

Protect your pension pot

Are you considering transferring money from your pension fund into a new scheme?

Is the new scheme a self-invested personal pension (SIPP) or a small self-administered scheme (SSAS)?

Will your pension pot be investing in unusual investments such as overseas property, forestry, storage units, care homes, biofuels or other businesses you don't know much about?

Were you motivated by a call, online advert or text out of the blue to discuss your pension or offered a 'free pension review'?

If the answer to any of these questions is yes, read on to find out how to protect your pension pot.

Be very wary

These free 'reviews' are often designed to persuade you to move money saved in your existing personal or occupational pension into high-risk schemes.

Professional pension advice is not free. Professional advisers looking to act in your best interests are very unlikely to cold call you offering their service.

The risks

- 1 Unusual investments tend to be unregulated and high risk, and may be difficult to sell if you need access to your money.
- 2 You could lose some or all of your pension pot. While these investments may offer higher rates of potential returns, the returns are not guaranteed and the money you invest is at risk.
- 3 Most of the companies making these offers are not authorised or regulated by the FCA.
- 4 You may have no right to complain to the Financial Ombudsman Service or to claim compensation from the Financial Services Compensation Scheme.
- 5 Even if a regulated firm is involved, there is little protection if an unregulated investment is mismanaged or if there is fraud.
- 6 Some of these investments may be outright scams.

What you should do next

If you are considering transferring money from your pension fund, get financial advice from an authorised financial adviser first. Make sure the adviser is

You could lose everything you have invested, significantly reducing your retirement income

authorised to give pensions advice by checking our www.fca.org.uk/register.

If you are considering investing some of your pension pot in unregulated investments, make sure you understand them and the risks involved. Your adviser should consider whether they are suitable for you. For most individual investors, investing their pension savings in unregulated investments is unlikely to be in their best interests. All investment alternatives should be considered and leaving your pension pot where it is may be the best decision.

Further information

You can find more about current risks at

www.fca.org.uk/consumers

including information on what to do if you are, or have been, approached by an unauthorised firm.

You can also get more information about pensions at

www.moneyadvice.service.org.uk and

www.pensionsadvice.service.org.uk