

Investment Scams Are On The Rise

DON'T BE FOOLED INTO THINKING YOU CAN'T BE FOOLED

AUSTRALIANS lost almost half a billion dollars to scammers in 2018 according to the latest figures in the Australian Competition and Consumer Commission's (ACCC) Targeting Scams report.

Total reported losses exceeded \$489 million! \$149 million more than 2017 – **with investment scams the most financially devastating** at \$86 million – an increase of more than 34% compared to 2017.

Australian businesses have also been targeted with reports of losses exceeding \$60 million in 2018.

More than 378,000 scam reports were submitted to the ACCC's Scamwatch, the Australian Cybercrime Online Reporting Network (ACORN) and other federal and state based government agencies such as the Australian Taxation Office (ATO).

Experts believe these figures and recorded losses are just the tip of the iceberg as many of those who suffer a loss to a scammer do not report it.

Scams were previously easier to detect, however modern scammers are adapting old scams to new technology, seeking payment through unusual methods and automating scam calls allowing them to increase their pool of potential victims.

For example, in late 2018, thousands of Australians received automated phone calls from scammers impersonating the ATO threatening arrest for supposed unpaid taxes.

Reports of the ATO scam increased by more than 900% towards the end of 2018, suggesting scammers were engaged in a concentrated campaign to scam as many Australians as possible by using pressure and fear tactics combined with technology.

More recently, with the additional financial pressure of COVID-19 in our lives, we have seen and heard of many more and NEW ways of people trying to steal your money, finance details and identity.

Investment scams are specifically designed to have you or your business pay money on the promise of a financial opportunity.

The most common of these scams are:

Investment cold calls - Where a scammer

claiming to be a stockbroker or portfolio manager calls you and offers financial or investment advice.

The investments offered are usually shares, mortgages or real estate high return schemes, options trading or foreign currency trading.

They will claim what they are offering is low risk and will provide you with quick and high returns, or encourage you to invest in overseas companies.

The scammer may claim that they are approved by a real government regulator or affiliated with a genuine company.

Shares promotions and hot tips - In these scams, the scammer contacts you via email or through a forum or online group encouraging you to buy shares in a company they 'predict' is about to increase in value.

The message will seem like an inside tip and will stress that you need to act quickly.

The scammer is trying to boost the price of stocks they have already bought so they can then sell shares to make a huge profit.

The share value will then go down dramatically leaving you with shares that are virtually worthless.

Superannuation scams - These scams offer early access to your super benefits, often through a self managed super fund or for a fee.

The offer may come from a scammer posing as a financial adviser. The scammer may ask you to agree to telling a false story to your superannuation fund to ensure the early release of your money.

Then, acting as your financial adviser, they will deceive your superannuation fund into paying out your super benefits directly to them. Once they have your money, the scammer may take large 'fees' out of the released fund or leave you with nothing at all.

Protect yourself

It is easy to think that only foolish people fall for these types of scams, but it simply isn't the case.

Many otherwise astute and considered Australians have fallen victims to these types of scams.

There are steps you can take to ensure you do not become a scamming statistic.

The ACCC advises to take these precautions:

- Do not give your details to an unsolicited caller or reply to emails offering financial advice or investment opportunities.
- Be suspicious of investment opportunities that promise a high return with little or no risk.
- Check if the 'financial advisor' who contacted you is registered on the ASIC website.
- Any business or person that offers or advises you about financial investment products must be an Australian Financial Services Licence (AFSL) holder or authorised under one.
- Do not let anyone pressure you into making decisions about your money or investments.

Always seek our opinion before committing to anything.

- Do not respond to emails from strangers offering predictions on shares, investment tips or investment advice.

Always take time to consider the opportunity and allow us to work with you to determine if:

1. you can afford it, and
2. the investment is part of your longer term planned strategy.

Always consult with us first before committing to more debt.

*Source: www.scamwatch.gov.au