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## Beware of the scammers

Fraudsters employ increasingly advanced psychological tactics to persuade victims to invest

An estimated £1.2bn is lost to investment scams each year, with share sales, wine investments, land banking and carbon credits commonly used by fraudsters to target potential investors. A recent study by Citizen's Advice found nine out of ten people would fail to spot common warning signs of a pension scam, such as unusually high investment returns, cold calling and offers of free financial advice.

It's very important to remain vigilant when you are looking to access the money you have invested. Last year, victims of investment fraud lost on average £32,000 as fraudsters employed increasingly advanced psychological tactics to persuade victims to invest.

### SO WHAT IS AN INVESTMENT SCAM?

Investment scams are a form of fraud where there is a high risk that you could lose some, or all, of your money. Often, the investment opportunities that scammers offer don't really exist – or don't have the rewards being promised. Scammers can appear professional and trustworthy, so even experienced investors may fall victim to these schemes.

### HOW TO SPOT AN INVESTMENT SCAM

Scammers are always changing their tactics, so the following are some of the red flags that could help you to spot an investment scam:

Be vigilant – if a phone call or voicemail, email, or text message asks you to make a payment, log in to an online account or offers you a deal, be extremely cautious. Financial institutions, banks and online retailers never email you for passwords or any other sensitive information by requesting that you click on a link and visit a website. If you get a call from someone who claims to be from your bank, don't give away any personal details.

Scammers often use very convincing tactics to get you to sign up. Beware of anyone trying to pressurise you into making a decision.

Scammers will make an investment sound very appealing and will often suggest that it's less risky than it is.

Offers made by scammers often sound too good to be true. For example, you might be offered better

interest rates or returns than you've seen elsewhere.

Scammers are persistent and will often try to form a relationship with you in an effort to build your trust. Beware of anyone who calls you repeatedly and/or anyone who tries to keep you on the phone for long periods of time. You might be told that you're receiving a very special and/or limited offer.

You might be told not to tell anyone about the offer you've been given. But talking with trusted friends and family about any investment offer you've been given could help you spot a scam.

Fraudsters are known to target previous victims of investment fraud, claiming that they can recover lost money. You might be asked to pay an upfront fee, but these companies will not get back your money.

Some companies that run scams base themselves overseas in order to avoid regulatory requirements. Be cautious if a company that is based overseas contacts you with investment opportunities.

### HOW TO PROTECT YOURSELF FROM INVESTMENT SCAMS

Get to know the red flags above that could suggest a scam. The Financial Conduct Authority ScamSmart website offers helpful support about what you can do to spot investment fraud.

More information about pension scams can be found at [www.pension-scams.com](http://www.pension-scams.com) – check out the leaflet there.

Make sure that the company or financial adviser you're dealing with is authorised by the UK Regulator – the Financial Conduct Authority (FCA). You can check their Financial Services Register and get more information on unauthorised firms overseas.

The FCA also have a warning list that you can check to help stay 'scam smart' before you go ahead with any investment.

Reject any cold calls that you receive, and please don't give out any personal or financial information until you are sure you are dealing with a reputable company.

Useful information to help protect you from scammers can be found on The Pensions Regulator website.

You can report fraud and cyber crime via ActionFraud, the UK's national fraud and cyber crime reporting centre.

Keep up to date with the latest scams and fraud warnings with useful advice at Age UK.

Remember to trust your instincts. If you think the offer sounds too good to be true, it probably is! ■

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