

SCAMS AWARENESS UPDATE

Older Persons Scams Awareness & Aftercare Project

In this update:

Investment fraud
Page 2

Avoiding investment
fraud
Page 3

Current frauds
Page 4



Invest your time...

...to avoid investment fraud

Low interest rates, coupled with cost of living rises, means we're all looking for ways to save money and increase our household income - now, and for our futures.

People make investments to increase their income for many reasons - to maintain their lifestyle into retirement, pay for care costs or to be able to help out family. Whatever the reason, it can leave us vulnerable to investments fraud.

In 2021 the Financial Conduct Authority (FCA) received over 34,000 reports of investment fraud. This was a 400% increase from five years earlier. The average loss to pension fraud more than doubled to £50,949 from 2020 to 2021, with losses from £1,000 to as much as £500,000.

Not only do victims lose money, they also lose their confidence to make decisions and face a tougher life as they move into and through retirement.

So, read on to find out the investment frauds that are out there and how to avoid them.

If you live in the northern part of Cheshire East, and would like support following a fraud, please contact our Scams Awareness & Aftercare Team on 01625 612958 or enquiries@ageukce.org.

Here are just some of the common investment frauds to be alert to:

Celebrities endorsing investments

are very often fake. Fraudsters steal photos and make up quotes from celebrities to make people think the investment they're offering is genuine and worthwhile. Famous people who've had their image used in this way include Mary Berry promoting cannabis oil and Gareth Southgate endorsing a Bitcoin investment scheme.

Martin Lewis (Money Saving Expert) successfully sued Facebook after over 1,000 fake adverts used his name.

Cold calls for free pension reviews

are a popular way fraudsters wheedle their way into your finances. These cold calls have been illegal since 2019. So, if you receive one from a company you've not approached, it's fraudulent.

An offer of **early pension release** before the age of 55 is another indicator of fraud. You cannot access your pension before this age, except in very special circumstances.

Unusual investments

can turn out to be fraudulent. Examples include cheap overseas properties, which are non-existent, graphene, fine wine, bamboo and storage facilities.

Whilst it is not illegal to invest in these, many are unregulated. This means there is no or little chance of recouping your money should it go wrong.



Impersonation fraud is

when criminals pretend to be genuine investment organisations. They may contact you by phone, email or through adverts online.

They can appear articulate and knowledgeable about the genuine company. They may even give the correct contact details and direct you to genuine looking websites and brochures, thinking you won't check.

Cryptocurrency is a digital currency.

A common type is Bitcoin. Coins are transferred between digital wallets and can be purchased with real world money or by other cryptocurrencies. It is legitimate but, like all investments, open to fraud. Any crypto asset is highly price volatile, so if you invest in it, as well as a potential for gain, you also face a high risk of total loss.

Fraudsters manipulate software to distort prices and investment returns. They scam people into buying non-existent cryptoassets, or suddenly close consumers' online accounts and refuse to transfer the funds to them or ask for more money before the funds can be transferred.

Unlike most other investments the cryptocurrency market is not regulated, so there is little or no chance of redeeming losses.

Investing your hard-earned money is a big decision. It could affect your future as much as buying a house or choosing a career has already in your life. So, take your time and keep these top tips in mind to avoid being defrauded:



Reject unexpected offers - it's okay to say no thank you to calls, emails, letters or online adverts offering investment opportunities or pension reviews.



Be proactive - if you're thinking of changing your investments or looking for new ones, make independent approaches, rather than reacting to a contact out of the blue.



Don't be rushed or pressured into making a decision - fraudsters want you to act quickly and throw caution to the wind. Genuine companies will want to ensure that you understand what investment you are making, how it works and that you have enough money left to rely on for emergencies.



Get independent advice - start with the government backed free service at [Money Helper](#) - 0800 011 3797. They can talk to you about pension and retirement options and signpost you to an [independent financial adviser](#).



Check details of all companies you're considering taking advice from - input the company details on the [FCA register online](#) or call the FCA on 0800 111 6768. This tells you what the company can advise on, and any warnings against them. Only use contact details from the FCA register. Do this, even if they appear to be from a well-known firm.



Use the FCA scam smart tool if you're considering a new investment or pension opportunity. The [tool](#) helps you think about whether the offer could be a scam.



Be wary of adverts online and on social media - your computer remembers what you've searched for and displays relevant adverts, even after you've finished your search. Fraudsters pose as legitimate investment companies and advertise in this way. They sometimes pay to appear at the top of your search list.



If an offer seems too good to be true - it usually is! Celebrity endorsements, get rich quick schemes and high return/low risk are warning signs of fraudulent opportunities.



Tell! - Tell the company offering the deal that you'll be talking to someone else about it. Fraudsters don't like anyone else being involved.

What to do if you have been a victim of investment fraud

Cut all contact with the fraudster/fraudulent company.

Contact your bank to stop any further transactions.

Report the fraud to Action Fraud on 0300 123 2040 or at www.actionfraud.police.uk.

Contact the Financial Conduct Authority on 0800 111 6768 or at www.fca.org.uk/contact.

Do not engage with anyone who says they can get your money back.

Here are some recent frauds to look out for. Please share with family, friends and community.

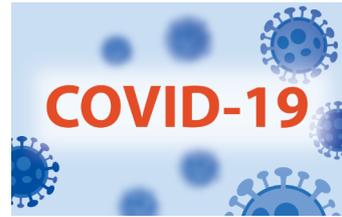


Fake Ukraine crisis appeal emails

Unfortunately, we've already seen emails and texts

pretending to be charities, such as the British Red Cross, asking for donations to support people in Ukraine. Where we see a crisis we look to see how we can help. When fraudsters see a crisis, they look to see how they can make money.

Independently approach local, national and international organisations to offer support, rather than reacting to contact out of the blue.



COVID frauds continue

We really did hope, coming up to the 2nd anniversary of the first lockdown, that

there would be no more COVID related frauds. Unfortunately, they are still with us.

Avoid clicking on any links in texts or emails about COVID tests or passports. If you have accidentally clicked on link, and shared bank details, be alert to any phone calls in the next weeks, as it may be the fraudsters pretending to be your bank "following a fraud" and asking you to move your money to a safe account.



Cheques used for bank fraud

Watch out for this twist on a "safe account" fraud.

Fraudsters phone up pretending to be from the bank and talk about fraudulent transactions on the account. They tell the customer they need to withdraw money to move it to a "safe account".

The customer is then asked go to their local branch with a cheque made out payable to themselves and send the money to a given address or told someone will collect it, never to see the money again.



Fake energy company refund emails

Last month, we reported on how fraudsters will exploit the rise in fuel costs.

Since then, [Which?](#) has highlighted a fraudulent email pretending to be from Eon, offering an £85 refund.

With fuel costs increasing by more than 50%, we are all vulnerable to this scam, as a way of recouping some money.

If you receive an email offering any kind of refund, don't click on any of the links. Contact the company independently to see if they have tried to contact you.

COMING NEXT TIME

- Current fraud alerts
- Subscription fraud

Though we don't like to see you leave, you can unsubscribe from these bulletins by emailing sally.wilson@ageukce.org

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