

The smartest ways to avoid investment scams

Thousands of investors are duped by sophisticated scams every year. What can you do to avoid being caught out?

£32,000

The average amount lost in an investment scam by each victim.



New pension freedoms have left many approaching retirement with a pot of money to invest.



They are among the prime victims of scammers who target retirement savings.



The Financial Conduct Authority's (FCA's) ScamSmart campaign helps investors to fight back.

New tools to protect your money



22% **32%**
over 55s over 75s

Believe they have been targeted by scammers in the past three years.



FCA research found that it is often savvy investors who fall prey to scammers.



An interactive tool, the FCA Warning List, helps investors find out more about the risks.



It provides a checklist of firms operating without FCA authorisation.

Favourite ploys of the tricksters



- 1 Many scammers use fake websites to fool their victims.
- 2 Some use identities of reputable firms, changing the name slightly.
- 3 Sometimes they return, claiming to be able to get the money back – for a fee.
- 4 Scammers often put pressure on their victims to make quick decisions.

How to beat the scammers



Reject cold calls

If you've received unsolicited contact about an investment, it may be high-risk or a scam. The safest thing to do is hang up.



Check the FCA Warning List

If you are suspicious check to see if the company that has contacted you is known to the FCA.



Get impartial advice

Consider getting impartial financial advice from someone who is not connected to the company.

Spot the traps

55%

Don't consult family

More than 55% of questioned said they invested without consulting their families first.

27%

Ask for expert advice

Only 27% seek professional assistance before investing.

14%

Could research more

14% said they spend little or no time researching products before investing.

53%

Make hasty decisions

53% believe you need to act quickly to get a good deal, an attitude exploited by fraudsters who offer time-limited deals.