PRESS RELEASE

26 November 2026

From Victims to Debtors: PSIG publishes report on pension liberation tax injustice

The Pension Scams Industry Group (PSIG), established in 2014 to help protect pension savers from fraud, deception and sharp practice, today announced the publication of a new cross-body report, *From Victims to Debtors: Pension Liberation Schemes – The Injustice of Tax Charges.* This report is a collaboration between PSIG, Arc Pensions Law, Dalriada and Standard Life, bringing together expertise and perspectives from across the pensions industry.

The report examines the ongoing financial consequences for victims of pension liberation schemes, highlighting the injustice of individuals facing significant tax liabilities as a result of fraud. It also considers how victims are treated and the responsibilities of the organisations involved in ensuring they are not left to bear the financial consequences of criminal activity.

Margaret Snowdon OBE, Chair of PSIG, said: "For many, the loss of their pension savings was only the beginning of a much longer and more difficult journey. Despite being victims of fraud, they continue to face substantial tax demands arising from their involvement in these schemes, adding further financial pressure to an already very distressing experience. There needs to be greater recognition of how people were drawn into these schemes, and the lasting impact this has had on their lives."

Snowdon continued: "It's an issue that PSIG has been raising for many years, and we have made repeated efforts to find a way forward. It is deeply disappointing that, despite these efforts, change remains so difficult to achieve. We hope this report will help bring greater attention to the issue. We must not lose sight of the fact that these are victims of fraud. They are individuals who have already lost so much, and they deserve more than silence or inaction."

Ben Fairhead, Partner at Arc Pensions Law, said: "The injustice for members has never been clearer than now – one statutory body, the Fraud Compensation Fund, has determined these schemes have suffered losses because of dishonesty, so it makes no sense that another, HMRC, is pursuing members for tax charges. Equally, our report has identified that there are legislative options for fixing this that can deliver positive outcomes for scam victims, without interfering with the wider pensions tax regime and without any risk of incentivising scammers."

Sean Browes, Trustee at Dalriada, said: "Dalriada has fought long and hard against the tax charges levied against the Ark Schemes. The decision reached in the tax tribunal was disappointing and, as the judge accepted, resulted in some unfair outcomes. A change in legislation is now required to give those victims of pension scams facing significant tax charges some protection."

Helen Dean CBE, Chair of The Standard Life Master Trust, said: "These people have been punished twice. First, they were deceived by fraudsters and lost their retirement savings. Then they faced devastating tax bills for something they never knowingly did wrong. 15 years on, many are still living with the financial and emotional consequences. They deserve justice, not a lifetime of debt. Being the victim of a fraud should not mean spending the rest of your life paying for it."

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About the Pension Scams Industry Group

PSIG is a voluntary industry body dedicated to helping protect retirement savers from financial harm caused by fraud, deception and bad practice.

We bring together organisations and professionals from across the pensions industry to strengthen standards, share expertise and support effective fraud prevention.

Since 2015, PSIG has played an important role in strengthening the pensions industry's response to fraud.

Through industry collaboration, practical guidance and engagement with policymakers and regulators, we have helped shape how pension fraud is identified, prevented and addressed across the sector.

https://www.pensionscamsindustrygroup.co.uk/

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