



PRESS RELEASE

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PASA launches Counter Fraud Guidance

The Pensions Administration Standards Association (PASA), the independent body dedicated to driving up standards in pensions administration, today has unveiled its Counter Fraud Guidance for UK pension schemes, trustees and providers.

Published today, the Guidance encompasses the many types of fraud affecting the pensions sector (at the time of publication) and the range of tactics needed to be deployed to counter pensions fraud so proactive steps can be taken to minimise its extent and cost.

Kim Gubler, Chair of PASA said: “Fraud has been estimated to cost the pensions sector over £6 billion¹ a year, and since 2007 the cost of fraud has risen by over 40%². Digitisation has increased the speed of evolution of fraud over the last 10 years, and more recently, during the outbreak of COVID-19 and related restrictions and changes, the incidence of fraud has risen by a further 19.8%³.

“As a sector we have significant amounts of money being paid and invested every day, but the level of protection in place is much less than provided to the average bank account. It’s no wonder the momentum around pensions fraud has been growing exponentially. This is an issue we need to tackle head on if we are to maintain control of the situation and to stay one step ahead of ever more sophisticated deception. I urge the industry to read our guidance and take swift action.”

Jim Gee, Partner, National Head of Forensic Services at Crowe said: “Fraud is a pernicious problem. Along with the serious financial damage pension fraud can do to an individual or member, the resulting bigger picture is an undermining of confidence in pensions administration and an eroding of trust in our industry.

¹ The Nature and Extent of Pensions Fraud – Centre for Counter Fraud Studies, University of Portsmouth

² The Financial Cost of Fraud Report 2021 – Centre for counter Fraud Studies, University of Portsmouth

³ The Financial Cost of Fraud Report 2021 – Centre for counter Fraud Studies, University of Portsmouth

“This Guidance has been created to provide an understanding of the range and potential for fraud, and a common language about what needs to be done. The PASA Fraud and Cybercrime Working Group intends the Guidance will be regularly updated to match the speed of evolution of the phenomenon of fraud itself.”

The Counter Fraud Guidance is focused on encouraging organisations to ask a range of investigative questions focused on three main areas:

- **The legal and regulatory landscape:** Does the organisation understand the different types of fraud? Is it aware of any emerging threats and ready to react? Has it sought the relevant legal, regulatory and cyber advice?
- **Understanding your organisation’s vulnerability to fraud:** Does the organisation and its suppliers understand the vulnerabilities of systems and beneficiaries in respect of fraud, and the extent of risk and potential cost?
- **Ensuring your organisation is resilient to fraud:** What potential for fraud exists, and how can the risk this poses be reduced to an acceptable level?

The full guidance can be found [here](#).

ENDS

Notes To Editors

The Pensions Administration Standards Association (PASA) has been created to provide an independent infrastructure which will set, develop, guide and assess administration standards.

PASA will act as a focal point and engage with industry and government to create protocols for understanding good administration - but also appreciates there is no one size that fits all. PASA will develop evidential accreditation practices which will allow benchmarking across and between the industry regardless of how the administration is being delivered.

As well as raising the profile of pension administration generally, PASA will focus on three core activities.

1. Defining good standards of pensions administration relevant to all providers, whether in-house, third party or insurers
2. Publishing guidance to support those standards
3. Being an independent accreditation body, assessing the achievement of good standards by schemes (regardless of provider)

There is no organisation providing such services across schemes, yet there is a demand for evidence of service quality from scheme trustees, sponsors, administrators, insurers, scheme members and regulators.

About PASA Accreditation

PASA Accreditation is open to all corporate members of PASA (DB, DC, trust-based and contract-based schemes). PASA Accreditation is granted following an independent evaluation and assessment process, which includes on-site visits and the review of documentation to evidence controls, procedures, process, staff development and contractual positions with clients.

Full details on PASA can be found by visiting www.pasa-uk.com

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