



This Scam Cost Investors +US\$80 Million. Don't Let It Be You!

Description

We all want to make good money on our investments to help us build a bigger retirement fund. So, it's horrible that scams have been on the rise through the pandemic and normal people lose their money.

The FTC [reported](#) that "Since October 2020, reports have skyrocketed, with nearly 7,000 people reporting losses of more than US\$80 million on scams [related to cryptocurrency]." Don't let it be you!

Of course, cryptocurrency scams aren't just in the United States. Canadians get their (un)fair share as well. And when you count other investment scams, the money lost is much more than US\$80 million.

Avoid getting scammed! The BC Securities Commission [shared](#) five tips to help you spot investment scams. Knowing these like the back of your hand can help you avoid getting scammed.

Fear of missing out

Fraudsters would make it sound like an awesome investment opportunity is only available to a small group of people. However, "most legitimate investments are available to anyone with the savings to invest." So, give yourself time to think things through. Don't let your urge take over in fear of missing out on an investment opportunity. Don't let yourself invest immediately. If it's a good investment, it'll be just as good a week from now. Besides, there are tonnes of investment opportunities out there if you just look. For example, stock investment opportunities are easily accessible to anyone with an [online brokerage](#) account.

High return, no risk, guaranteed

Sometimes we're promised high returns and no or low risks. No investment comes with no risk. High-return investments are often considered high-risk investments. When it comes to stocks, volatility is used synonymously with risk all the time. That is but one of the risks in stock investing. The real risk in investing is losing your capital – partially or all of it.

Always research your investments thoroughly or work with financial advisors you trust. Understanding that stocks are long-term investments, if you're averaging into a diversified group of stocks with underlying businesses that have a bright future, you should not worry about the short-term volatility.

The trust trap

Someone famous with a good reputation or a friend may be pitching investment ideas to you. It could be in a group setting, one-on-one, or through social media. In any case, you have a trusting relationship with the pitcher. They can use this trust to lure you into bad investments intentionally or unintentionally. Sometimes, it's a hacker that has hacked into their social media accounts and is acting as someone you know.

Pressure to buy

If the other person is pressuring you to buy, you'll feel it. This is a big warning sign. They can say that the great investment opportunity will be gone tomorrow or that there's only one spot left. Any urgency or deadline is a red flag. You shouldn't be pressured to invest immediately or soon.

Questions not answered

It's another warning sign if you have questions about the investment, but the other party gives vague answers.

And always, always – if an investment appears to be too good to be true, it probably is. So steer clear of investments that you have any doubt in. They could be scams!

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