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| Cryptocurrency Investment and Trading Scams |

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| A group of women holding drinks  Description automatically generated with low confidenceCryptocurrency investment and online trading scams.We have seen an alarming rise in the number of people investing in ‘get rich quick’ schemes, investing thousands of pounds which they will never get back. Cryptocurrency is a digital or virtual currency designed to work as a medium of exchange.How does this scam work?Fraudsters will cold call victims and use social media platforms to advertise ‘get rich quick’ investments in mining and online trading in cryptocurrencies such as Bitcoin. Posts often use fake endorsements from celebrities/TV shows such as Dragons Den and images of luxury items like expensive watches and cars. These then link to professional-looking websites where consumers are persuaded to invest. They will often have a prestigious City of London address but are more often than not be based outside of the UK.Fraudsters will convince victims to sign up to cryptocurrency investment websites and to part with their personal details such as credit card details and driving licences to open a trading account. The victim will then make an initial minimum deposit, investors will then often be led to believe that their first investment has successfully made a profit. The fraudster will then contact the victim to invest more money or introduce friends and family with the false promise of greater profits. However, eventually the returns stop, the customer account is closed and the scammer disappears with no further contact. It is really important to know that certain cryptoassets, like Bitcoin and Ether are not regulated in the UK.This means that buying, selling or transferring these cryptoassets falls outside the remit of the Financial Conduct Authority. The same is true for the operation of a cryptocurrency exchange.Most firms advertising and selling investments in cryptoassets are NOT authorised by the Financial Conduct Authority. This means that if you invest in certain cryptoassets you will not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme if things go wrong.If you’ve invested in unregulated cryptoassets, you may not have access to the Financial Ombudsman Service or the Financial Services Compensation Scheme and you’re unlikely to get your money back.If you have already invested in a scam, fraudsters are likely to target you again or sell your details to other criminals.The follow-up scam may be completely separate or related to the previous fraud, such as an offer to get your money back or to buy back the investment after you pay a fee. How to protect yourself• Don’t assume it’s real, be wary – professional-looking websites, adverts or social media posts don’t always mean that an investment opportunity is genuine. Criminals can use the names of well-known brands or individuals to make their scams appear legitimate. A firm must be authorised by the Financial Conduct Authority to advertise or sell these products in the UK – check the FCA register to make sure the firm is authorised. You can also check the FCA Warning List of firms to avoid, [www.fca.or.uk/scamsmart](http://www.fca.or.uk/scamsmart) • Don’t be rushed or pressured into making a decision – a genuine bank or financial organisation won’t force you to part with your money on the spot. Always be wary if you’re pressured to invest quickly or promised returns that sound too good to be true. • Stay in control – avoid uninvited investment offers, especially those over cold calls. If you’re thinking about making an investment, get independent advice and thoroughly research the company first.• Do further research on the product you are considering and the firm you are considering investing with. Check with Companies House to see if the firm is registered as a UK company and for directors’ names. To see if others have posted any concerns, search online for the firm’s name, directors’ names and the product you are consideringIf you think you have been the victim of a scam them report this to Action Fraud [www.actionfraud.police.uk](http://www.actionfraud.police.uk) or call 0300 123 2040Rebecca SpilaneFraud Vulnerability OfficerPlease do not report crime via Neighbourhood Link as this is not monitored.

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| **Attachments** |
| [Crypto.png](https://assets.neighbourhoodalert.co.uk/Attachment/1735374/389795/78517/78517_Crypto.png) - 3,688.7 KB |

Email tracking gif |
| ***Message Sent By***Rebecca Spilane (Leicestershire Police, Economic Crime Unit,Fraud Vulnerability Officer,Leicestershire) |