fair telecoms campaign — news release

Is Pensions Cold Calling to be "banned", or is it just a matter of "buyer beware"?

A new broadcast advertising campaign has been launched today jointly by the independent **Financial Conduct Authority** and the government **Pensions Regulator**.

This campaign urges consumers to distinguish between scammers and "genuine" cold callers, so as to avoiding taking a poor recommendation in relation to their pension savings. See - Regulators warn public of pension scammer tactics as victims report losing an average of £91,000 in 2017, FCA-TPR Pension Scams TV Ad, ScamSmart Radio Ad – 1, ScamSmart Radio Ad - 2 .

Obviously advice about avoiding scams is always valuable, but this campaign misses the point –

all cold calling about Pensions, indeed all financial services, should be banned.

Quite oddly, this campaign is launched 4 days before the conclusion of a government consultation "Ban on cold calling in relation to pensions: consultation on regulations".

It would seem that both **the FCA** and the government's own **Pensions Regulator** do not expect the proposed "ban" to achieve its declared objective.

The **fair telecoms campaign** fully endorses this view, for two primary reasons.

- The proposed ban explicitly does not apply to all cold calling in relation to pensions.
- It leaves existing ineffective prohibitions in place, applying only a modest tweak in respect of some cold calls to only 20% of the population. That tweak only applies to the same regime of prohibition which has long been seen to be ineffective.

We argue that unsolicited direct marketing by telephone, text and email is not appropriate for services that require careful consideration and access to independent advice. Cold Calling should therefore be totally prohibited by the regulator responsible for all activity within the sector.

If a clear and unconditional prohibition on cold calling were in place, all cold calls could be rejected. Expecting consumers to distinguish clever spammers from potentially weak genuine callers is nonsense. Furthermore, how can it be said that any offer from a legitimate provider is sufficiently worthwhile and appropriate to warrant a response to a direct marketing approach.

Scammers are engaged in illegitimate activity by the fundamental nature of their business. It is absurd to suggest that they would comply with a ban on cold calling, any more than a getaway driver from a shooting would comply with speed limits. In approaching prospective victims they will mimic the behaviour of legitimate operators. The only way for a ban on cold calling to impact their operations is for it to be totally prohibited – which it should be for other reasons.

Even if telephone cold calling were used to promote the most wonderful financial services, the nuisance caused to those who are not interested must outweigh the benefit to those who are.

Financial services offered by legitimate operators will not be suited the needs of every consumer. The pressure to make a quick decision, an essential feature of a cold call, may well have led to aggregate losses much greater than those suffered by victims of deliberate scams.

Our briefing – Why the so-called 'ban on pensions cold calling' is not what it pretends to be – exposes the weakness of the government proposal and presents the arguments for how an effective ban could be applied through regulation – by **the FCA**.

Dealing properly with cold calling must not be conflated with the problem of illegal providers of financial services. The first is an issue of regulation; the other is enforcement of the criminal law.
It is an utter disgrace to imply that consumers are responsible for doing both.

David Hickson 

Tuesday, 14 August 2018