

Protecting pension savers: DWP consults on transfer regulations



What you need to know

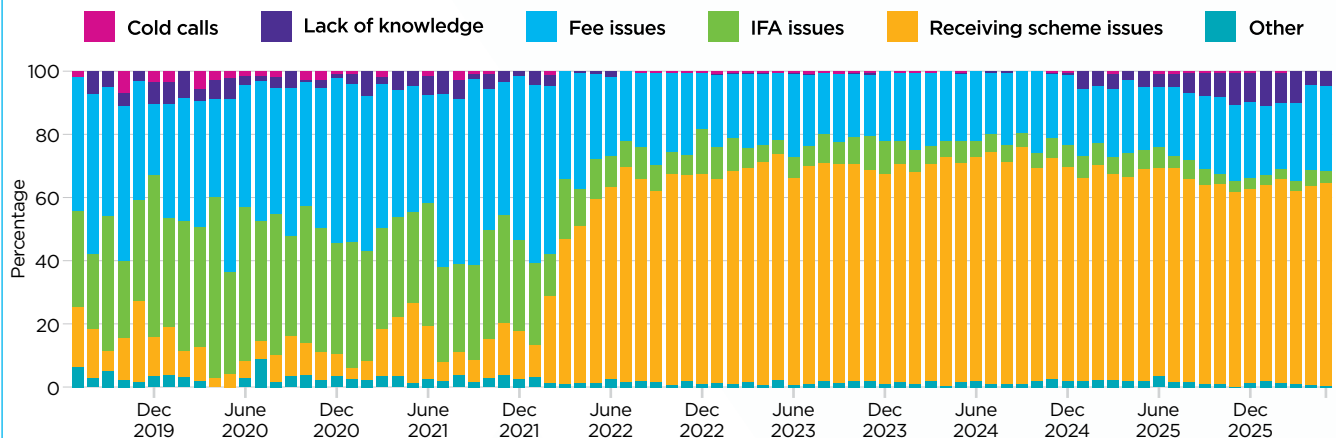
- The current transfer regulations, which came into force in November 2021, were introduced to combat pension scams and, for the first time, gave trustees the power to stop transfers where specific scam warning signs were identified. This represented a significant change, enabling statutory transfer rights to be restricted in certain circumstances.
- In June 2026, the Department for Work and Pensions (DWP) launched a consultation on proposed amendments to these transfer regulations. The proposals are intended to address concerns around transfers to Small Self-Administered Schemes (SSASs) and tackle operational challenges arising from the 2021 regulations.
- The proposed changes include widening the definition of the 'First Condition', which identifies assumed safe destination vehicles. Under the proposals, the condition could be satisfied where the transfer is to a 'reputable' scheme, based on a balance of probabilities.
- There is also a proposal to remove the automatic triggering of an amber flag where the receiving scheme contains overseas investments. This flexibility is welcome, as the current requirement has resulted in unnecessary delays for some members transferring to well-regarded receiving schemes.



Actions you can take

- **Respond** to the consultation which runs until 21 July 2026.
- **Review** whether your scam protection processes remain robust, particularly given the widening of the First Condition.
- **Check** your administrators are prepared to update their processes in line with the proposed changes.

Pension scams remain an issue



Source: XPS Group

This chart illustrates the proportion of scam warning signs. Whilst each individual flag is more detailed, it fits into one of six broad categories. This is based on transfer values processed by XPS.

For further information visit [XPS Scam Forensics](#)

The finer detail:

Aims of the original regulations	The Occupational and Personal Pension Schemes (Conditions for Transfers) Regulations 2021 (the transfer regulations) aimed to deliver stronger safeguards against pensions fraud. They were intended to give trustees the ability to intervene where there is a risk of scam activity, while allowing the vast majority of legitimate transfers to proceed smoothly.
Conditions of the original regulations	The regulations introduced two conditions that must be applied, in order, to any statutory transfer. If neither condition is met, the statutory right to a transfer value is removed and trustees can block the transfer from proceeding. • The First Condition specified a narrow list of receiving scheme types that were deemed lower risk, including public sector schemes and authorised master trusts. • The Second Condition required trustees to assess whether the transfer exhibited any red or amber flags, as defined in the regulations. Red flags prevented the transfer from proceeding, while an amber flag required the individual to take guidance from the Money and Pensions Service (MaPS) before the transfer could proceed.
Widening of the First Condition	The consultation proposes a widening of the First Condition so that it is satisfied where trustees determine, on the balance of probabilities, that the receiving scheme is 'reputable'. The regulations would include a non-exhaustive list of factors to support that assessment as part of trustee due diligence.
Removal of the overseas investments flag	Under the current regulations, the presence of overseas investments in the receiving scheme can trigger an amber flag. This has resulted in many legitimate low-risk transfers to mainstream, pension arrangements that use global diversification requiring members to complete a safeguarding call with MaPS before the transfer could proceed. The draft regulations remove this flag entirely, streamlining the transfer process for many members. DWP noted that more than a third of all MaPS appointments were triggered solely by the overseas investment amber flag.
Concerns over Small Self-Administered Schemes (SSAS)	The consultation places particular focus on addressing the risk of transfer fraud involving SSASs. The DWP has identified that up to one in ten transfers to SSASs in recent years may have involved fraud. To address this, the draft regulations introduce a new red flag which is raised when an employment link to the SSAS cannot be demonstrated.
Removing requirement for multiple MaPS guidance appointments	Members consolidating multiple pension pots are currently required to complete a separate MaPS guidance appointment for each transfer that raises an amber flag. The consultation proposes that, where a member is consolidating multiple pensions, further MaPS guidance will not be required within 12 months of a previous appointment.
Implications of the draft regulations	The proposed changes are significant and are likely to reduce the number of members referred to MaPs for safeguarding guidance, helping to streamline the transfer process while allowing trustees to focus their due diligence on higher-risk transfers.

Find out more

For further information, please get in touch with **Helen Cavanagh, Colin Miller** or speak to your usual XPS Group contact.



Helen Cavanagh
Senior Consultant



helen.cavanagh@
xpsgroup.com



Colin Miller
Partner



colin.miller@
xpsgroup.com



xpsgroup

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