



**The Financial Services and Markets Authority (FSMA) warns the public against the activities of new 'companies' approaching Belgian consumers with offers of lucrative investments. These 'companies' do not hold any authorization and are most likely new 'boiler rooms'.**

**'Boiler room' fraud** is a type of fraud that generally involves contacting potential investors unsolicited, often by telephone, offering to sell them shares or other financial products. Although these companies claim to be authorized service providers with a professional-looking website and forms to fill out, they are in reality fraudsters and the products or services offered are fictitious or worthless.

As a rule, the potential investor is enticed to make an initial modest investment that very soon appears to be profitable. After that, he or she is asked to make more significant investments. But when the investor asks for his or her money back, this proves to be impossible without making additional payments, and/or the new investments begin to lose money. **In the end, the investor will never get his or her money back.**

The new 'companies' about which the FSMA seeks to issue a warning are as follows:

- [Aaron Brett](http://www.aaronbrett.com) (www.aaronbrett.com)
- [Daiju Commodity Markets](http://www.daiju-cm.com) (www.daiju-cm.com)
- [Fraser Hammond](http://www.fraserhammond.com) (www.fraserhammond.com)
- [Hana Shizuoka Trading](http://www.hstmanagement.com) (www.hstmanagement.com)
- [Nanto Sapporo Brokerage](http://www.nsbrokerage.com) (www.nsbrokerage.com)
- [Reed Cavendish Wealth Management](http://www.reedcavendish.com) (www.reedcavendish.com)
- [Royston Carr Asset Management](http://www.roystoncarr.com) (www.roystoncarr.com)
- [RWM Holdings](http://www.rwmholdings.com) (www.rwmholdings.com)
- [Saga Nagoya Securities](http://www.snscredit.com) (www.snscredit.com)
- [TSB Wealth](https://paul-smith-94n4.squarespace.com) (<https://paul-smith-94n4.squarespace.com> and [www.tsb-wealth.com](http://www.tsb-wealth.com))
- [Wainwright Marks Management](http://www.wainwrightmarks.com) (www.wainwrightmarks.com)

The FSMA **strongly advises against responding to any of their offers of financial service and against transferring money** to any account number they might mention.

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Based on testimonies by investors who have been approached by such 'companies', the following **trends** have been identified:

- Very often, these 'companies' offer to sell shares about which they purport to have information indicating that their price is expected to rise very rapidly.

*"He persuaded me to invest +/- € 4,000 in XXX, claiming that they would be announcing an agreement with YYY that would cause their share price to rise".*

*"Their story was that via inside information they knew that [a well-known firm] would be taking over a large Chinese battery manufacturer and that this would be announced in the coming weeks. At that time, the Chinese shares would increase enormously in value. Via YYY I would be able to buy exclusive shares in that Chinese company."*

- These 'companies' approach would-be investors in excellent English and in a very professional manner: they have websites that look very serious, provide forms to be filled out to open account, send invoices, issue certificates, etc.

*"People who rang me seemed very competent and took plenty of time to explain everything. They had email addresses with the above-mentioned company names following the @, and so on."*

*"I was sent the necessary documentation (registration as a new client + order confirmation)".*

- The 'companies' in question don't hesitate to put pressure on the investors, claiming that the conversation has been recorded and that they therefore have proof of a verbal agreement.

*"As from today they are demanding payment for a transaction for which they claim they have a recording of my verbal agreement."*

*"Apparently I agreed verbally to buy shares. I have received a trade confirmation and payment instructions."*

- The investor is asked time after time to invest ever larger sums.

*"I was contacted again by a person announcing that the IPO would be delayed and that I had to invest more so that my shares could be sold in blocks to a European institutional investor, with a large capital gain".*

- The sums demanded have to be paid into foreign bank accounts (most often Hong Kong).

*"I was asked to send the payment for this order via Swift to a bank in Hong Kong (because the Chinese stock exchange would only be able to buy the shares via locally registered banks)."*

- Company managers and directors appear to be the main target group of these fraudsters.

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### **More than ever, then, prudence is necessary.**

In order to prevent fraud of this kind, the FSMA encourages you to consult its [recommendations](#), as reiterated in its warning published on 20 September 2018 concerning these same types of fraud.

**If you have the least doubt** about whether financial services being offered to you are lawful, please don't hesitate to contact the FSMA directly via the [consumer contact form](#). As well, feel free to notify us of any suspicious company that has not yet been the subject of a warning by the FSMA.

**Source URL:** <https://www.fsma.be/en/warnings/have-you-been-offered-lucrative-investment-over-phone-dont-be-taken>

