

INVESTMENT FRAUD

Investing in stocks and shares or any other commodity can be a successful way of making money. However, it can also lead to people losing their entire life savings. Criminals will persuade you to invest in all kinds of products. They will offer you high rates of return, particularly over longer periods of time, which often do not exist.

Common products offered include binary options, virtual currency, carbon credits, wine, rare metals, gemstones, land and alternative energy. Often, initial investments will yield small returns as an incentive to invest further funds. However, larger investments or cashing out will be met with excuses or a penalty charge. Eventually contact with the fraudster will be impossible and all funds and bogus returns lost.

Fraudsters are organised and they may have details of previous investments you have made, or shares you have purchased. Knowing this information does not mean they are genuine.

Criminals may direct you to well-presented websites or send you glossy marketing material. These resources do not prove they are a genuine company. Many fraudulent

companies have a polished customer image to cover their illegal activities.

It is relatively easy to register a company with Companies House. This does not confirm or endorse that they can provide genuine investments. Indeed, emerging investment markets may be unregulated, making these open to abuse.

Companies may be registered at prestigious addresses, for example Canary Wharf or Mayfair. This does not mean they operate from there. It is an accepted business practice to rent such a virtual office to enhance a business's status. However, fraudsters are also aware of this and exploit it.

The fraudster may put pressure on you by offering a 'once in a lifetime opportunity' or claim the deal has to be done quickly to maximise profit.

In addition – be wary of companies that offer to ‘recover’ any funds you have lost to any sort of investment scam. They may be linked to the company who initially defrauded you in the first place and may be targeting you again. This is known as ‘Recovery Fraud’.

How to protect yourself

- ⚠ There are no get rich quick schemes. If it sounds too good to be true, it probably is.
- ⚠ Genuine investment companies will not cold call you. Be extremely wary of anyone who does.
- ⚠ Research both what you have been offered, and the investment company. Speak to Trading Standards if you have concerns.
- ⚠ Before investing, check the Financial Conduct Authority register (<https://register.fca.org.uk/>) to see if the firm or individual you are dealing with is authorised.
- ⚠ Check the FCA Warning List of firms to avoid.

REMEMBER

Don't be pressured into making a quick decision.

CAUTION

Seek independent financial advice before committing to any investment.

THINK

Why would a legitimate investment company call me out of the blue?

