



## BEWARE OF INVESTMENT SCAMS

The Financial Conduct Authority (FCA) is warning the public to exercise caution

The coronavirus pandemic has led many people to consider making an investment to boost their savings or income during the pandemic. Whilst this could prove a wise move, the Financial Conduct Authority (FCA) is warning the public to exercise caution as reports of 'clone firm' investment scams have increased in the last year. £78million was reported lost to these scams in the UK between January and December 2020.

Clone firms are fake firms set up by scammers using the name, address and 'Firm Reference Number' (FRN) of real companies authorised by the FCA. The fraudsters will then send sales literature linking to websites of legitimate firms to dupe potential investors into thinking they are dealing with the genuine firm when they are not.

The FCA is advising anyone considering an investment opportunity to:

- first visit the FCA Register <https://register.fca.org.uk> to ensure the firm is authorised.
- check the warning list of firms to be avoided (which is updated daily).
- double-check the specific details of the firm very carefully, the differences between the FCA-authorised firm and a clone firm can be very subtle.
- always use the phone number or website address listed on the FCA Register to research and make contact with the firm, not the details provided in the firm's literature - which could be a very sophisticated and convincing fake.

Checking against the company's Firm Reference Number (FRN) alone isn't enough. Scammers will often copy a FRN and encourage victims to check the FCA Register to instill a misplaced confidence in their legitimacy. For further information on clone firm investment scams, see the [FCA's website](#) or call the FCA's consumer helpline on 0800 111 6768.