

How to recognize and avoid fraud?

How can you recognize fraud when you receive an investment offer?

- You have been contacted by phone (cold calling). 'Cold calling' is where you receive an unsolicited phone call and don't know how the contact person obtained your information.
- You are promised exceptionally high yields or profits.
- The offeror is based in one country, but you are asked to transfer the money to an account in a different country.
- You are put under pressure.

Tips for avoiding fraud

- Always try to check the identity of the offeror (the name of the company, address, home country, etc.). If a company cannot be clearly identified, it should not be trusted.
- Check out the offeror! Enquire whether the offering company holds an authorization by consulting the lists published on the website of the FSMA - click on '[Target group](#)'.
- Consult the [warnings](#) published on the FSMA's website, the sites of foreign supervisory authorities or the [IOSCO](#) website – click on 'warnings'.
- Beware of unsolicited telephone calls/emails (cold calling), that is, any contacts you did not request. Such contacts are often the first step in a fraudulent practice. Don't trust insistent salespeople who try to persuade you to sign quickly.
- Be wary of requests to transfer money to countries without any connection to the company or to the country of which the investor is resident.
- Beware of promises of high yields. **If it sounds too good to be true, it is!**
- Ask the offeror to provide clear and comprehensible information. Request information about the product, the costs and risks, the offeror and its authorization. If you do not fully understand what is being offered, it is best not to invest in it.
- Consider doing a search for the company using the customary search engines. You may find testimonials by people who have already been approached by the company. But remain alert, as sometimes these are falsely positive testimonials posted by the company itself in order to gain the confidence of investors.

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