

# Beware of Scams

## Top tips to beat the fraudsters

Investment scams are on the rise. According to the Investment Association, the trade body that represents the UK's investment management sector, the total number of reported incidents has quadrupled since July 2020 – when it last warned investors of the risks. The reported number of incidences of sophisticated “cloning scams” grew from 300 in July 2020 to 1175 as at 12th October 2020. An estimated total of £9.4m of investor money was lost to this surge in activity as at October 2020, more than double the £4m recorded in July of that year.

These scrupulous fraudsters are capitalising on the concerns raised by the Covid-19 pandemic so it is more important than ever that you remain vigilant and are able to recognise attempts to dupe you into parting with your savings or transferring investments.

Below are some practical tips to help you avoid becoming a victim of investment fraud.

### 1 Check the company (and the investments offered) are regulated

Companies authorised by the Financial Conduct Authority (FCA) must operate to a set of professional standards. They have a register you can use to check authorisation. Dealing with unapproved advisers means you can miss out on protection if things go wrong.



### 2 Check the Financial Conduct Authority (FCA) warning list

Use the FCA Warning List to check the risks of a potential investment. They also have a list of unauthorised firms and some useful information in their ScamSmart pages.



### 3 Get impartial advice

We recommend that you always seek professional advice or guidance before investing. The Money Advice Service has information on how to find providers of advice services.



### 4 Check qualifications and track records

Regulated advisers have to be qualified. They also need to obtain an annual Statement of Professional Standing (SPS), awarded by the FCA. You should ask your adviser or investment manager for evidence of competency.



### 5 Ask about risk management and liquidity

Question the firm on how they match your tolerance for risk with any proposed investment. Also, check how readily you can access the suggested investment, commonly referred to as liquidity.



### 6 Examine the costs

Regulated firms are required to provide full disclosure of all the fees involved with an investment. Be wary of exit penalties.



### 7 Check the custodian

Are the investment assets subject to an independent custody arrangement? Is any cash held in a segregated client account? These are essential questions concerning the security of the investment.



### 8 If you're suspicious, report it

Call the FCA Consumer Helpline on 0800 111 6768 or use the reporting form. If you've given your bank account details to a firm you think may be operating a scam, tell your bank immediately.



**If you want to know more about how to avoid scams or have any questions on the information provided, contact us on:**



020 7534 9870 or 01935 382620



You can also email us at [enquiries@church-house.co.uk](mailto:enquiries@church-house.co.uk)

[www.ch-investments.co.uk](http://www.ch-investments.co.uk)

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