

# Ask the industry

**With pension fraud on the rise and becoming more sophisticated, European Pensions asks the industry what regulatory or industry-led measures should be prioritised to better protect schemes and savers – and which countries are leading the way in tackling pension-related fraud?**

**F**raud has become a mainstream threat to pension systems across Europe, with savers increasingly targeted by scams that exploit trust in well-known brands and regulatory structures. Younger members appear particularly vulnerable, with incidence rates often outpacing those seen among older savers.

In the UK, regulators and trustees have secured compensation worth over £80 million for more than 2,000 victims of fraudulent schemes, thanks to a landmark High Court ruling that widened access to redress. While this response highlights the value of robust compensation mechanisms, the emphasis across jurisdictions remains firmly on prevention. Scams promising unrealistic returns, ‘pension liberation’ offers, and misleading cash incentives continue to circulate widely.

Elsewhere in Europe, Finland’s largest providers, including Ilmarinen, Varma, and Keva, have all issued urgent alerts about their names being misused in scam text messages and phishing campaigns. Members were lured to fraudulent websites under the guise of legitimate pension communications, often with the aim of harvesting banking credentials.

With regulators and industry leaders now deploying advanced tools, such as AI-driven pattern recognition and coordinated intelligence sharing, the fight against fraud is becoming increasingly technologically sophisticated. Therefore, savers’ security ultimately depends on a dual approach: Resilient regulatory frameworks to provide redress where harm occurs, and proactive industry-led vigilance to stay ahead of ever-evolving scams.



**W**e believe it is important to be aware of the increased scope of threats and sophisticated methods used in attempts to obtain rights and payments within the pension area fraudulently. We lack reliable statistics that provide a clear picture of the extent, but we assume that there are significant unreported figures. Constantly new automated solutions for processing disability cases are an example of an area that dishonest individuals can exploit. This can lead to erroneous payments at the expense of the community.

At KLP, we prioritise efforts to uncover fraud. It is important that this work takes place within well-defined, legal, and responsible frameworks.

Among prioritised measures, we believe there is a need for research to prevent and detect fraud related to deception within the pension area.

We also wish that the public agency Nav, which is responsible for labour and welfare services, actively informs pension companies about erroneous decisions and payments.

Doctors who declare disability also play an important role in uncovering fraud, and their confidentiality should be evaluated to ensure that they can respond to attempts at fraud.

The Nordic countries and the Netherlands have achieved good results in the fight against fraud within the pension area. This is something we see through global indexes such as the Mercer CFA Institute Global Pension Index 2024. The indexes provide an indication, but not a complete overview of which countries are leading in the fight against pension-related fraud.

THOMAS NIELSEN

**KLP senior vice president of financial crime and group money laundering reporting officer**

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The Finnish statutory earnings-related pension insurance is largely regulated and supervised. FIN-FSA (The Finnish Financial Supervisory Authority) and regulation actively intervene in grievances.

One challenge is the increased identity fraud, which is a challenge for any business or individual. Anti-money laundering (AML) and know your customer (KYC) legislation is the most important measure to prevent fraud, such as criminal money being used to pay excessive insurance premiums, which are then requested to be refunded to launder the money as insurance premium returns. From an individual's viewpoint, the strong electronic authentication used in Finland is a way to tackle the identity fraud challenge.

**TIINA NURMI**

**Ilmarinen executive vice president**



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Social security fraud harms those who finance benefits, as well as insured persons who rely on social security. It is therefore a matter of great importance to the Pensionsversicherung (PV) to prevent social security fraud. PV takes measures to prevent fraud from occurring and, if it does occur, to detect and punish it. This includes carrying out all necessary checks within the legal framework, and if suspicion is confirmed in an individual case, recovery of all benefits wrongfully received. If there is suspicion that benefits are being deliberately obtained wrongfully or that an attempt is being made to obtain social benefits deliberately and unlawfully, then criminal proceedings will be initiated.

**WINFRIED PINGGERA**

**Pensionsversicherung Österreich**  
**director general**

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In the Finnish earnings-related pension system, an insured person cannot transfer the funds. However, a company can change its pension insurance company, establish a pension foundation, or join a fund, but this is a highly regulated activity. So, there is no pension fraud in the traditional sense, but fraud attempts targeting, for example, pensioners' banking services are growing rapidly in Finland.

**JANNE PELKONEN**

**Tela public advocacy manager**