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Super funds to step up fraud awareness to members

Super funds will be working closely with the **Australian Crime Commission** to raise awareness about the growing threat of fraud targeted at Australia's \$1.3 trillion superannuation pool, the **Australian Institute of Superannuation Trustees (AIST)** said today.

AIST CEO Fiona Reynolds said while the victims of investment fraud involving superannuation tended to be members of self managed super funds, members of large super funds were also vulnerable at the point of retirement when their super was released.

"Reaching retirement can be a very challenging and confusing time, particularly in terms of having to decide the best way to invest your super for your retirement." Ms Reynolds said. "For many people, this is the first time they have a relatively large amount of money to invest; they are looking for advice and can be vulnerable to fraudsters promising retirement riches".

Ms Reynolds said the impact of the global financial crisis and low super fund returns in recent years meant more people were worried about whether their super would last the distance and were potentially more receptive to fraud. Moreover, as super balances grew, those at retirement would be increasingly targeted.

"This is very sophisticated fraud and we know that the perpetrators put a lot of pressure on people through phone calls to get into these deals. Under this sort of pressure, people can make the wrong decisions."

Ms Reynolds said it was important that retirees sought advice from their super fund or a financial advisor before making any decision about investing their super retirement payout.

"It's also worth remembering, that if an investment sounds too good to be true, it probably is too good to be true,"

Ms Reynolds said AIST – the peak representative body for Australia's \$450 billion super sector - would be talking to super funds about ways they could enhance their fraud communications with soon-to- retire members or those rolling out of funds into the self managed sector.

Ms Reynolds said it was important to note that super savings within APRA-regulated funds were not at risk. "Super fund members should be assured that money sitting within their fund is safe and that the fraud we are talking about here occurs when members are in investing through a self managed fund or they retired and left their fund."

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AIST is the peak industry body for the \$450 billion not-for-profit super sector which includes industry, corporate and public sector funds covering the super interests of nearly two-thirds of the Australian workforce.

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