

Publish register of pension scammers, urges ex-minister

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Baroness Altmann called for more data sharing between police, regulators and private companies RICHARD POHLE/THE TIMES

A former pensions minister has called for a “scammers’ register” to fight mis-selling, which costs savers up to £4 billion a year.

Some data is available through a website run by the Financial Conduct Authority but Baroness Altmann, who is working with industry groups on an easy-to-use database, says that it is “behind the curve”.

HM Revenue & Customs and pension providers have private lists of companies suspected of mis-selling pensions but do not share them widely, partly because of confidentiality.

“Very often the same people behind one scam move on to another, they have no shame,” Lady Altmann said. “There should be much more data-sharing between the police, the regulators, private companies and the consumers to help combat this problem. A carefully co-ordinated early warning system, hosted on a centralised database and regularly updated, should be produced and widely publicised.”

On Saturday *The Times* reported that the system was failing to tackle the people behind scams, which include legal attempts to mis-sell inappropriate investments as well as criminal fraud.

In one case, the Pensions Regulator suspected in 2014 that middle men in an alleged £14 million pension scheme had “deliberately misappropriated” funds which they then spent on Ferraris and school fees. None has faced a police investigation.

In another case more than 1,000 people invested a total of £120 million in self-storage units with the promise of high returns and early access to their money. When the investment collapsed, many were left with big tax bills.

In 2015 insolvency proceedings in the High Court were told that the scheme was orchestrated by a complex web of companies. According to evidence from an investigator about £33 million in commissions from the scheme went through the bank account of a company controlled by a Mancunian called Stephen Talbot. Some £7.5 million was paid out to Transeuro, a Panamanian foundation “for which Mr Talbot was protector”, the statement said. In 2015 the High Court ordered that Transeuro and two other companies allegedly connected to the storage pod scheme be wound up.

Last year Mr Talbot voluntarily agreed to a nine-year ban on being a company director “for failing to explain what happened to millions of pounds worth of assets”. Three other directors of associated companies also received bans. That is the only action that has yet been taken against them despite unanswered questions about their role in the scheme. Mr Talbot denies wrongdoing and has previously claimed that his role was confined to IT and databases.

Sir Steven Webb, another former pensions minister who is now director of policy at Royal London, an insurance company, said that parts of the pension market were “the Wild West of investing”. He said that responsibility for identifying scammers should rest with the regulated bodies that directed pension savings into investments.

In a letter to the work and pensions committee, the Pensions Regulator said it was carrying out seven criminal investigations into scams covering 52 schemes worth about £55 million.

A spokesman for HMRC said: “In 2014 we introduced laws to help deter promoters of pension liberation schemes leading to an 88 per cent reduction in applications.”

An FCA spokesman said: “The FCA warns consumers about scams as soon as we have the intelligence. Last year we published over 360 warnings about potentially fraudulent firms.”