieving what they need to achieve, but I am not saying it is all fine, it is all done, there is not more to do.

**Commander Blackburn:** Can I come in from a policing perspective? I think that between all of the agencies there are lots of successes in various pockets. We are all working together on Project Bloom, but certainly from a policing perspective with our control strategy, which lists our eight priorities around the various 56 fraud types, just as a reassurance piece, investment fraud sits squarely within those top priorities. On the victims’ voices in all of this, there are some successes. When you look at the work of the ECVCU, for example, now rolled out to



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20 forces, supporting survivors of this type of crime, 82,000 people have been supported since 2014, yet when we look at that cohort of people, only 17 have come back reporting as being repeat victims. These are more successes that I just wanted to highlight.

**Nigel Mills:** Okay, thank you. I guess I have got as far as I can get.

Q238 **Debbie Abrahams:** What engagement, other than somebody reporting a potential crime, do you have with the victims to inform the work that you do—victims or victims groups, or even the victims' commissioner? What is the actual engagement of Project Bloom or the independent agencies that we have on here with victims?

**Chair:** Nicola, I think that is probably one for you.

**Nicola Parish:** I will start it off. I think that part of the answer will be Action Fraud and the victim information that is available on the Action Fraud website. You will have seen there is the victims code of practice as well for actual support for victims.

TPR is talking to victims in the course of our investigations into particular scams. I have spoken to pension victims myself. Our job in that, as well as trying to elicit information that will help with our prosecutions and help us decide what the best thing is for us to do next, is signposting victims to the support that is available across the system for them. The first place I would probably point anybody is towards Action Fraud because it has a good section there for victims and it then provides a whole list of support for them.

Q239 **Debbie Abrahams:** That is not really what I was getting at. It was about how your work is informed by the experience of people. It provides intelligence. It may not be intelligence in the normal sense of things, but it provides soft intelligence to understand and inform the work. Is there no interface other than as somebody who is reporting a crime?

**Nicola Parish:** Sorry, I think that I misunderstood your question, but you have almost answered it. Our intelligence teams and investigation teams will be talking to victims and taking that information—as you refer to it, soft intelligence—to analyse and put into the pot with all of the other intel that we get from our agencies at Project Bloom to consider whether that shows us, for example, a new modus operandi, an emerging trend, a new investment type that is being plugged particularly.

The answer to your question is yes, we do get the intelligence from victims and we use that. We work that up to help improve the intelligence picture, which can then drive either tactical on a particular case or more strategic decisions about where we might target our future enforcement action or even education.

**Chair:** Thank you. We will come back to some further questions about Project Bloom in a few minutes, but there are a couple of other things we would like to pick up first of all. I apologise, I am going to have to move



things on a bit.

Q240 **Chris Stephens:** The last Committee I was on looked at issues in relation to the British Steel pension scheme and the effects that had had on members. The Pensions Regulator commissioned the independent Rookes review. Nicola, has the poor communication and information sharing, which the Rookes review talked about, improved yet? Could you tell us the Pensions Regulator's action plan and where that is?

**Nicola Parish:** Yes, I am happy to talk about that. The Pensions Regulator was absolutely focused and determined to ensure that we learned the lessons from the British Steel pension scheme situation. We commissioned that independent report from Caroline Rookes to make some recommendations on our collective work. We responded, we accepted all of the constructive recommendations that came through, and we set out an action plan.

That has resulted in a much stronger and more intensified collaborative working that we now have operating, particularly in situations where we are making sure we are fully prepared for a corporate restructuring or an insolvency type event where you have an employer who has a DB scheme. We introduced a joint protocol between TPR, FCA and MaPS to facilitate that really strong collaborative working and to make sure that we respond rapidly to emerging risks. We had stop and think—I think that is how we refer to them—or warning letters, so we have beefed up our warning letters from those three organisations, and those letters go out to savers where they are thinking about transferring out of a DB scheme. Interestingly, pre the pandemic, those letters used to go out where there was a particular risk identified. Maybe it was in the press that the employer was struggling and we very quickly would say to members, "Get these letters out to your savers." Now we are saying to all trustees that anybody who asks for a transfer value should get this letter. Every member who is asking for a transfer value will get a warning letter explaining why for the vast majority of people it is better for them to stay in their DB scheme.

Following on from the Rookes review, we have also set up the pension saver steering group, which is again TPR, FCA and MaPS. We meet fortnightly and are constantly assessing the landscape, looking at what is going on in the pensions world and with employers who have DB schemes. One thing that has been a real drive for change here and has driven real action is, as you may have seen, the recent Rolls-Royce statement that we put out jointly with FCA. We recognised that there was a lot of media chatter around Rolls-Royce and its circumstances, and we put out a statement saying to savers, "Don't make any hasty decisions. Here are the places you can go to get free guidance. This is where you go for an authorised adviser. For most people, it is better you stay in your DB scheme." That was really driven by our change in approach.

The other thing we have done is, if you go on to our website there is a new hub for trustees, which says, "If you find yourself in a situation



where your employer is struggling—maybe they are refinancing, restructuring, possible insolvency—these are the sorts of things you should be doing.” There have been many steps forward taken as a result of the Rookes review.

**Q241 Shaun Bailey:** This one is for Mark Steward. Mark, do you think that when it comes to the FCA’s role from both an investigation point of view and an enforcement point of view, it may be time for those roles to be separated out so the FCA can focus on one over the other, given—as was touched on partly in response to my colleague Nigel Mills—some of the resource issues the FCA may have when it comes to enforcing issues?

**Mark Steward:** If I understand what you are saying, it is that the enforcement function be separated into a separate entity or folded into something else?

**Shaun Bailey:** It is either/or, effectively splitting those functions. It does not necessarily have to mean the enforcement function would be palmed off, but we could take that as the base example if you wish.

**Mark Steward:** First, the regulatory model is premised on the idea that the regulator is able to act as a kind of radar detecting potential misconduct and it is then able to act on that suspected misconduct in the best possible way, using the full armoury of regulatory solutions that the legislation and the rules provide. If you start to split that up, that significant public interest objective becomes more difficult to achieve. It creates a kind of handover because the enforcement function can really only operate if it has an efficient detective capability. That work, the work that is already being done by the regulator, would still have to be done by the new body.

For me, it does not really create any efficiency; in fact, it would create an inefficiency. It would mean that the FCA would not be able to do the sorts of things that it is able to do in the way it can. I think the ability to act as a radar for potential misconduct and to act on it quickly and appropriately, with the full spectrum of regulatory tools, is the huge advantage that the current structure has. I am not sure what the argument is that says that that is not desirable.

**Q242 Shaun Bailey:** That is an interesting response. I suppose partly maybe the concern that has triggered that is in a period of six years, from 2013 to 2019, the FCA has not actually prosecuted a firm for financial promotions. I believe you have only fined three firms for financial promotions. I am conscious as to whether the enforcement angle is really working if that is the case.

**Mark Steward:** That is not entirely true because it is looking at prosecutions of section 21. There have been a very large number of prosecutions involving scams and unauthorised business where the charge that has been laid is, in fact, a fraud charge rather than a charge under the Financial Services and Markets Act, where the instigation of the scam is, in fact, a misleading financial promotion of some kind or other.



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Every investment fraud involves a misleading representation being made at the outset.

I think the information does not really tell the full story and there have been a legion of very successful and high-profile cases in this space involving quite complex scams and frauds. In many of them, we have also been successful in getting money returned to the victims. We currently have 49 investigations dealing with investment frauds, with over 160 people under investigation. Some of those matters involve misleading financial promotions. Whether the charge that ultimately gets laid in those cases that proceed is a section 21 charge or a conspiracy charge or a fraud charge is a matter for down the track, but in a sense the information you have is only looking at one particular provision in the Financial Services and Markets Act without looking at the entirety of the work product that has taken place in that period of time.

We have cases that are scheduled for court this month and next month dealing with these issues. They will go ahead, subject to covid lockdown schedules in the courts. The pipeline is a very busy one as well, so I am quite comfortable with the pursuit agenda. I know we have spent a lot of time talking about prevention and protection, but that is mainly because I see prevention and protection as a far more fundamentally important tactic for us as a group and as individual agencies to be pursuing right now in dealing with the volume fraud that we are seeing.

**Shaun Bailey:** Thank you, Chair. I will leave that one there.

Q243 **Steve McCabe:** I want to ask about Project Bloom, and this is probably to everyone. Do you think Project Bloom is good enough or should it be some kind of standalone body with its own funding stream?

**Nicola Parish:** I will be brief. TPR has written to the Select Committee with our thoughts on where we might go from here. We are not suggesting a standalone agency just dealing with pension scams, but we are suggesting some dedicated funding. It is to be decided whether that is through statutory funding or through a levy on the industry, but it would be very helpful to see a separate stream of funding for Project Bloom.

Q244 **Steve McCabe:** This is for your proposal for the pension scams hub, I think you call it; is that right?

**Nicola Parish:** Yes. That is another proposal that is connected—

Q245 **Steve McCabe:** How much funding have you estimated it would cost to set that up and how much recurring funding would it need?

**Nicola Parish:** It is very much an idea in its infancy. What we thought about more, rather than how much it would cost, is what we would want in there. What we think you would need in that pensions hub is an attachment of staff, ideally from existing Bloom partners but from other agencies potentially as well, who have the skills and knowledge to tackle



pension scams. We would be looking at detectives, forensic accountants and some pensions experts to come together very much with that very clear and single focus of pension scams.

Q246 **Steve McCabe:** Is it right to assume you have not done the work on how much it would cost?

**Nicola Parish:** We are very much in early days, so I do not have a figure I could give you at the moment.

Q247 **Steve McCabe:** You haven't. Okay, thanks. Does anyone else want to comment? The Pensions Regulator does not want a standalone body but it wants this pension scams hub. Does anyone else think Project Bloom needs changing?

**Mark Steward:** I think that Project Bloom continues to be viable and successful. The biggest change since Project Bloom started has been the establishment of the National Economic Crime Centre, which on a more formal footing, in a broader sense with more agencies working together, is able to do a lot more. Certainly, from a law enforcement co-ordination perspective—and Graeme might have more to say about this—I think there is a lot that is now happening between Project Bloom members and the National Economic Crime Centre. The FCA as well as the City of London police, among others, are all members of the National Economic Crime Centre as well. There has been evidence this morning that has shown how valuable that co-ordination has been with the leadership that has been established by the NECC.

**Graeme Biggar:** Yes, I agree with that. I agree with the intent that Nicola is setting out, absolutely. Bloom has done a good job and needs to continue. There is a bespoke set of people who will be particularly relevant to pension fraud that it is worth getting together frequently and getting to work together. The National Economic Crime Centre obviously has a broader purview, not just on fraud but money laundering, bribery and corruption generally. It is trying to do the things that Nicola is wanting to do specifically on pension fraud, so bringing together all the public sector partners that are relevant to an issue. We have secondees from lots that sit in the NECC. We work more closely than we have done before with the private sector, looking at fraud and money laundering generally. That has been the banks and the main retail banks, but absolutely and increasingly it is the likes of Aviva and pension and insurance providers.

At a macro level we are trying to do exactly what Nicola is suggesting, and that is bringing together all those people. It is improving the way we share information between them and we have made some progress on that. We have better data sets and better ways of getting good packages out of insurance companies, for example, as Aviva mentioned to you.

Q248 **Steve McCabe:** Am I right in thinking, though, that the criticism of that approach is that it is very cumbersome and you have to develop all these



partnership agreements and protocols and arrangements? Some people will share information and some will not. It sounds like a recipe for everything getting pushed to the bottom drawer to me.

**Graeme Biggar:** No, I don't think so. I don't think if you just set up a new statutory body, which is not what Nicola was suggesting, you suddenly get around that. You still have information sitting in a range of different organisations, for which there has to be a legal basis to share. I mentioned near the start of this session the Home Office-led work on information sharing, and that is exactly looking at that point. How can you make that information sharing easier to reduce some of the bureaucracy that you are rightly worried about, that we all see and feel? They are considering whether that is new legislation or whether it can be a new code of conduct or a code of practice from the ICO that can reduce the sense of legal risk that there is around that.

It does take time to share data but we are getting better at it than we used to be. I gave an example earlier of where we have put together suspicious activity report data, FCA data and then linked it to Action Fraud's data as well to get some of those new networks. We are making progress on that and certainly there is no silver bullet from setting up a new body that is just a new divide that you have to work across.

**Steve McCabe:** Thank you. Chair, does Debbie Abrahams want to come in at this point?

**Chair:** I think Debbie raised a point earlier, Steve, when you were absent.

**Steve McCabe:** All right, thanks, Debbie. Should I just proceed to the question I have about HMRC, then?

**Chair:** Yes, do.

Q249 **Steve McCabe:** Thank you. Can anyone tell us straightforwardly why HMRC withdrew from Project Bloom?

**Nicola Parish:** HMRC is still represented on Project Bloom but it is represented through HMT. We have the Treasury on Project Bloom, so it is representing HMRC on there. The reason HMRC decided to step down from being directly on Project Bloom was that there was a difficulty in the sense that it is levying these unauthorised payment taxes. Project Bloom's absolute starting point is that somebody who has been subject to a pension scam is a victim of a scam. That is our starting point. Therefore, it just felt more appropriate for it to be represented by HMT.

Q250 **Steve McCabe:** I see, thank you. I noticed that the Police Foundation report said that HMRC's approach to pension scam victims was unrelenting and uncompromising. Do you agree and what kind of impact do you think that has on pension scam victims?

**Nicola Parish:** I think I touched on this earlier when I said that I completely understand that a victim of a pension scam will experience a really devastating situation. Then to be faced with an unexpected tax bill



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from HMRC will be even more of a concern. I am very sympathetic to that. I am also very conscious of the role that HMRC is playing in all of this. I guess I would say we have not seen any evidence that the levying of these payments by HMRC is putting people off coming forward.

Q251 **Steve McCabe:** Okay, there is no evidence to show that?

**Nicola Parish:** No evidence of that.

Q252 **Steve McCabe:** Thank you. I think that is important. I have a question about this. We have had quite a lot of people comment that, as far as HMRC is concerned, it is legally and technically correct, and then we have had a whole lot of people say it is terrible the way it is behaving. Is this a case where the law should be changed? Some people are saying that it should exercise more discretion in applying these charges, that the liability for tax should be transferred to the scheme itself rather than the victim, both of which I think would require some kind of legal changes. Do we need to change the law in relation to HMRC and scam victims?

**Nicola Parish:** I am conscious of all of that sort of discussion that has been going on around this and it has been going on for some while. From my perspective, all I can say is that that is a matter for Government. That is a public policy issue that Government will have to have a look at and not really an issue that Project Bloom or TPR could tackle.

Q253 **Steve McCabe:** TPR does not have a view on whether the law needs changing or not?

**Nicola Parish:** As I say, I think that is a public policy Government issue.

Q254 **Steve McCabe:** Sure. I just wanted to be clear if, as the regulator, you had thought about that. Thank you. What about the other witnesses? Does anyone else have a view on that?

**Commander Blackburn:** We have not carried out any specific research that would allow us to answer this, but from a policing perspective everybody is a victim. Victims have been misled, but there is no evidence that HMRC's approach means that fewer people are reporting.

Q255 **Steve McCabe:** What about the issue of whether or not it is a bit heavy-handed with victims? Do you think there needs to be any change in the law in relation to HMRC?

**Commander Blackburn:** Again, I think that would be a matter for Government. We do not have any specific evidence that would suggest that.

**Steve McCabe:** Okay, thank you.

Q256 **Siobhan Baillie:** Thinking about victims again, I thought the "Caught in the Web" report from the Money and Mental Health Policy Institute was excellent, and I recommend anyone watching this to look it up if you have not read it. It is my view that victims and also insurance companies and honest actors in the pension industry will expect Government to use



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every legislative tool in the box to prevent scams. I am really interested in views on the online harms Bill that is coming up. I know that Graeme touched on this, but it is my view that we should be using that Bill fully as a prevention Act. I would love it if we could ram that home from all of our witnesses today, but obviously if you disagree with me, please say as well.

**Chair:** Thank you, Siobhan. I will bring the witnesses in on that. It would be really interesting to know what you think should be in that Bill to address financial harms. We will start with you, Graeme, because you made it clear that you think that the Bill ought to be used in that way. What would you like to see it doing?

**Graeme Biggar:** Mark will come in on this as well. The Bill is inevitably quite high level and is really good in lots of ways. I am a director general in the NCA as well as having a specific responsibility for economic crime. There are some really important things that that Bill is doing in relation to counter-terrorism and child sexual exploitation. It has put those two issues at the forefront of the Bill and it has not put others there, including economic crime in the round. We would like those to be put on the same level and to thus put a duty on the regulated sector to work with us more than it does at the moment.

As I mentioned, there are three broad areas—the search results, the hosting of websites, and the social media platforms that are sending adverts around—that between them are creating an ecosystem that is allowing a lot more to happen. We would like those companies to have more responsibility to be looking at that and reducing it, a regulator—and it is Ofcom in the current Bill—that is looking at the extent to which they are doing that, and a responsibility on those companies to work more and better with us than they do at the moment. That is not to say that there are not things that all these companies are doing already to try to address this. It is clearly a massive task. It is just, in our view, insufficient. I am sure Mark will want to add to that.

**Mark Steward:** Yes. I think there were connection problems when I was talking about this earlier. Social media is occupying an unregulated space here and that, unwittingly from their perspective I suspect, is allowing scammers to exploit that. They are exploiting it now to the fullest possible extent, and that is why we have seen the increase in online scams, particularly over the last 12 months as people are in lockdown. That is without doubt a serious source of harm for consumers who are considering what they should do with their pension, if they should do anything at all. The other circumstances that I mentioned around household finances are perhaps exacerbating that and making the tempting offers that people are seeing online even more tempting than they should be.

At the moment, we have seen ads on social media from people who do not exist, from firms that claim to be UK-incorporated companies that have never been incorporated in the UK or, if they are incorporated, the



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names associated with the advertisement are non-existent and fictitious. For a scammer to have that anonymity enables them to make even more bold misrepresentations than they would otherwise. It means that they can be located anywhere in the world and be pretending to be located in the UK as well. We are seeing ads from firms that appear on our warning list, so social media should not be permitting ads to be searched on their system where we have raised alarm bells and warning signals around those firms.

Graeme mentioned the increase in clones. The number of cloned firms is one of the significant rises this year. This tells us that the scammers are listening very closely to the warnings that we are putting out, because one of the messages that we include in our ScamSmart campaign is, "Do not listen to firms that are not regulated by the FCA. Use the FCA register to source good and proper advice in relation to your investments, including pensions." To get around that warning, scammers are now using FCA-regulated firms and cloning them to induce victims to think they are dealing with an FCA-regulated firm when they are not.

We are countering that with our messaging around ensuring that the contact details in our register are being used by consumers, but again these cloned firms should be spottable by social media. If we can spot them, social media can spot them as well. They should not be advertising and searchable on social media.

There is a lot that social media ought to be doing now in any event to prevent this from happening. It is not yet happening and it is not yet happening at a fast enough pace to arrest the trend line that I think should be worrying all of us. Any signal that can be sent to social media that they need to be part of the solution and not part of the problem will be enormously valuable here. Anything that might recognise that this is a serious enough harm to warrant inclusion in the online harms Bill would be a really good message for the Government to send.

**Commander Blackburn:** From a policing perspective, to reinforce what Mark said about social media, with the pandemic, as we know, everybody is stuck at home, more people are online and fraudsters are absolutely exploiting this. We have already seen, certainly in investment fraud, another 1,500 offences come to light in this time versus last year. When we start to look at the data, it is telling us that investment fraud does not come to light until about three and a half to five years later, so if we do not do something about this now, we will find ourselves in a very difficult space in three to five years' time.

Q257 **Shaun Bailey:** As my final point, I want to look a little bit more at collaboration and sharing data. One of the things we have touched on today is the data on the scale of pension scams. More broadly, if I am a pension provider and I am suspecting that a pension scam is taking place, who should I tell?



**Commander Blackburn:** I think that I am probably best placed to answer that. Quite simply, Action Fraud, and that can be reported either by phone or website. This is absolutely vital because this is how we build a rich intelligence picture about what is going on across the UK. Victims must also contact their pension provider, again another really important thing to do because there may be potential to stop that transfer from occurring. Thirdly, pension scheme companies can also report as a third party proxy on behalf of their clients using the Action Fraud reporting tool, the business tool.

Q258 **Shaun Bailey:** Okay, that is really helpful. I am conscious, though, that Action Fraud is predominantly targeted at individuals. I know that some of the feedback we have had is that for the providers and the regulated bodies there is some concern that there is not necessarily the facility for intelligence sharing there at the moment. I know we have the Action Fraud tool, but more widely do you think there is more that can be done to enable pension providers to share intelligence earlier on? It seems at the moment that, with how the mechanisms are built, it is almost that they share it after the fact, once the fraud has taken place, as opposed to as it is ongoing. I would be curious to see whether those current mechanisms operate to prevent the situation before it turns into something more serious.

**Commander Blackburn:** They actually can. The business reporting tool is live. It is on the system, so they can report it now is my answer to that. We need to do more to encourage the use of it. If that is why at the moment pension companies are not reporting, potentially we need to do more about publicising the use of it and encouraging the use of it, because it is so important to us.

**Nicola Parish:** I have mentioned TPR's pledge campaign, part of which is to say to providers, "Please report, and report in through Action Fraud."

**Graeme Biggar:** It is an entirely valid question and none of us is trying to give a glib answer to it. We know that there are different views in the industry about the extent to which they can use Action Fraud if it is just for a victim rather than for a company. We know that firms generally say they are not getting enough feedback on the stuff they have put in. We know and we are working with them on getting better at this. Our ask of them is to develop this a bit more, potentially with other companies as well, to put in a more substantial package. That is what we want from them, and then we need to commit back to them to provide better feedback, either on specific cases, although that can sometimes be hard if individual investigations are going on, but more broadly on what we are doing.

We are working towards a more mature relationship with some of the big providers here so we can get slicker at this. We know it is not perfect. The answer is still Action Fraud. As Clinton said, it is possible now and it will be possible in the future, but we can make it better and we need to work on that.



**Shaun Bailey:** That is great. Thank you, Chair. That is everything from me on that point.

Q259 **Chair:** We are coming towards the end and I know Chris Stephens wants to pick up a final point, but there are a couple of things that I would like to raise with you, Mark. The FCA has consulted a number of times on the idea of a duty of care for providers, putting that into regulations. That has not happened yet. Why has it not been done?

**Mark Steward:** I don't think we have consulted yet. It remains a high-priority issue for us and we have indicated that we will do something here. We are working on it now. I think there were some delays last year because of all that was happening in the world last year, but we are focused on producing something in the early part of this year for consultation.

Q260 **Chair:** Thank you. By the early part of the year you mean in the next couple of months or—

**Mark Steward:** I knew you were going to ask me for a specific date. I don't think we have a specific date, but I know that we are targeting in the first part of this year. I am not sure I can be any more specific.

Q261 **Chair:** All right. We will certainly look forward to that. You have mentioned a few times the FCA warning list. The Pensions Minister has said that he will use powers in the Pension Schemes Bill to block transfers to suspected scams, and there will be a kind of red flag system to spot what those suspected scams might be. It would seem a fairly obvious thing that any transfer into something that is on the FCA warning list should be blocked. Is that your view about how the FCA warning list should be used?

**Mark Steward:** It is not a list of certified scams. It is a list of things that essentially look like unregulated activities—that is, activities that should be authorised by the FCA but the actor has not sought that authorisation. That will include things that will fall into the category of potential or suspected scams. In that sense, the warning list is what I would call an amber list rather than a red flag list. The colour is amber. It is saying, "Be careful, they may not be who they purport to be. They may not be doing what they purport to be doing in a lawful way. You need to be asking more questions or avoiding them completely." That is the nature of the list. But should a trustee transfer a pension to something that is on the list without asking some real questions? Should it be used as a caution or as a stop sign? Absolutely. The list is there for that reason, as it is there for banks and other intermediaries to use as well to protect their customers from being prone to scams and frauds.

There are some limitations, though. There are some other limitations because the warning list may not include the fund that is the destination for the money that is being sought by the firm that is on the list. The details on the list will be the front page of the firm that has come to our attention, but it may not identify the name of the fund that might be the



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destination of money. While it could be a very useful signal to someone, it may not provide the full protection that you really want. We would support anything that enabled anyone to make as much use of that warning list as possible.

Q262 **Chair:** How do you compile the list? What is the basis for it?

**Mark Steward:** Our ScamSmart campaign urges people to recognise and identify scams that they see and spot, whether they are a victim or not. In a sense, the ScamSmart campaign is designed to create consumers who are also detectives, who can then tell us and tell Action Fraud what is happening. This is a piece of outreach and proactivity that I think is really important not only to make our consumer population savvier and more sceptical about these sorts of offers but to give us the information we need so that we can act in a timely way. We get calls to our contact centre. We get information flowing through to our teams directly and then we have proactive detection as well across the internet to inform us. We use that information to then add names to the list.

Q263 **Chair:** You are using consumer feedback for putting it together?

**Mark Steward:** We are using consumer feedback and we are seeking consumer feedback, correct, yes.

Q264 **Chris Stephens:** My question is a simple one. We know the terrible impact—and we have heard this at previous sessions—pension scams have had on people’s mental health. We have heard from scam victims themselves, who have given evidence to this Committee saying they have had no real support. My question to the panel is: what are you doing to make sure this is not the case in the future?

**Commander Blackburn:** I am probably the best person to answer that. The economic crime victim care unit has worked with Mind and victim support services to develop its service. The Samaritans have delivered training to our staff and we have a membership with the Alzheimer’s Society. We are also working with the College of Policing to hopefully accredit our training this year. The training that is delivered will very much have these organisations built into it and what they want us to know about when dealing with victims.

Vulnerability and distress is picked up by our experienced call handlers and their training is very intensive around this. They are there obviously to help them receive the support that they need. This year, for example, we are trying a new concept. Those who are high-risk groups of specific fraud types, some of which will affect pension fraud and investment fraud victims, will have an immediate transfer across to a victims’ Protect officer and can get that live-time advice as they are calling in.

On the very sad stories that we heard from Sue and Dennis at the last Committee session and what support people will get in the future, I think that there still remains a misconception that fraud is a victimless crime. This is absolutely not a victimless crime. This ruins lives. It damages lives



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and causes significant distress to victims up and down the country. Trust me, as somebody who has been doing this job across numerous forces for 28 years, I have seen that year in, year out. You are more likely to be a victim of fraud than any other crime type; I think we need to remember that.

In 2014, City of London police recognised that this gap existed, which is why we created the economic crime victim care unit in partnership with the Greater London Authority. The bespoke service helps support victims of fraud and cyber-crime and reduces the repeat victimisation. As I touched on earlier, 82,000 people have been through that system since 2014, with only 17 reporting back as having been a repeat victim. The trained staff will be making them feel safer, more confident and helping them to recover from the crime type that they have been through. They will provide emotional support. They will signpost the relevant support agencies that are out there, and again, more importantly, offer that important Protect advice so they do not come back through the system and incur further losses. I am really pleased that as of yesterday we have managed to roll this out now to 20 forces across the UK.

We are working with various funding streams as part of my role to look at how we can maximise this and put it across the rest of the country but, rest assured, we are doing everything we can, certainly within policing and with our partners, to make sure that this is absolutely nailed to the mast and improved for the future.

Q265 **Chair:** Do any of the other witnesses want to comment on this?

**Graeme Biggar:** Since you have given the opportunity, I will add that I support everything that Clinton says. The past practice on this has not been good enough. That is why the City of London police have been working really hard on the national economic crime victim care unit, which was piloted originally and now is being rolled out nationally, as Clinton observed.

He also mentioned much nearer the start of the session, and it is worth mentioning, that he is leading and we are supporting a tour of all police forces, to the police and crime commissioners and the chief constables, to talk through fraud—not pension fraud specifically but fraud generally—and make sure it is really high on their priority list. It is important that we have Action Fraud as a national reporting centre. The nature of fraud means that that is exactly the right way of trying to deal with it, but it does risk a slight disconnect with the local forces, who would provide some of the victim support as well as some of the investigations in other crimes. What we are trying to do with City of London police in the lead is get the connection strong again between the reports that come in and the City of London police and us and those individual forces and have the chief constables and the police and crime commissioners prioritising it within their police and crime plans.

**Chair:** Thank you. That brings us to the end of our questions. Thank you



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all very much indeed for the very interesting answers you have given. Siobhan Baillie, did you want to raise—

**Siobhan Baillie:** No, I was just doing a lovely goodbye.

**Chair:** Oh, right, fine. I thought you had another question there for a minute.

You have given us a lot of time this morning. Thank you all very much for those very interesting answers. There is lots for us to think about. I think it has been acknowledged that things have not worked as well as they ought to have done and part of our role is to hopefully come up with some ideas about how they can be improved. We are grateful to all of you for the work you are doing and thank you for giving us the benefit of your expertise this morning. That concludes our meeting.