

BEWARE OF INVESTMENT SCAMS

Did you know that Action Fraud data reveals UK consumers lost over £197m to investment fraud in 2018 alone?

What is an investment scam?

An investment scam is where a criminal uses intense, high pressured sales techniques to convince you to invest in worthless, cloned, or non-existent items such as cryptocurrencies, carbon credits, property, land, gold and wine.

How can I spot them?

The criminals behind investment scams often use cold calling to target their victim and pressurise them to act quickly by claiming the opportunity is time limited. Email, social media, web search engines and letters are also used in investment scams, with criminals seeking to take advantage of recent COVID-19 pandemic and low interest rates to encourage you to look at other opportunities such as an investment for a better return on your money.

Here are some red flags to look out for

- Were you **cold-called about an investment opportunity?** Unsolicited cold calling about an investment opportunity is illegal so never invest in an “opportunity” you found out about through a cold call as this is likely to be a scam.
- Were you **pressured to invest or given a time limit?** A legitimate company won't put pressure on you to invest before you've had time to think it through. Be careful – scammers try to panic you into making hasty decisions!
- You saw the **“opportunity” on social media.** Many scams, in particular cryptocurrency scams will try to grab your attention on social media or even have fake celebrity endorsement. Cryptocurrencies aren't regulated by the Financial Conduct Authority (FCA) so your investment is completely unprotected and any money lost won't come back.
- Email confirmations, brochures and official looking documentation aren't always what they seem, be sure to have it thoroughly checked out to be sure its genuine.
- The investment company **isn't listed on the FCA's Financial Services Register.** All legitimate investment companies will be listed on this register so always check this before you invest and then check again the day you make a payment to make sure nothing has changed.

Be ScamSmart

The FCA has created [ScamSmart](#), an online tool to help consumers identify if their investment is a scam or not. Answer 4 questions with drop downs for multiple choice and get a clear picture on the potential investment and the potential risks.

ScamSmart aims to help you understand whether the company you're planning to invest with is regulated by the FCA and whether there's a potential it's a cloned/spoofed company. Remember, you must carry out your own due diligence checks on the company (like checking the telephone numbers you've been given match those registered to the company and you contact them directly using the genuine number to confirm the details).

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How to protect yourself from investment and cryptocurrency scams

- **Make the right checks** – firms providing regulated financial services must be authorised by the FCA. You can check whether they are authorised on the FCA's register
- **Avoid clones (fake companies that look genuine)** - use the contact details on the FCA Register, not the contact details you've found on an online advert, or that the firm gives you when they make contact.
- **Don't assume it's real** – professional-looking websites, adverts or social media posts don't always mean that an investment opportunity is genuine. Criminals can use the names of well-known brands or individuals to make their scams appear legitimate.
- **Stay in control** – avoid uninvited investment offers whether made on social media or over the phone. If you're thinking about making an investment, thoroughly research the company first and consider getting independent advice.
- **Never** download software or apps that allow someone remote access to any of your devices, including your computer, laptop, tablet, or phone.
- **Don't allow** anyone to set up a cryptocurrency wallet, upload ID documents or manage investments on your behalf remotely.

To find out more about how to protect yourself against investment scams, visit the [FCA website](#) and to learn more about common fraud and scams and what to look out for.