



Staying safe online

Investment Fraud

Investment fraud is when you are directly contacted by an individual pretending to be a professional negotiator. They will offer you the chance to invest in something that has the possibility of making you a large profit.

However, this is very likely a scam. The 'professional negotiator' is in fact contacting a huge number of individuals offering them all the same investment opportunity. None of what they are offering is real, when you have parted with your money, they will vanish into thin air and you will receive no return of your investment.

Clone firm investment fraud

Alarmingly, the percentage of clone firm investment fraud cases rose a staggering 29% in April 2020 during the first month that the UK went into lockdown. The financial implications of the Covid pandemic are sadly making individuals more susceptible to falling victim to such scams.

Clone firms are set up by fraudsters posing to be real-life legitimate companies. They contact individuals or set up fake adverts that direct the victim to fake websites offering appealing investment opportunities. Sadly, victims then transfer their savings to cyber criminals, under the false pretence that they are sending them to a legitimate investment company. Many individuals don't even realise they've been a victim of fraud until they later realise that they are not receiving the investment return they thought they would receive.

What can you do to protect yourself from investment fraud?

1. Reject unsolicited investment offers whether made online, on social media or over the phone. Be wary even if you initiated contact.
2. Always check the [FCA Register](#) to make sure you're dealing with an authorised firm and check the [FCA Warning List](#)
3. Only use the telephone number and email address on the FCA Register, not the contact details the firm gives you and look out for subtle differences.
4. Consider seeking impartial advice before investing.

Investors can test if they can spot an investment scam from a smart investment by taking the Scam or Smart quiz, visit www.fca.org.uk/scamsmart to find out more.

If you think you've fallen victim to an investment fraud, report it to [Action Fraud](#) [Citizens Advice](#) offer lots of support and advice if you are concerned about a potential scam.

