

Due Diligence Process for Transfer Request-Gathering and Recording Evidence

Please snip evidence of documents /websites etc.

Collect information

During your transfer processes you should collect the following information as a minimum. The information you collect will help to determine which conditions apply to the transfer application:

Name and address of the member requesting a transfer

Information about the receiving scheme including:

- name
- address
- HM Revenue and Customs (HMRC) registration number
- payment details
- type of scheme
- identity of the scheme administrator

Information about any financial adviser and other individuals involved in the transfer including:

- the firm's name and address
- Financial Conduct Authority (FCA) registration number
- FCA permissions
- role in relation to the transfer

In the case of transfers of DC benefits, you should check that any adviser has permission for the activity of 'advising on investments. If your initial due diligence shows that the transfer is to a type of scheme other than those listed as meeting the first condition in the regulations, you must check that any adviser has these permissions. See [red flag 3](#) for further information regarding permissions.

Information about the member

- **Date of Birth Verified- Yes/No**
- **Declaration forms is relevant to scheme and is completed correctly -Yes/No**

Information about the receiving scheme

- **Name of Receiving scheme**
 - **Address of Receiving scheme**
 - **Payment details**
 - **Type of scheme**
 - **Identity of the scheme administrator**
 - **PSTR** An example reference number is: 12345678RL.
 - **QROPS** If overseas Scheme [Check the recognised overseas pension schemes notification list - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/check-the-recognised-overseas-pension-schemes-notification-list) (Snip Screen)
- A Pension Scheme Tax Reference (PSTR) is the unique reference given to a scheme by HMRC when a scheme has been registered for tax relief and exemptions. It has 10 characters made up of 8 numbers followed by 2 letters. A scheme's PSTR is the one that evidences its status as a registered pension scheme.
- **Scheme's Registration Certificate** (Snip document)

Information about any financial adviser and other individuals involved in the transfer including

- **Evidence member has taken appropriate independent advice if value of safeguarded benefit is more than £30,000.** You should make sure that any member requesting a transfer from a defined benefit (DB) scheme to a defined contribution (DC) scheme with a value of more than £30,000 has had advice from an adviser regulated by the FCA. The adviser must have permission for the activity of 'advising on pension

transfers and pension opt-outs'. For further information on how to check this, see our **DB to DC transfers and conversions guidance**. Verify IFA on FCA website. Link to check if IFA is authorised <https://register.fca.org.uk/s/>

(Snip screen)

- **Employment Link-Occupational Scheme must provide evidence of employment link- Please see link for examples of supporting documents [Dealing with transfer requests | The Pensions Regulator](#) Assess if there is an employment link based on evidence provided [LGPS Non Club transfers technical guide \(lgpslibrary.org\)](#)**
- **Residency Link-**QROPs only** Please see link for examples of supporting documents [Dealing with transfer requests | The Pensions Regulator](#) **Residency Link is assessed on the date election form is received****

Conditions below Would not apply to QROPS so please check red and amber flags

- **The First condition - This does not apply as QROPS transfers will not satisfy the First condition.**
- **The Second condition - This does not apply as QROPS transfers will not satisfy the Second condition.**

Red Flags

If red flags are present refer cases to Team Leader

- **Red flag 1:** The member has failed to provide the required information
- **Red flag 2:** The member has not provided evidence of receiving MoneyHelper guidance
- **Red flag 3:** Someone carried out a regulated activity without the right regulatory status
- **Red flag 4:** The member requested a transfer after unsolicited contact
- **Red flag 5:** The member has been offered an incentive to make the transfer
- **Red flag 6:** The member has been pressured to make the transfer

Amber Flags

If amber flags present refer member to MoneyHelper.

- **Amber flag 1:** The member hasn't shown an employment link or overseas residency
- **Amber flag 2:** The member can't show an employment link or overseas residency
- **Amber flag 3:** High-risk or unregulated investments are included in the scheme
- **Amber flag 4:** The scheme charges are unclear or high
- **Amber flag 5:** The scheme's investment structure is unclear, complex or unorthodox
- **Amber flag 6:** Overseas investments are included in the scheme
- **Amber flag 7:** A sharp, unusual rise in transfers involving the same scheme or adviser

- **MoneyHelper.**

The member will not be able to search the MoneyHelper website to book an appointment. You will need to [provide this link so they can book online or obtain the number to book by telephone](#). Sessions must be booked and attended by the member, not any person acting on their behalf.

Evidence member sought guidance from MoneyHelper- Member should provide unique reference number which can be validated on MoneyHelper website.

CETV: Key Steps and Statutory Timescales

Step	Timescale	Description	Date Checked & Notes
<p>Step One Acknowledge transfer and issue information about advice and pension scam checks (the Conditions)</p>	<p>within one month of the member's application</p>	<p>The member makes an application for a statement of entitlement. You must inform the member in writing within one month of the date of the member's application for a statement of entitlement,</p> <ul style="list-style-type: none"> • they might need to seek appropriate independent advice (unless an exception applies), and • you must be satisfied that either the First or Second condition has been met in order for the transfer to proceed. <p>You should complete this step immediately upon receipt of the member's application, by issuing a general acknowledgment letter to the member.</p>	
<p>Step two Check member entitlement</p>	<p>within approximately three months</p>	<p>You must complete the preliminary checklist to confirm if the member has a statutory right to receive a statement of entitlement before proceeding. If not, you should inform the member as soon as reasonably practicable together with the right to appeal.</p>	

<p>Step three Statement of entitlement</p>	<p>from step one – within approximately three months</p>	<p>If the member has transferrable rights, you must provide the member with a statement of entitlement and accompanying information, within approximately three months of the member’s application (unless the member has already made an application for a statement of entitlement within the 12 months beginning with the date of that application – in which case it is your discretion as to whether to issue a further statement of entitlement).</p>	
<p>Step four Member election for transfer</p>	<p>from step three – within three months</p>	<p>The member must elect in writing to you for the transfer to proceed to payment, within three months of the guarantee date in the statement of entitlement and at least one year before normal pension age (NPA) / normal benefit age (NBA). Where relevant, you must receive confirmation of appropriate independent advice within three months of the date the statement of entitlement was issued to the member. This paragraph does not apply to deferred members. Regulations 8(2)(ca) and 8(4) of the Pension Schemes Act 2015 (Transitional Provisions and Appropriate Independent Advice) Regulations 2015 [SI 2015/742] appears to require administering authorities to again issue the information set out in this paragraph within one month of the date the pension credit member gives written notice to proceed with the transfer. This is despite the fact that the pension credit member will already have been issued with this information when they applied for a statement of entitlement (a pension credit member must be issued with a statement of entitlement because section 101G(2)(a) of the Pension Schemes Act 1993 says they cannot elect to proceed unless they have had a statement of entitlement).</p>	
<p>Step five Acknowledge member election to transfer</p> <p>This step only applies to pension credit members.</p>	<p>within one month</p>	<p>You must inform the member within one month of the member’s election to transfer that for the transfer to proceed, you must be satisfied that either the First or Second condition has been met. You should complete this step immediately upon receipt of the member’s election to transfer, by issuing a general acknowledgment letter to the member.</p>	

Step five Acknowledge member election to transfer	within one month	You must inform the member within one month of the member's election to transfer that for the transfer to proceed, you must be satisfied that either the First or Second condition has been met. You should complete this step immediately upon receipt of the member's election to transfer, by issuing a general acknowledgment letter to the member.	
Step six – earner status, due diligence checks, appropriate independent advice	from step three – within six months	You must within six months of the guarantee date in the statement of entitlement: <ul style="list-style-type: none"> • where relevant, confirm the member is an Earner • establish if the member still has a statutory right to transfer and has elected within the time limit • perform due diligence checks (the First and Second Conditions in Steps seven to twelve build on the existing due diligence in the PSIG code of good practice that you should also be following) • where relevant, check that appropriate independent advice has been received. 	
Step seven – the First condition QROPs transfer will not satisfy the First condition	from step three – within six months	You must satisfy yourself beyond reasonable doubt that the receiving scheme is a Public Service Pension Scheme, a Master Trust or a Collective Money Purchase scheme listed as authorised by the Pensions Regulator. Where this is the case, proceed with the transfer (step fourteen), otherwise you must decide if the Second condition has been satisfied (step eight).	
Step eight – the Second condition – part 1 QROPs transfer will not satisfy the Second condition	from step three – within six months	The aim of this step is to eliminate those transfers that are able to proceed without you requesting any further information. This step identifies transfers to personal pension schemes that are on your clean list. Balance of probability test Step eight does not apply to transfers to occupational pension schemes. On the balance of probabilities are you able to decide based on the information you hold, that none of Red flags three to six or Amber flags four to eight are present?	

		'The Second condition' for further details. If this is the case, you may proceed with the transfer (step fourteen).	
Step nine – the Second condition – part 2	from step three – within six months	The aim of this step is to identify transfers to occupational pension schemes that are on your clean list. Step nine does not apply to transfers to occupational pension schemes that are not on your clean list or personal pensions. Send a request to the member for employment link information. You will use this information, along with information you already hold about the receiving scheme, to help you decide whether any Red or Amber flags are present.	
Step ten – the Second condition – part 3	from step three – within six months	The aim of this step is to identify transfers to occupational pension schemes and personal pension schemes that are not on your clean list. Step ten does not apply to transfers to occupational pension schemes and personal pension schemes that are on your clean list. Depending on the type of receiving scheme, send a request to the member for the following information. You will use this information to help you decide whether any Red or Amber flags are present. You may also decide to collect other information as recommended by the PSIG code of good practice which is not for the specific purpose of assessing the Red or Amber flags. You will use this information to assess whether there are any other warnings signs. For example, you may have cases where you have concerns, but you cannot stop the transfer as no Red flags are present. In these cases, you will need to consider carefully how to proceed. Occupational Pension Scheme not on 'clean list' Request employment link information and reasonable and proportionate evidence / information. Version 2.1 - April 2022 11 Personal Pension Scheme not on 'clean list' Request reasonable and proportionate evidence / information.	
Step eleven – the Second condition – send reminders		member to provide the missing evidence / information before you proceed to the next step. You can proceed to the next step once a month has passed from sending the reminder. At least one month has passed since requesting the employment link information and / or the reasonable and proportionate evidence / information and the member has not provided any of the evidence / information Send a reminder requesting the evidence / information again. In response to	

		<p>the request for employment link information and / or the reasonable and proportionate evidence / information, the member has provided some (but not all) the evidence / information Send a reminder requesting the outstanding evidence / information.</p>	
<p>Step twelve – assess whether red flags one and amber flags one, two or three are present</p>	<p>from step three – within six months</p>	<p>Outcome one – you requested the employment link information, at least one month has passed since sending the reminder and it is beyond reasonable doubt that the member has not provided any of the information Red flag one is present and you must refuse the transfer and notify the member within seven working days of making that decision. This outcome will also apply where the member is unable to provide the information because they are not in employment with a sponsoring employer of the receiving scheme.</p> <p>Outcome two – you requested the employment link information, at least one month has passed since sending the reminder and the member has provided some, but not all, of the information If it is beyond reasonable doubt that the partial information does not count as a substantive response, Red flag one is present and you must refuse the transfer and notify the member within seven working days of making that decision. The partial information will count as a substantive response if it allows you decide that one or more of the employment link conditions have been met. Otherwise, Amber flag one is present because the member did not provide all the information. You will also need to decide whether you have reason to believe that Amber flag two is present.</p> <p>Outcome three – you requested the employment link information and the member has provided all the information Based on the information provided, you need to assess the employment link. If you have reason to believe that the information provided in response to the request does not show that all the employment link conditions are met, amber flag three is present. You will also need to decide whether you have reason to believe that Amber flag two is present.</p> <p>Outcome four – you requested the reasonable and proportionate evidence / information, at least one month has passed since sending the reminder and it is beyond reasonable doubt that the member has not provided any of the evidence / information Red flag one is present and you must refuse the transfer and notify the member within seven working days of making that decision.</p>	

		<p>Outcome five – you requested the reasonable and proportionate evidence / information, at least one month has passed since sending the reminder and the member has provided some, but not all, of the evidence / information. If it is beyond reasonable doubt that the partial evidence / information does not count as a substantive response, Red flag one is present and you must refuse the transfer and notify the member within seven working days of making that decision. The partial information will count as a substantive response if it allows you to decide that that none of red flags three to six are present. Otherwise, Amber flag one is present because the member did not provide all the information / evidence. You will also need to decide whether you have reason to believe that Amber flag two is present.</p> <p>Outcome six – you requested the reasonable and proportionate evidence / information and the member has provided all the evidence / information. You will need to decide whether you have reason to believe that Amber flag two is present.</p>	
<p>Step thirteen – assess whether red flags two to six and amber flags four to eight are present</p>		<p>Unless you refused the transfer under step twelve, you need to decide whether you have reason to believe that any of Red flags three to six are present. If so, you must refuse the transfer and notify the member within seven working days of making that decision. If you decide that you do not have reason to believe that any of Red flags three to six are present, you then need to decide if you have reason to believe that any of Amber flags four to eight are present. If no Red flags are present, but you decide that one or more Amber flags are present (including where you decided under step twelve that any of Amber flags one, two or three were present), you must direct the member to take a guidance session from MoneyHelper and to provide you with evidence that the session has been taken before the transfer may proceed. If it is beyond reasonable doubt that the member has not provide the required evidence, Red flag two is present, and you must refuse the transfer and notify the member within seven working days of making that decision. If no Amber or Red flags are present and you have no other concerns about the transfer, proceed to step fourteen (payment). If no Amber or Red flags are present and you have other concerns about the transfer, you will need to carefully decide how to proceed.</p>	

Step fourteen - payment	from step three – within six months	You must within six months of the guarantee date in the statement of entitlement pay the value of the CETV to the registered pension scheme. Version 2.1 - April 2022 14 You must confirm to the member that you have paid the transfer and that either the First or Second condition is satisfied.	
Step fifteen – payment delayed	from step three – within six months	If you are unable to pay the CETV within six months of the guarantee date in the statement of entitlement, you must within those six months apply to TPR for an extension to complete due diligence checks (if this is the reason for the delay), and preferably at least six weeks before the end of the six-month period.	
Step sixteen – after the end of six months	from step three – after the end of six months	If you have not paid the CETV within six months of the guarantee date in the statement of entitlement, and you have not applied to TPR for an extension to complete due diligence checks (step fifteen) then you must notify TPR that you have not paid the CETV within the statutory timescales (you may be subject to a fine). If the CETV is in relation to the transfer of pension credit benefits notification to TPR must take place within 21 days after the end of the six months.	
Step seventeen – delayed payment paid	from step three – after six months	You pay the CETV (or part thereof) to a registered pension scheme. You must pay the higher of the: <ul style="list-style-type: none"> • CETV in the statement of entitlement plus interest, or • value of a new CETV on the payment date. You must also confirm to the member that you have paid the transfer and that either the First or Second condition is satisfied.	

