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MONEY BOX

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LEWIS: Hello. In today's programme Barclaycard rejects more than 100 Olympic ticket payments as fraudulent when they weren't. Are the tickets lost? Is it worth spending a lot of money to get care home fees paid by the NHS? The Pensions Minister is concerned that employers are offering their staff thousands of pounds to leave the company pension scheme. I ask him will he ban these cash offers? And the wide gap between the buying price and the selling price of foreign currency and how you can squeeze it down.

But first, Money Box has learnt that more than 100 people who have applied for tickets for the London 2012 Olympics have had their purchases declined after Barclaycard mistakenly identified them as fraudulent transactions. This wasn't supposed to happen as Visa, the accepted payment platform, had already warned card providers to watch out for higher than normal payments going to the London Olympics Committee. Bob Howard's been looking into this.

HOWARD: Paul, Flora from Oxfordshire, like many people around the country, has been waiting to see whether she's been successful in her ticket application. She realised she may not be getting everything she wanted, but she wasn't prepared for the call she got on Thursday morning from Barclaycard.

FLORA: I ordered about two thousand pounds worth of tickets as the maximum amount I might be paying out, and I made sure that I had enough limit on my credit

card. And then I got an automated phonecall on my landline saying that a payment had been blocked for £700 from a London ticketing agency, and I assumed immediately that it was the Olympics. And so when I phoned Barclaycard later, they confirmed that they'd blocked it because it was an unusually large payment, which I thought was rather odd considering that it should be expected that people will be buying Olympics tickets.

HOWARD: And David from Stockport had a similar experience with Barclaycard on Thursday too. The Olympic organisers were trying to take his payment for all the tickets he'd requested, amounting to £1600, but again the transaction was declined. David can't understand how it happened.

DAVID: I find it really incomprehensible. I can understand that they need to protect themselves and they need to protect their customers, but it's not beyond the wit of man for Barclaycard to expect there to be a large number of quite hefty demands on their card around this time to that particular payee.

LEWIS: So, Bob, what did Barclaycard have to say to you?

HOWARD: Well Paul they wouldn't be interviewed, but we did get this statement.

BARCLAYCARD STATEMENT: When Olympic ticket transactions started being applied to accounts, unfortunately 104 transactions were picked up by our fraud monitoring and declined. We have now taken additional steps to ensure that, moving forward, no other Olympic ticket transactions are declined as long as the customer has sufficient funds available. We will be calling all those affected as soon as possible to apologise. We don't know when further payments may be attempted.

HOWARD: But really Barclaycard should have known better as the card provider admitted to me that it had been warned by Visa to expect these transactions. It blamed human error for the fact that its fraud detection systems weren't adjusted accordingly. I asked Visa what advice it had given to the banks and other card providers about

preparing for large Olympic ticket transactions. Here is their statement in full.

VISA STATEMENT: *(Music)* Visa is delighted that many customers can now look forward to being spectators at the 2012 Games, having seen their Olympic ticketing transactions come through. Visa, Europe's processing system, delivers 100% availability and 99.999% service quality. We handle 2,500 transactions per second at a speed of around twenty milliseconds per transaction, which is seven times faster than the competition.

LEWIS: And, Bob, what does LOCOG, the organising committee for London 2012, got to say about the 0.001% that didn't work?

HOWARD: *(laughs)* Well they said this was an issue for Barclaycard rather than for themselves, but they did say that they would be contacting everybody this has happened to.

LEWIS: And will people like Flora and David now get their tickets?

HOWARD: Well, Paul, we hope so. They both told me on Friday afternoon that Barclaycard had called them to say the problem had been resolved, and the Olympic organisers say they will attempt to take payment again. So we have to hope that Barclaycard has sorted out the problems the second time around.

LEWIS: Indeed. How many transactions have now gone through?

HOWARD: Well the organisers wouldn't be precise, but on Friday afternoon they told me that after a very slow start, they've now taken around two-thirds of all payments and the aim is to get the vast majority of payments through by Tuesday.

LEWIS: It was also revealed this week, Bob, that UK residents can buy tickets from authorised Olympic resellers in other European countries.

HOWARD: Yes, the organisers aren't keen for you to do this, but under EU law they can't stop you. But we must stress you should only contact foreign ticketing organisations which are authorised to do this by the London 2012 Committee. There are a lot of cowboys out there and we've had several emails from listeners who say they've been ripped off buying tickets from unauthorised sellers.

LEWIS: Thanks for that, Bob. And there are links on our website, bbc.co.uk/moneybox, to details of those authorised resellers and the websites to avoid.

Now is it worth paying for advice to try to get the National Health Service to foot the bill for an elderly relative in a nursing home? With fees easily reaching £30,000 a year or more, offers of help to get them paid in full are tempting. But how likely is it you'll win and what might it cost you? Those were the questions from one Money Box listener, and Lesley McAlpine has been looking into the answers. Lesley?

McALPINE: Yes, Paul. Stella Kenway from Cullingworth in West Yorkshire contacted the programme after spotting adverts in national newspapers by firms offering to get refunds for people who are paying their care home fees themselves. The adverts say those people may have been wrongly assessed by the NHS and might be able to get nursing care free. Stella's 96 year old mother's been funding her own care in a home for the past 3 years and Stella was tempted.

STELLA: We saw in various national newspapers adverts saying that if your mother or if a relative were in a care home, they could get the fees back for you. We went onto some of these websites to see what they said. You have to normally download they call it a test, but really it's just a questionnaire. There's no indication about whether these questionnaires have any validity with the National Health Service. Having a close relative in a nursing home is a very emotive situation and if these companies are operating a scam on people who are in quite vulnerable circumstances, I think that would really be tragic.

McALPINE: Well a quick search on the Internet finds many companies offering to

help with getting care home fees back. Most of them charge a percentage of any fees recovered and some charge you upfront fees as well. One that comes high up on the Google search is Healthcare Fee Solutions based in West Yorkshire. There are no prices on the website, but it says the firm makes no charge for assessing if you're eligible and takes on all the costs incurred to take your case forward.

LEWIS: Well that certainly sounds tempting.

McALPINE: Yes, but that's not quite the whole story. When I called the firm, it transpired that all that was free was the initial phonecall. If the firm looks into your case, you have to pay £695 upfront for an assessor, who isn't medically trained, to meet the family and take notes on the person's condition. Qualified nurses then hired from an agency look at the notes and decide if you have a good chance of a review if you apply to the NHS Primary Care Trust. If they don't think you do, you do get a refund of £500. But if you do decide to go ahead with the review, there's another £500 to pay Healthcare Fee Solutions before the NHS Primary Care Trust makes its decision. And if it does reassess the person and pays the fees, these can be backdated for months or even years and Healthcare Fee Solutions also takes 25% of that refund.

LEWIS: Well that could amount to quite a lot of money. Do we know about the success rate?

McALPINE: Well we asked Healthcare Fee Solutions. It didn't give us a figure, but said it had dealt with 800 cases and about 1 in 5 were pursued, so as it doesn't lose a genuine case. It gave us four examples where the average settlement was around £35,000. That would mean an average fee to Healthcare Fee Solutions of just over £10,000 each. We did try to speak to the firm, but our request was turned down because the company didn't want to talk about the directors' other business interests.

LEWIS: What other business interests, Lesley?

McALPINE: Yes, well I looked further into the company. I discovered that the three

directors of the firm - Richard Bennewitz, Elaine Marshall and Steven Hume - were also directors of another claims firm business called Individual Credit Solutions Limited, and a year ago the Advertising Standards Authority banned one of the company's adverts on the grounds that it was "misleading" because it said the firm didn't charge a fee when they did.

LEWIS: So that other firm, run by the same people, had its advert banned partly for not saying it charged a fee when in fact it did do?

McALPINE: Yes and it operated out of the same address as Healthcare Fee Solutions. Or rather it did. Individual Credit Solutions was put into liquidation last October owing £100,000 to Revenue and Customs.

LEWIS: Thanks, Lesley. Carers UK is a national charity which advises people on their rights. I asked its Head of Advice and Information, Jean French, about this story, and she told me that you can apply for a reassessment yourself free.

FRENCH: You have to prove that you have quite a high level of primary health needs. That's the phrase that we're looking for. These are health needs that are directly related to your health rather than your social care. And there are two tools that will be applied to you. There's a checklist tool, which looks at twelve different sorts of health needs that you might have. And if you pass through that test, they then go on to look at a decision support tool, which looks in more detail about the level of support that you need. But I must stress that continuing healthcare does address a higher level of healthcare needs.

LEWIS: And is this just physical health need, or is it also mental health need?

FRENCH: Physical and mental health are both covered.

LEWIS: Because you have to go through these processes, I suppose that might take a bit of time - and they are complicated, I've looked at the forms and there's pages and

pages of them - if you're turned down, is there a way of appealing?

FRENCH: There is indeed. You can appeal to the Primary Care Trust or you can go, if that doesn't work, onto an independent review panel.

LEWIS: And again you have to show the health needs to them as you did before?

FRENCH: Absolutely. But it is well worth doing and they will take into account the evidence of the medical professionals, the social care professionals, but also what the person with the disability has to say and what the family members or friends have to say about their health related care needs.

LEWIS: And if someone's in a home and they needed care but then it becomes a health problem, can the NHS be asked to step in then? Can you get a reassessment?

FRENCH: Absolutely, you can. And you should, I would suggest quite strongly. If it is then agreed that somebody has a full assessment and it is decided that they are eligible for support, then any monies that you've paid out can be refunded to you.

LEWIS: And that's an important point, isn't it, because people don't realise that the help you get in a home can often be means tested; but if the NHS pays for it, it's not means tested; it's the whole lot without regard to how much income or savings you have.

FRENCH: Absolutely. It's a free service just like other NHS services.

LEWIS: Jean French of Carers UK.

The Pensions Minister Steve Webb raised the alarm this week about what might look like tempting financial offers to leave a final salary pension scheme or give up inflation proofing on one in payment. It's a move many big companies are making to cut the cost and the risk of providing decent pensions for their staff. The consultants

Aon Hewitt says one in five companies it's surveyed have made an enhanced transfer value, as they're called, to members - or are likely to do so in the future. But the government and the pensions regulator are worried that some employers are tricking people into giving up valuable financial rights at too cheap a price. One Money Box listener, Clive, was contacted by an old employer recently and he found the offer tempting but perplexing.

CLIVE: I'm a deferred member within a company scheme and they wrote to me recently offering what they termed an enhanced transfer value offer, plus an additional enhanced amount, which was about 10% of the transfer value that they calculated. Now part of that cash enhancement could be taken as cash or it could be rolled up with the transfer value and transferred to a personal pension plan. When the letter comes through and you see quite a large transfer value, it is quite attractive and it's a very difficult decision I think to make as to whether to take the offer or whether to leave the funds within the company scheme.

LEWIS: Well after much thought, Clive decided he'd turn down that offer and stick with his final salary pension. But did he do the right thing? We went to financial advisers Hargreaves Lansdown to look at a typical deal which companies are offering. Reporter Ben Carter's here. What did you find out, Ben?

CARTER: Well, Paul, we looked at an example based on a real case. Imagine you are leaving a company in your early 50s and you've built up an entitlement to a pension worth £4,500 per year, which is due to start paying out in 2023 when you turn 65. Now the company you are leaving offers you a deal. They say that if you leave their pension scheme, they will transfer £71,500 into a private pension for you and give you a cash incentive of £7,000.

LEWIS: So how do you work out what a private pension pot of £71,500 will pay out per year in 2023?

CARTER: Well that's what we asked Hargreaves Lansdown to do. It calculated that

if you wanted to provide a 65 year old man with an inflation linked income of £4,500, you'd need a fund of just under £112,000 in 2023. And to get that, you'd need find investment management that could get your pension pot to grow by inflation plus 3% every year, which - as we've seen in the last few years - clearly isn't easy.

LEWIS: Well indeed not. But of course you do also get the cash of £7,000. Does that make it worthwhile?

CARTER: Well in a word, no. Hargreaves Lansdown says it's not even close and you should stick with your work pension.

LEWIS: Thanks, Ben. Well these offers can look attractive to people though. Alison Bailey says that's obvious. She's from the Pensions Advisory Service and it's the type of call they're receiving a lot of at the moment.

BAILEY: The majority of callers are saying that they feel that they've missed out on an incentive payment because they've missed the deadline; in particular when they find out that colleagues have accepted an offer and they feel that they've therefore missed out on something. What we generally say to people is that we would caution anybody against giving up very valuable final salary scheme benefits and really the schemes wouldn't be offering you a cash incentive to transfer out unless they'd taken actuarial advice that they were likely to be in a better funding position with you out of the scheme than in.

LEWIS: And what sort of pressure are they putting on people to leave the scheme?

BAILEY: It's interesting. The letters sometimes make it sound as if this is an offer that you can't miss out on. We had one lady who was a widow in her 70s, late 70s, received a letter saying will you give up your increases to your pension in payment in return for a cash lump sum. There was a deadline for responding to that offer. And she subsequently received a second letter just prior to the deadline saying 'most of your peers have made the suggestion to accept the offer' and it very much sounded as if she

was one of a few who were missing out on something.

LEWIS: Would you like the government to take action to stop these incentives being offered?

BAILEY: Yes, we would. We'd be very supportive of any moves that the government made to legislate against cash incentives being offered to people who are being incentivised to give up very valuable final salary benefits. And what we think is likely to happen is that 5 or 10 years down the line, we're going to be involved in resolving a lot of disputes between members and their pension schemes who gave up very valuable benefits and didn't realise how much they'd lost until their pensions actually started or many years further down the line.

LEWIS: Alison Bailey of the Pensions Advisory Service. I asked Pension Minister Steve Webb why he was concerned.

WEBB: I think there is a danger that there are already thousands of people who may have chosen to come out of their company pensions and made a mistake in doing so; and that if we don't act, there could be many more people who perhaps what looks like a superficially attractive deal, they take it and then years later they come to regret it.

LEWIS: You say act. Are you going to ban them?

WEBB: We're not going to ban transfers altogether because there will be a minority of people for whom it's in their interest and in the company's interest, so there's a deal to be done. But the pensions regulator has made it clear that trustees of pension schemes should start from the basis that these deals are not in the interests of members and then they have to be persuaded. And the main concern is that we're hearing of cases where people are offered big cash lump sums and maybe 6 weeks before Christmas, so that should make our attention turn to that, where people are offered financial advice but it's only free if they accept it and do the deal, and all sorts

of things that don't encourage you that these are calm, rational financial decisions taken in people's best interests.

LEWIS: So if you're not going to ban it, what are you going to do to make sure that those abuses don't occur in the future?

WEBB: Well earlier this week I had a meeting with the pensions regulator, with campaigners, with people involved in selling these products to find out what their concerns are and what the scale of the problem is. And one of the things we're going to look very hard at is whether cash as part of the deal should be allowed or not because certainly you know you have a pension right in one scheme; there must be a right answer to what is that worth in another scheme. But if your judgement on that is clouded by cash upfront, cash at a time when you particularly need it, that may mean you make the wrong decision for the long-term because you need cash now, and we need to make sure that people aren't getting the wrong incentives as a result.

LEWIS: Yes although you say you won't ban them, you could indeed ban cash incentives to make a pension transfer.

WEBB: That's one of the options that we're looking at. We're also looking at the role of financial advice because in some of these cases people don't get advice at all, so they're making really very complicated financial judgements that an experienced actuary would struggle with sometimes.

LEWIS: A strong warning there from Pensions Minister Steve Webb.

Now getting the best exchange rate for currency when you're going abroad can be tricky. Hundreds of businesses now offer this service, but with the pound currently weak against a number of currencies - the euro, Australian dollar, Japanese yen - getting the best price is very important. But the spread, the difference between the sell rate and the buy rate can be as much as 20%. Our reporter Ben Carter's been looking at this. Ben?

CARTER: That's right, Paul. Traditionally most holidaymakers would get their currency either from their bank or from a high street travel agent. Nowadays supermarkets, the Post Office and online dealers have entered the market, and this has led to a slight improvement in terms of competitive rates. We can look at the rates you could get if you wanted to get some US dollars yesterday. If you went through a high street bank, you would get roughly \$1.54 to the pound, but if you went through a specialist online dealer you could secure a rate of nearly \$1.60 to the pound. Now online dealers typically charge for delivery, but even if you buy just a couple of hundred pounds worth of currency, it still works out cheaper.

LEWIS: And what about the rates if you're looking to sell back any currency that you haven't used?

CARTER: Well this is where it can get really expensive. Some dealers, including Thomson Travel and Travelex at Heathrow have buyback rates which are 20% worse than the sale rate. If you look at a worse case scenario, say you bought a thousand pounds worth of dollars at Travelex at Heathrow, found out that your holiday had been cancelled and wanted to sell the dollars back, that would result in you losing £183 on that transaction.

LEWIS: Well thanks very much for that, Ben. Live now to Bob Atkinson in Manchester. He's the travel expert at Moneysupermarket.com. Bob Atkinson, we've heard there's a huge difference in the rates if you shop around, but do people do that or do they simply just go to their own bank?

ATKINSON: No, I think many British people tend to take the easy option and they leave their travel money decisions right till the last minute before they go away, and as a kind of afterthought go rushing out. And of course the easiest option is maybe to go to your bank or your building society or somewhere like the Post Office and just get whatever's available, and it's not going to give you the best deal.

LEWIS: No. And as Ben said, some of the spreads, the difference between the buy

rate and the sell rate can be huge, can't they?

ATKINSON: Well they can, and you referred there to spreads as high as 20% plus at airport locations. I think the main thing for listeners to remember about this though is the vast majority of people who go away on leisure travel, they kind of budget an amount to go away; and the vast majority of us probably spend that money and don't bring that much back, so we're not that exposed to these much higher rates when we try to sell the money back.

LEWIS: No, but if you do take more than you need for whatever reason, some places, like Travelex, offer a buyback facility for £4 or £5. They buy back currency at the rate you paid for it. Is that a good deal?

ATKINSON: Well there's two main schemes there: there's the Travelex scheme at £3.99, but you have to bring your currency back within 31 days; and the Thomson and the First Choice tour operation, their travel shops offer a deal at £3.95. Now they'll give you up to 60 days to change that money back, but they'll only allow you to change up to £200. So it's well worth it if you always over budget with cash and bring back say forty, fifty pounds worth. Then it starts to become worth it.

LEWIS: Yes, I must say I tend to take as little as possible and then use my credit or debit card. I've got one without a foreign fee. Is that the best and cheapest way to pay for things abroad?

ATKINSON: Well what I would always recommend is to put the bulk of your cash that you want to spend actually onto one of the market leading prepaid cards. Caxton still has one that has free ATM withdrawal fees as well as free purchases and FairFX have a good card with good rates of exchange, although some very small ATM withdrawals. So put the bulk of your cash on that. Then have a credit card that is designed for overseas uses where you won't get charged and use that for purchases. And of course if you're running short overseas, just go online and top up your prepaid card.

LEWIS: Bob Atkinson from Moneysupermarket.com, thanks very much. Well that's it; we're running out of time. Find out more from our website: bbc.co.uk/moneybox. Read my newsletter, download a podcast, listen to the programme, send us your ideas. And have your say on getting care home fees refunded, which I didn't mention earlier. Vincent Duggleby's here on Wednesday with Money Box Live taking questions this week on debt collection. I'm back with Money Box next weekend. You can read my money thoughts whenever I'm awake on my Twitter, [PaulLewisMoney](https://twitter.com/PaulLewisMoney). Reporters Bob Howard, Ben Carter. Producer Lesley McAlpine. I'm Paul Lewis.