The Pensions Regulator
Making workplace pensions work

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Rt Hon Stephen Timms MP
House of Commons
London
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25 March 2021

Dear Mr Timms

Thank you for your letter of 22 March 2021 regarding your request for a copy of Project Bloom's strategic action plan to be shared with the Committee.

I am sorry the Committee felt our response to this request was disappointing and I welcome the opportunity to explain in more detail the circumstances surrounding this response.

We firmly believe that transparency surrounding the work of The Pensions Regulator is of paramount importance and welcome the scrutiny of our role by the Committee. As such, we have always sought to share as much detail as we are able with the Committee and in the clearest possible way, whether when appearing before you, in our formal submissions and written responses and also in our liaison with your officials. In this spirit, I am aware that Nicola Parish and Erica Carroll will be meeting you shortly to discuss a couple of our current cases.

I accept that on this occasion, the Committee expected more clarity on why we did not feel it was appropriate to share Project Bloom's strategic action plan.

The plan contains sensitive information from a number of Bloom agencies about how we are fighting the scourge of pension scams on the ground, both now and in the future. The document is classified as 'Official – Sensitive' meaning it has a high degree of security protection.

We felt that if our operational tactics were to be published, it would be a gift to scammers who would, in effect, know our next move in the battle to protect savers.

We therefore concluded that, given the nature of the information, we could not provide a full or redacted version of the plan, proposing instead to provide a detailed summary plan suitable for publication.

I understand from TPR's Parliamentary Affairs team that there was a discussion with your officials about whether the Committee would prefer to receive the full plan on a confidential basis not for publication, or a version that could be published. The steer we received was that the Committee's preference would be for the latter, and so the summary plan was provided.

Nevertheless, thank you for explicitly setting out the process you would have expected to be followed. This is noted and will be respected wherever possible in future correspondence.

I know our Parliamentary Affairs team has discussed this matter with your officials, who have been very helpful in setting out your concerns and how we can continue to ensure that our working relationship remains professional, transparent and helpful.

Lastly, and as you are aware, I reach the end of my term as Chair of TPR at the end of this month. Sarah Smart, one of our Non-Executive Directors, will be taking over as Interim Chair until such time as the process to recruit my successor is concluded. I would therefore like to take this opportunity to thank you and the Committee for the significant work performed by the Committee in investigating ways to improve the protection of savers and, more broadly, for your support of TPR.

Yours sincerely

Mark Boyle

Mark Boyle
Chair, The Pensions Regulator

Work and Pensions Committee

House of Commons, London SW1A 0AA
Tel 020 7219 8976 Email workpencom@parliament.uk Website www.parliament.uk/workpencom

Mark Boyle
Non-Executive Chairman
The Pensions Regulator

22 March 2021

Dear Mark

I wrote to Nicola Parish, Executive Director of Frontline Regulation, on 11 February asking for a copy of Project Bloom's strategic action plan to be shared with the Committee.

The Committee has asked me to write to you to express our disappointment that this request was declined. We accept that there may be reasons why it was not possible to share the plan, but these reasons have not been adequately explained to the Committee. The Committee would have been happy to consider a request that the Strategic Action Plan be treated as confidential or published only with redactions. We received no such request.

The response I received on 4 March says:

> We are also unable to provide a copy of the full strategic action plan as it would not be appropriate to share an operational plan that outlines approaches to stop pension scammers and publish it in the public domain.

This falls far short of a clear and compelling reason to refuse a reasonable request by a select committee for information relevant to its work.

In this instance, we judge that pursuing this point further would risk delaying the publication of our report on pension scams. I would, however, be grateful if you could take steps to ensure that we do not find ourselves in this position again.

Yours sincerely,

Stephen Timms

Stephen Timms

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Rt Hon Stephen Timms MP
House of Commons
London
SW1A 0AA

4 March 2021

Dear Mr Timms,

Project Bloom – Strategic Action Plan and workstream progress

Thank you for your letter of 11 February asking about Project Bloom's Strategic Action Plan and the progress being made on delivering the key objectives.

We all know that pension scammers wreck lives and we thoroughly welcome the Committee's focus on this area as we all have a shared interest in stopping scams.

Project Bloom was established in 2012 as multi-agency taskforce to co-ordinate and target efforts to combat pension scams and frauds through education, prevention and enforcement. Its creation was in response to a Threat Assessment authored by The Pensions Regulator (TPR) and supported by the Serious Fraud Office (SFO).

Bloom is not a statutory body and does not have its own dedicated funding or resources. Instead, its member organisations work closely in partnership with a unified determination to tackle pensions scams and fraud. Each organisation has its own particular role, powers and sphere of influence, but by working together we are greater than the sum of those parts. We believe Bloom has been pioneering in this regard.

TPR has chaired the group since 2016, taking over the role from the National Crime Agency (NCA). Since then we have introduced structural changes and invited new partners, including from the industry, to help address the problem of pension scams emerging in new forms. There are now 13 taskforce members in Project Bloom.

Bloom is co-ordinated via a Strategic Action Plan across five named workstreams and is constantly evolving. Since TPR became chair, each of the strands have remained consistent, but the range of activities we have delivered has evolved as our collective approach has developed.

The five workstreams are listed below along with the lead organisation for each - the most appropriate partner working with other agencies:

- **Public Awareness (FCA)**
- **Understanding the Problem (TPR)**

- **Enforcement and Regulatory Interventions (NECC has recently taken over this role from the City of London Police)**
- **Legislation and Regulations (DWP and HM Treasury)**
- **Non-legislative interventions (PSIG)**

The Strategic Action Plan is a working document setting out the strategic aims and tactical deliverables of Project Bloom. It is regularly updated by lead partners, and progress is reviewed at Project Bloom's Strategy Steering Group. Two supporting working groups, Communications and Intelligence and Operations, focus on delivering the Public Awareness and Enforcement and Regulatory Interventions workstreams.

An additional 'Scams Summit' of senior Bloom leaders was established in March 2018 and meets at least annually to discuss our collective approach at a senior level, as documented in the Strategic Action Plan. This maintains the collective approach and ensures we are delivering the right outcomes as a project.

Some of Project Bloom's successes include:

- Raising awareness of pensions scams through the annual joint FCA/TPR multi-million pound ScamSmart campaigns since 2018 – led by FCA. The Scam Smart campaign replaced and updated the previously successful Scorpion campaign
- Enhancing the strategic intelligence picture to support and inform effective policy-making and strategic tactical responses – led by TPR
- A joint TPR/Insolvency Service investigation resulting in disqualifications and winding up orders and the successful application for a POCA order
- The cold calling ban – led by HM Treasury with the support of all the Bloom partners. ICO now takes the lead in this area and has flexed its powers recently
- A number of successful criminal prosecutions have already taken place (including the Roger Bessant case) and there are others in the pipeline supported by Bloom members. Although these prosecutions are important, we remain of the view that prevention is the best way to stop pension scams happening in the first place
- Introduction by HMRC of registration checks and de-registration of schemes that are not genuine which has led to an 88% decrease in applications to register pension schemes.

As well as our past successes, there are several new activities which Project Bloom is currently undertaking, including:

- New work with City of London Police and the industry focusing on the problems of accurate reporting of scams to Action Fraud. This involves explaining the importance of reporting, the process for doing so, how those reports are escalated and what might be achieved as a result.

- The Pledge campaign: TPR supported, by PSIG, launched a new campaign in November 2020, urging pension providers, trustees and administrators to help protect savers thinking of cashing in their pensions by ensuring they can spot the warning signs of a scam and are informed of any risks when they look to make a transfer. This is backed up by an online interactive training module outlining the stringent processes it expects all trustees and providers to follow to keep savers safe.
- TPR is leading on a revised threat assessment of pensions scams.

Some of the Project Bloom partners have been impacted by the Covid pandemic more than others and you will see this reflected in the current Strategic Action Plan. We are also unable to provide a copy of the full strategic action plan as it would not be appropriate to share an operational plan that outlines approaches to stop pension scammers and publish it in the public domain. However, I hope the summary plan attached will be helpful to the Committee.

Yours sincerely

Nicola Parish
Executive Director of Frontline Regulation

Enc.

Work and Pensions Committee

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Nicola Parish
Executive Director of Frontline Regulation
The Pensions Regulator

11 February 2021

Dear Nicola

Thank you again for giving evidence to the Work and Pensions Committee on our inquiry Protecting pension savers – five years on from pension freedoms: pension scams.

During your evidence you mentioned Project Bloom's strategic action plan and its five objectives. The Committee would be grateful if you would share a copy of the plan and the progress being made in delivering its objectives.

Yours sincerely,

Stephen Timms

Stephen Timms

SUMMARY OF PROJECT BLOOM STRATEGIC ACTION PLAN – March 2021

Workstream title and lead		Activity		Progress	
PUBLIC AWARENESS Lead: FCA Objective: Greater level of public awareness on pension scams and the availability and benefits of seeking impartial advice before making decisions on pension savings. Where people do fall victim, they have clarity on the victim journey. Consumers better understand the role of trustees and that trustees are in place as one of the mechanisms to prevent scams from happening.		Activity in this area is primarily split between utilising the ScamSmart brand to message the general public and engagement with industry to ensure it is well placed to protect members. The strand also seeks to reduce the spread of reporting channels, promoting Action Fraud to ensure a consistent customer journey.		Project Bloom recognises the importance of education as a tool to prevent individuals becoming victims. Last year's ScamSmart pension scams ad campaign ran on TV, radio and online from 1 July through to 10 November: - Over 222,000 users visited the ScamSmart website, 28% increase from 2018 - Over 1,000 users warned about an unauthorised firm up 3x from last year's campaign - Over 2,000 clicks through to FCA Register - Strong PR results, 299 pieces of coverage - Significant increase in campaign recognition from 2018 (63% to 72%). - Significant increase in the proportion who claim they would check with the FCA to protect themselves from pension fraud (28% to 34%) The TPR industry perception tracker data shows 58% of respondents promote or intend to promote anti-scam materials. The Pledge campaign – TPR supported by PSIG launched a new campaign in November 2020, urging pension providers, trustees and administrators to help protect savers thinking of cashing in their pensions by ensuring they can spot the warning signs of a scam and are informed of any risks when they look to make a transfer. This is backed up by an online interactive training module outlining the stringent processes it expects all trustees and providers to follow to keep savers safe.	

UNDERSTANDING THE PROBLEM Lead: TPR Objective: Enhanced strategic intelligence picture to support and inform effective policy-making and strategic and tactical responses.		Focus is on the combined value of data and intelligence to inform the view of the threat from pension scams.		Work has explored best practice in fraud measurement and understanding the proliferation of different data sources and associated limitations. Three previous threat assessments have provided a snap shot of scale and nature of pension scams and have been used to steer activity through the Strategic Action Plan. A revised threat assessment is currently in the planning phase. The nature and evolution of the threat has made comprehensive measurement of the problem challenging. Increased industry reporting is essential to enhancing this strand.	
ENFORCEMENT & REGULATORY INTERVENTIONS Lead: NECC (was previously City of London Police) Objective: High-quality shared intelligence leading to enforcement and disruption activity.		Provides a co-ordinated and intelligence led approach to multi agency working. The activity recognises the complex nature of pension scams and that another partners remit/powers at its disposal may be the most effective method of disruption. Also provides access to specialist knowledge that can be used to assist partner and/or law enforcement investigations.		The NECC has taken charge of this workstream in recent months and increased the frequency of meetings. With their guidance, Bloom members continue to work together by collating intelligence, providing an intelligence picture and coordinating cases for each other's investigations. Our joined actions have led to several successful prosecutions including SFO, TPR, regional Police and Asset Recovery Teams. While we are unable to comment on ongoing cases the Bloom members have a range of powers and actions they can take against pension scammers including: • The Insolvency Service wind-up firms involved in pension abuse and ban directors • The Pensions Ombudsman direct the restoration of scheme members' pension funds and make findings of personal liability against trustees. • The Pensions Regulator carry out criminal investigations into scams and fraud, as well as civil and regulatory actions such as appointing	

				independent trustees to take over schemes suspected of being used by scammers. • The Information Commissioner’s Office issue fines in relation to the pensions cold calling ban. • The Financial Conduct Authority stop firms and individuals doing business where it suspects serious breaches and hold them to account for misconduct with fines and industry bans. • HMRC carry out scheme application checks and de-register those it does not believe are genuine and could be scams.	
LEGISLATION & REGULATIONS Leads: DWP & HM Treasury Objective: To identify what actions should be taken forward by government and others to prevent future pension scams		Focus is on identifying opportunities for and informing legislation as a tool to prevent pension scams.		The main deliverable this year has been the Pension Schemes Act 2021. During the passage of the Bill, conditions were added to the transfer clause. The new Act will enable us to require members to take guidance, in prescribed circumstances, before a transfer can proceed. The new regulations are being developed this year.	
NON-LEGISLATIVE INTERVENTIONS Lead: PSIG Objective: Good practice solutions that reduce the likelihood of pension scams without need for changes to legislation (in the short-term)		PSIG works with industry to promote good practice due diligence through the PSIG code. It assists the sharing of information amongst industry and brings this view of the threat to Project Bloom.		In addition to bringing the view from industry to inform and enhance the other works strands PSIG is active in gathering the view of the threat from industry. The PSIG code, which is currently being promoted through the Pledge campaign provides a bench mark for good practice on due diligence.	