

**Chamberlain's Department**

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Chamberlain and Chief Finance Officer



**Telephone**

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**Our ref**

**Case Officer**

**Date**

Dear

**Local Government Pension Scheme Regulations 2014 (as amended)**

I am writing with reference to your recent request for a current cash equivalent transfer value figure in respect of the pension benefits you hold under the Local Government Pension Scheme/City of London Pension Fund.

Before we process your request, we must let you know about two requirements that could apply if you decide to go ahead with a transfer:

- If we decide there are any pension scam risks associated with your transfer, we may require that you attend an appointment about pension scams with MoneyHelper before the transfer can proceed. Depending on the level of risk we may, in some circumstances, refuse the transfer
- If the total value of your LGPS benefits is more than £30,000 and you want to transfer to a defined contribution pension scheme, such as a personal pension scheme, you must take appropriate independent advice at your own cost.

**What we will do to protect you from pension scams**

Unfortunately, pension scams are on the rise in the UK. In some cases, the scammer will try to persuade you to transfer your pension to a different scheme, often a scheme the scammer has set up themselves. Falling victim to a pension scam could mean that you lose some or all of your pension savings.

The Government has identified common pension scam risks which, if present, may suggest you are in danger of being scammed. The Government calls these red and amber flags.

If you elect to transfer, to help protect your pension from scammers, the Government requires us to decide whether any red or amber flags are present. We will not need to do this if you transfer to a different public service pension scheme, an authorised master trust scheme or an authorised collective defined contribution scheme.

## **Red flags**

Examples of when a red flag is present are:

- you request a transfer to an occupational pension scheme and we do not have enough information to link you with an employer that participates in that scheme
- you request a transfer to an overseas scheme and, we either do not have enough information to link you with an employer that participates in that scheme, or prove that you are resident in the country the scheme is based in
- someone has provided, or agreed to provide, you with advice about your transfer and they do not have the necessary permissions from the Financial Conduct Authority to do this
- you request a transfer following direct marketing, such as cold calling, texts and emails about your pension, by a person or firm that you have previously had no contact with
- you have been offered an incentive to transfer such as, but not limited to, a bonus, a loan from your pension savings, access to your pension savings before age 55 or limited time investment offers
- you feel you have been pressured to transfer.

If we decide there are any red flags present, we must stop the transfer. If this happens, we will let you know in writing within seven working days of our decision.

## **Amber flags**

Examples of when an amber flag is present are:

- information about the receiving scheme indicates:
  - the scheme invests in high-risk or unregulated investments
  - the investment structure is unclear, complex or unorthodox
  - overseas investments are included
  - there are unclear or high scheme charges
- our records show that there is a sharp or unusual rise in transfers to the receiving scheme or involving the same adviser.

If we decide there are any amber flags present, we must pause the transfer until you provide us with evidence that you have attended an appointment about pension scams with MoneyHelper. MoneyHelper offers free, impartial guidance backed by Government on money and pension choices. The appointment will help you identify the common risks involved in transfers, highlight the dangers of pension scams and help you consider whether you still wish to transfer.

We will let you know in writing if you need to attend an appointment with MoneyHelper and provide us with evidence that you have done so. If you don't provide us with the required evidence, we must stop the transfer.

## Information

To inform our assessment, we may need to ask you to give us more information. We will only ask for information that we reasonably need and will only use it for this purpose. If you wish to transfer to an occupational pension scheme, we must ask you to give us information about your employment status. If you wish to transfer to an overseas scheme, we must ask you to give us information about your employment or residency status.

If we ask for more information, it is important you give us all the information we ask for in a timely manner. You must give us the information yourself. Other than in limited situations, such as power of attorney, no one else can give us the information on your behalf. Failing to do so will result in your transfer being paused or ultimately stopped.

You can find more information about pension scams, such as how they work, how to avoid them and what to do if you suspect a scam at [https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423\\_pensions\\_consumer\\_leaflet\\_screen.ashx/](https://www.thepensionsregulator.gov.uk/-/media/thepensionsregulator/files/import/pdf/16423_pensions_consumer_leaflet_screen.ashx/)

## Requirement to take appropriate independent advice

If you wish to transfer to a defined contribution pension scheme (for example, a personal pension scheme) and the total value of your LGPS benefits is more than £30,000, you must take appropriate independent advice at your own cost. Unless you tell us otherwise, we will always assume that you wish to transfer to a defined contribution scheme.

To prove you have taken that advice, you must return the Transfer Advice Confirmation Form, which we will send you with the transfer information. You must return this within three months beginning with the day we provide you with the guaranteed transfer value.

Appropriate independent advice is not the same as attending an appointment about pension scams with MoneyHelper. Depending on where you wish to transfer and the value of your LGPS benefits, you might need to take appropriate independent advice **and** attend an appointment with MoneyHelper.

- **Next steps**

To be able to receive the information you have requested, you must meet certain conditions in addition to those set out in this letter. If you meet those conditions, we will send you the transfer information along with the necessary forms and explain any action you need to take. If you do not, we will let you know and the reasons why. We aim to give you the information within 20 working days. In any case, we will give you this within three months of your request.

The transfer information will tell you more about whether you will need to take appropriate independent advice and what information you need to give us if you decide to go ahead with a transfer.

Yours sincerely