

Transferring your pension?

The process to expect, and how it protects your pension savings

As a general rule, you should only transfer your pension from one plan to another if there's a good chance you're going to be better off as a result. Typically, good reasons for transferring a pension are:

1. To reduce costs or potentially improve investment returns. These can help your pension savings grow more.
2. To improve the flexibility or range of options when it comes to taking a pension income in retirement, or even the options to your beneficiaries after your death. This can help your pension pot better fit your requirements.

In recent years there has been an increase in people being persuaded to move their pension savings into new pension plans where there is a risk of them being worse off. This includes:

- An outright scam where there is a risk of you losing everything.
- Poor advice which isn't likely to make you better off or improve how well your pension plan meets your needs.

To protect your pension savings, it is standard practice for your current pension provider to go through a series of detailed checks into the pension plan where you're proposing to transfer. They look for warning signs and will not allow a transfer to proceed until they are satisfied it is not a scam and it appears to be in your best interests.

This is our guide to the process you can expect, depending on the pension plan you are moving into.

Know your pension terminology

The most common terms that are used, and what they mean

When it comes to pension plans, there are lots of terms which mean the same thing. This short guide covers the most common, and should help with any questions you are asked.

We use these terms	Alternative terms	What it means
Pension plan	Pension policy Pension contract Pension scheme Retirement account	The plan that is holding your pension savings.
Pension provider Plan provider Platform	Scheme administrator Scheme provider Scheme operator	The company that created and provides the pension plan to you. Their name will be on letters relating to your pension and on the online portal where you see its value. They are not automatically responsible for what is inside the pension plan
Investment portfolio Investment funds		The collection of one or more funds that your pension savings are invested into. There are usually 1-12 of them.
Workplace pension	Defined contribution scheme Occupational pension scheme	A type of pension that is attached to your current or past employment. Your employer collects your contributions and can pay straight into that plan for you. They may make decisions about some of its rules.
Employer	Sponsoring employer Associated employer Participating employer Principal employer	Your current or previous employer that's attached to your pension plan.
Discretionary investment manager	Investment manager Investment company Portfolio manager	A separate company that chooses the investments in your portfolio, usually at their discretion.
Overseas investments	Offshore investments	Investment funds that are legally based outside of the UK and Ireland and not subject to our strict laws and regulations.
Overseas pension scheme	Qualifying Recognised Overseas Pension Scheme (QROPS) Qualifying Unapproved Non-UK Pension Scheme (QNUPS)	A pension scheme that is situated outside of the UK but is recognised by HMRC and the FCA as our regulators.

Questions to expect

Examples of questions you may be asked and possible answers

Your current pension plan provider will do some initial checks when you first apply for a transfer, then decide if they want to know more. They may ask you questions by phone, email or by giving you a form to complete. Although it might feel like an extra task for you, these questions are important and there to protect you.

We have provided the questions you may be asked, and what the answers typically are for our clients. This guide is not personal to you. If you don't think the suggested answer applies, you should tell the pension provider what you think and why.

Introductory questions

Question you may be asked	Suggested answer
Were you approached "out of the blue" about the transfer? Was it by an e-mail, text, phone call, letter or through social media (e.g. Facebook or LinkedIn)?	No, you have an ongoing service with your financial planner and they did not contact you out of the blue.
Were you offered a 'free pension review', loan or "early access to cash"?	No. Your pension review would have been part of your initial or ongoing service as agreed with us. You will not have been offered a loan or early access to your tax free lump sum.
Were you told that you could take advantage of a loophole, a "time-limited" offer or receive a higher tax-free lump sum as a result of transferring?	No. We would not have offered any loophole or time-limited offers. If you are transferring a defined benefit pension or 'Section 32' pension plan, these can pay less than the standard tax free lump sum of 25% of the fund. On transfer, your lump sum could potentially increase to 25% of the fund. If that applied to you, we would have outlined it in your Detailed Advice Report.
Who first contacted you?	That would usually be your financial planner.
Which firm do they work for?	Balance: Wealth Planning Limited
What is the address of the firm?	The Point, Loughborough Road, West Bridgford, Nottingham NG2 7QW
Is this firm authorised by the FCA?	Yes, under reference 629329

Questions about the advice you've received

Question you may be asked	Suggested answer
Who recommended that you proceed with the transfer?	Your financial planner.
Which firm do they work for?	Balance: Wealth Planning Limited
What is the address of the firm?	The Point, Loughborough Road, West Bridgford, Nottingham NG2 7QW
Is this firm authorised by the FCA to advise on pension transfers?	Yes. The firm is authorised under reference 629329 and we have two pension transfer specialists in house.
Did your adviser direct you to the FCA ScamSmart website?	No, we do not usually do that.
Has a courier been to your door to collect transfer documents?	No.
Have you been given a formal Advice or Suitability Report which is specific to you and your circumstances and covers your attitude to risk and the investments that will be made on your behalf?	Yes, we call this your Detailed Advice Report. It will usually have been emailed to you at the same time as electronic links to confirm if you are happy to proceed with our recommendations. It may also have been given to you in person or sent by post. It includes reference to your circumstances, the level of risk we recommend you take and why. It also includes full details of the recommended pension provider and the underlying investments with their charges.

Questions about the proposed pension plan

Question you may be asked	Suggested answer
Have you received a Key Features or Terms and Conditions document?	Yes, we provide both a Key Features Document and/or a Terms and Conditions Document. They will have been included in the email providing your Detailed Advice Report, or otherwise by post. We may sometimes provide links to those documents stored online, rather than sending the document to you.
Have any transfer requests for other pension plans (which you may have with other providers or administrators) to this scheme been refused?	No.
If so, do you know which providers or administrators refused to make the transfer/s and the reason/s for their refusal/s?	Not applicable

Questions about the investments within your pension plan

Question you may be asked	Suggested answer
When the transfer payment is made, will the payment be held in a cash account?	The transfer sum is usually immediately invested into the recommended portfolio, part of which will include a small allocation to cash to cover costs.
Do you have a separate investment company to manage your investments?	No. Your pension transfer advice and investment advice, plus the portfolio management is all provided by Balance: Wealth Planning.
How will the transfer payment be invested?	Into a portfolio of funds which are all either based in the UK or Ireland, authorised by the FCA or the Bank of Ireland.
Have you been promised a specific or guaranteed rate of return? If so, what is the rate?	No. You will not have been promised a specific or guaranteed rate of return.
Will part or all of the transfer payment be invested in overseas investments?	The transfer will be invested into funds where the underlying assets are globally diversified. However, the funds themselves are domiciled either in the UK or Ireland and authorised by the regulators in those countries.
Are any of your investments subject to an exit penalty if you wish to access or transfer the investments within an agreed period of time (for example within 5 or 10 years)?	No. You are not tied in at all.
Are any of your investments of the type which are included on the FCA warning list?	No.
Are all the UK investments regulated by the FCA?	Yes the UK based investment funds are all regulated by the FCA. The funds based in Ireland are all regulated by the Bank of Ireland.
Will any of your transfer payment be used to purchase an offshore investment bond?	No.

Questions about fees and charges

Question you may be asked	Suggested answer
Have you received written details of any fees or other charges that you will have to pay?	Yes. This will be outlined in your Detailed Advice Report. You will also have received an illustration of fees and charges from the receiving pension provider.
Do you know how the fees which will be charged will affect the value of your investments over time?	Yes. An illustration of that impact was outlined in your Detailed Advice Report. You will also have received an illustration from the receiving pension provider which show the impact of costs over time.
Are you aware of how the fees you will be charged compare with the fees that apply under your current pension arrangement?	Your Detailed Advice Report contains a comparison of all types of fees charged by your current pension plan and the proposed pension plan to receive the transfer.

Questions about your reasons for transferring

Rationale	
Can you explain your reasons for requesting the transfer? What will you be able to achieve by transferring that you will not be able to do in your existing plan?	<p>These reasons are typically outlined on the first page for each section of your Detailed Advice Report. They are often one or more of the following:</p> <ul style="list-style-type: none"> • To consolidate your pensions together to make them easier to manage • To reduce ongoing costs and thereby give you a greater chance of returns. • To provide you with access to an investment portfolio that we feel has a better chance of successful performance. • To provide you with access to an investment portfolio that better matches your personal values regarding responsible investing. • To improve the range of options regarding the way benefits can be taken from the plan in retirement, to better suit your needs. • To improve the range of options regarding the way your pension is treated on death, to better suit your objectives.
Has your adviser advised you not to transfer? If so, can you explain why you wish to proceed against that advice?	<p>If we have advised you not to transfer, this will be in our Detailed Advice Report.</p> <p>If you are arranging a pension transfer against our advice, we will not assist you with it in any way.</p>

Questions if you are transferring to a personal pension or SIPP

Question you may be asked	Suggested answer
Is the scheme provider FCA registered?	Yes. You can look this up online at www.fca.org.uk/register or ask us for details.
Has your Scheme Provider given you details of all the charges which will be made within the pension, including in relation to any offshore bonds and underlying investments?	Yes. This should have been contained in your Detailed Advice Report and the scheme provider's illustration.

Questions if you are transferring to a workplace pension scheme

Question you may be asked	Suggested answer
Is your employer (who sponsors the pension scheme you are transferring to) actively trading?	Check on the Companies House website if you aren't sure.
What is the name of the employer (in whose name the scheme has been established)?	Provide the name of your employer.
What is the address of this employer?	Provide your employer's address.
Who is the administrator of the receiving scheme?	Check your last annual statement and provide that name. It may be your employer but it is more likely to be a pension administration company.
Please provide evidence of your employment.	A payslip would be ideal.

Questions if you are transferring to a Small Self Administered Scheme (SSAS)

Question you may be asked	Suggested answer
Have you been asked to set up your own company in order to make this transfer?	We are unlikely to have recommended you do that.
If yes, can you provide more details about this company and your role in it?	
Are you a trustee of the SSAS?	We usually recommend you are a trustee.

Questions if you are transferring to an overseas pension scheme

Question you may be asked	Suggested answer
Who is the administrator of the QROPS? (The administrator will be the company which is responsible for providing you with information about your pension savings)	Check your last annual statement and provide the name of the company that sent it to you. It may be your employer but it is more likely to be a pension administration company.
Which country are they based in?	Check the company's letterhead, email footer or website
What is their address?	Check the company's letterhead, email footer or website
Are you resident in that country?	
If you are not resident in the country, do you intend to move to that country?	
Please provide evidence you live in that country.	A utility bill or ID with your address is ideal.

Next steps

What happens next, and the timeframe to expect

Pension provider's decision

Based on your answers, your pension provider will decide whether they are feel you are at any risk of being scammed or badly advised.

- If they feel you are at serious risk of being scammed they will not let the transfer happen.
- If they're not sure, they will ask you to have an appointment with a specialist financial helpline, called [MoneyHelper](#). They provide free impartial guidance about the risks of pension scams.

Once you have had that phone appointment, the pension provider will reassess the proposed transfer.

- If they feel you are at risk of being scammed, they will not let the transfer happen.
- If they are satisfied you are not being scammed, they will let the transfer go ahead.

Timeframes to expect

If your pension provider feels they don't need to ask you any questions, it usually takes 3-6 weeks for your pension savings to be transferred from their current plan to their new plan and be invested.

If your pension provider wants to ask you extra questions, this could add 2-4 weeks to the process.

If your pension provider wants you to have an appointment with MoneyHelper, this could add another 2-4 weeks to the process.

Extra resources

ScamSmart – Website provided by the Financial Conduct Authority to help you check if you have been subject to an investment or pension scam. www.fca.org.uk/scamsmart

MoneyHelper – Free impartial financial guidance. They cannot give specific advice. www.moneyhelper.org.uk

Financial Conduct Authority Register – A register of all financial companies that they have authorised and regulate. register.fca.org.uk

If you have any questions about this guide, please contact your usual financial planner, email team@balancewealth.uk or call 0115 7722126.

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