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The AMF urges retail investors to exercise extreme caution towards proposals to invest in rooms in care homes

Further to a number of complaints from retail investors, the AMF is warning the general public about offers to invest in care homes for the elderly. These offers are often made via websites impersonating financial institutions or major groups in the care home sector.

The AMF advises retail investors not to respond to any requests from individuals to invest in rooms in care homes without first checking whether these individuals have the necessary guarantees or authorisations.

Major players in the care home and financial sectors have alerted the general public to the fact that their identities or their employees' identities are being fraudulently used in telephone or email direct marketing campaigns encouraging individuals to invest in care homes by offering fake savings or investment products (savings accounts, savings funds with guaranteed returns, or rooms in care homes being sold off individually in Spain and Portugal).

Since the beginning of the year, the AMF has received several hundred queries from retail investors for this type of investment, indicating that these fraudulent offers are being marketed particularly actively. The process appears to be similar to the offers to invest in airport car parks, which the AMF warned the public about in June 2020.

The AMF is aware that retail investors who provide their details via an online form in response to an advertisement promising attractive returns are being contacted by phone or

email by these so-called advisers offering them opportunities to invest in rooms in care homes. These “advisers” are not afraid to send out commercial brochures featuring the names and logos of real companies in the sector, lending credibility to their offer. Investors are asked to sign a false rental agreement or a subscription form for an allegedly legitimate financial product or to subscribe to a savings account with interest payments.

The investment is presented as highly profitable (returns of between 6% and 10% per year) and risk-free. In actual fact, there are no care homes rooms purchases or rentals behind this type of fraudulent offer.

The average loss reported by retail investors who contacted the AMF was particularly high, at around €60,000.

Lastly, the AMF reminds retail investors to follow these vigilance guidelines before making any investment:

- Be wary of promises of quick profits without trade-offs. There is no such thing as high returns without high risks.
- Do not be rushed or give into pressure from the caller. Take time to think it over.
- Be suspicious of requests for money transfers to countries that have no connection with the company or with the investor’s country of residence.
- Do not take information provided by companies, whether orally or in writing, at face value. Using a false identity is easy and it is a widespread problem.
- Do not give your personal information (phone numbers, email address, ID documents, bank details, IBAN, proof of residence, etc.) to websites that you do not believe are trustworthy.
- Beware of advertisements that you see on the internet and especially on social media. They are the hunting grounds for scammers phishing for new victims.
- If the company that has contacted you has not been blacklisted by the AMF, this does not mean it is authorised to provide you with financial services.

About the AMF

The AMF is an independent public authority responsible for ensuring that savings invested in financial products are protected and that investors are provided with adequate

information. The AMF also supervises the orderly operations of markets. Visit our website <https://www.amf-france.org>. URL = [https://www.amf-france.org/]

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