



# Investment Scams



## What is an investment scam?

A scam is a plan to trick someone out of something valuable, usually money.

Investment scams promise a lot of money from buying and selling investments such as shares, bonds, currency and precious metals.

Pyramid schemes offer profits based on payments from new recruits, and the money you get back depends on continued recruitment of new members.

Scammers can work alone or in groups. They target groups such as churches, and individuals including senior citizens. They can even be people you know and trust, from within your own community.

Scammers can be friendly but also impatient, threatening and abusive. They often keep asking for more money, but then won't pay it back easily, if at all. In the end, they may claim the money is gone and stop all contact with you.

It can be very hard to get any money back. That's why it's important to know the signs of a scam, and what to do when you spot one.



## What are some warning signs?

- Promises of big profits with a low risk of losing money, which is almost impossible.
- They contact you first, uninvited, to sell their investment; cold-calling this way is illegal in NZ.
- You're told the investment is for "a select few" or "limited time only", to pressure you.
- They don't like to contact you by email or provide written records of your investment.
- You're asked to pay by wire service, credit card or foreign bank, or into a NZ bank account with a different name.
- They are not on the Financial Service Providers Register.



## What you can do

- If you haven't given them any money, stop all contact. Do NOT give them any money.
- If you have given them money, communicate by email only and ask for records and receipts. STOP paying them, even if they say you must to get your money back.
- Do some digging online, eg search for their names on the FMA's Warnings & Alerts webpages.
- Look for holes in their story, eg use a "Who is" website to check their website registration, or "Tineye" to check their website photos.
- If you have already given them money, ask for it back. Real investments should be sellable within 1-2 weeks.
- Warn others. Tell family and friends. Secrecy only helps the scammers



## Where to get help

### Government agencies may be able to help

Financial Markets Authority  
Phone 0800 434 566, or email [questions@fma.govt.nz](mailto:questions@fma.govt.nz)

Commerce Commission  
Phone 0800 943 600, or email [contact@comcom.govt.nz](mailto:contact@comcom.govt.nz)

NZ Police  
Phone 111 if you are in danger, or phone 105 to report fraud

### Others you may be able to talk to

Citizens Advice Bureau  
Phone 0800 367 222

Community Law  
Visit [local.communitylaw.org.nz](http://local.communitylaw.org.nz)

Victim Support  
Phone 0800 842 846

Church leaders

Budget advisers

