



May 2020

Beware the Covid scammers

The financial services regulator, the Financial Conduct Authority (FCA), has warned that fraudulent activity has increased during coronavirus lockdown as scammers exploit people's vulnerabilities and isolation to steal from them.

In one week alone recently the FCA revealed that 11 firms had been cloned – with fraudsters cold-calling or writing to people, pretending to be from legitimate businesses.

The regulator is worried that fears over the impact of the pandemic on markets and personal finances are leaving savers more susceptible to scams or making detrimental decisions.

It is particularly concerned for those under financial pressure who may be persuaded to access valuable long-term pension savings for emergency cash.

Both the FCA and The Pensions Regulator (TPR) have urged people to take their time before making any decisions about their retirement savings, whether they are still working or already retired and thinking again about their options.

Worrying times

We are always here to support clients of James Hambro & Partners. Despite the travel restrictions, our team of

financial planners and investment advisers are still on hand to answer your questions and are talking to clients regularly. We can help you and your family make the right financial decisions.

Should you wish to explore options yourself, ScamSmart, the FCA Warning List and the FCA Register are reliable sources of information available online.

ScamSmart

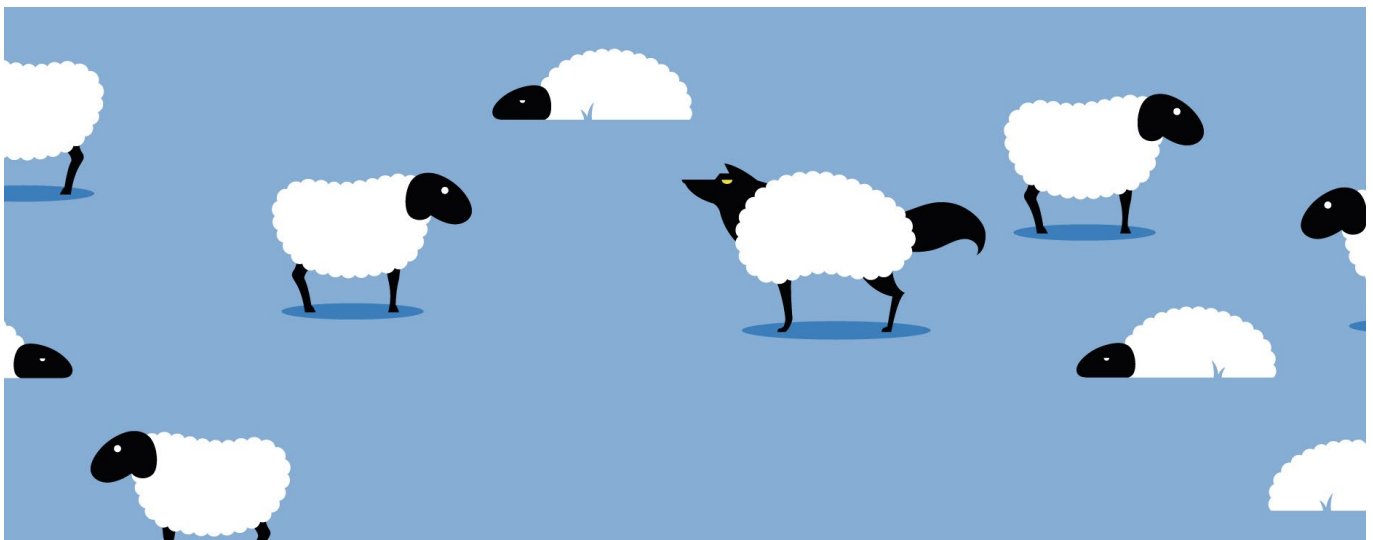
The FCA has updated its ScamSmart website to share advice on what investors should look out for. Like many other investment firms, James Hambro & Partners has supported the ScamSmart campaign from the outset. We are determined to protect our clients and to help them and their families protect themselves.

The FCA provides the guidance below on how to recognise and avoid pension scams.

How pension scams work

Pension scams can be hard to spot. Scammers can be articulate and financially knowledgeable, with credible-looking websites, testimonials and materials that are hard to distinguish from the real thing.

Scammers usually contact people out of the blue via





phone, email or text. They may even advertise online. They design attractive offers to persuade you to transfer your pension pot to them (or to release funds from it). It is often then:

- invested in unusual and high-risk investments like overseas property, renewable energy bonds, forestry or storage units
- invested in more conventional products but within an unnecessarily complex structure that hides multiple fees and high charges
- simply stolen outright

The warning signs

Scam offers often include:

- free pension reviews
- promises of higher returns on your pension savings
- help to release cash from your pension, even though you are under 55 (an offer to release funds before the age of 55 is highly likely to be a scam)
- high-pressure sales tactics – scammers will often try to pressure you with ‘time-limited offers’
- unusual investments – these tend to be unregulated and high risk and may be difficult to sell if you need access to your money
- complicated structures in which it is usually unclear where your money will end up
- long-term pension investments – it could be several years before you even realise something is wrong

Four simple ScamSmart steps to protect yourself from pension scams:

1. Reject unexpected pension offers – whether they come via the post, online adverts, social media or unsolicited phone calls.
2. Double-check who you are dealing with on the FCA Register before changing your pension.
3. Do not be rushed or pressured into making a decision.
4. Get impartial information or advice.

Protection

If you invest with an unauthorised firm, you will have no protection from the Financial Ombudsman Service or Financial Services Compensation Scheme if things go wrong.

If you suspect a scam, you should report it to Action Fraud on 0300 123 2040 or go to the Action Fraud website.

The simplest advice remains the most obvious: if it sounds too good to be true then it probably is.

Do not hesitate to contact us.

Please call us on **020 3817 3500** if you are approached by anyone claiming to represent James Hambro & Partners and suspect they may be scammers.

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