



ISSUE 59

# SCAMS AWARENESS NEWSLETTER

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## WELCOME TO OUR Monthly Newsletter

### Investment Fraud



### In this newsletter:

- Why are older people targeted and common type of investment scams- p.2
- Tactics scammers use and how to protect yourself- p.3
- Victim advice and tips - p.4

In today's fast-changing financial world, opportunities to grow your savings seem to be everywhere — online ads, phone calls, emails, even social media. But as many opportunities as there are for honest investment, there are also people out there looking to take advantage of your trust and hard-earned money.

Unfortunately, older adults are among the most targeted groups when it comes to investment fraud. Whether you're managing your retirement income or simply looking for ways to grow your savings, it's crucial to recognise the red flags of fraud and know how to protect yourself.

### What Is Investment Fraud?

Investment fraud happens when someone tries to trick you into investing money into a fake or deceptive scheme. The goal of the fraudster is to steal your money under the illusion of offering high returns or low-risk opportunities. These scams can take many forms, but they usually promise one thing: quick, easy money with little or no risk.

## Why Are Older Adults Targeted?

## Common Types of Investment Scams in the UK

Scammers often target older individuals for a few reasons:

- You've built up savings over your lifetime — and that makes you a more attractive target.
- You may be in or approaching retirement, a time when people are often more focused on preserving and growing their nest egg.
- Some scammers wrongly assume older adults may be more trusting or less tech-savvy.

### 1. Clone Firm Scams

These scams are particularly common in the UK. Fraudsters create fake investment firms by "cloning" real, authorised companies — copying their names, addresses, and even their Financial Conduct Authority (FCA) registration numbers — to make themselves appear legitimate. They may send professional-looking documents and direct you to a convincing but fake website.

**Red flag:** You're urged to verify the firm through a website that looks official, but it's not actually the genuine FCA-registered company. Always search the [FCA register](#) independently to confirm a firm's credentials.

### 2. Unregulated Investment Opportunities

These include investments in wine, overseas land, storage units, carbon credits, and increasingly, cryptocurrencies. They often promise huge returns but are either extremely high-risk or outright scams. Victims are often targeted via unsolicited calls or emails.

**Red flag:** You're offered an "exclusive opportunity" with guaranteed returns and no apparent risk — but the company isn't authorised by the FCA, leaving you with no protection.

### 3. Pension Liberation Scams

Aimed at individuals over 55, these scams involve offers to release your pension early or invest in schemes promising high returns. However, these often result in large tax penalties, hidden fees, or complete loss of your pension pot.

**Red flag:** They claim you can access your pension "before age 55" or offer free, no-obligation pension reviews — often as a hook.

### 4. Boiler Room Scams

You may receive an unsolicited call from a so-called "broker" who pressures you to invest in shares, bonds, or schemes — which are usually worthless or don't exist. These scams often involve persistent follow-up calls and official-looking materials.

**Red flag:** High-pressure tactics, overly persuasive sales language, and promises of low-risk, high-return investments with limited-time offers.

### 5. Crypto Scams

With the growing popularity of cryptocurrencies, scammers now create fake trading platforms or promote non-existent crypto coins. They may claim to have insider knowledge or use fake endorsements from celebrities.

**Red flag:** You're asked to send money via crypto exchanges or bank transfers, often to offshore accounts, with promises of fast or guaranteed returns.

### 6. Pump-and-Dump Scams

Common in stock trading, scammers promote a low-value or unknown stock to artificially inflate its price through hype. Once it spikes, they sell their holdings for a profit, and the stock price crashes — leaving investors with worthless shares.

**Red flag:** You're bombarded with hype around a "secret" or "once-in-a-lifetime" stock tip, usually through unsolicited messages or online forums.

## Tactics Scammers Use

Scammers are experts in persuasion. Here are some common tactics they use to manipulate their targets:

- **Urgency:** “This is a time-sensitive opportunity — you must act fast.”
- **Authority:** They may claim to work for a reputable firm or use official-sounding titles.
- **Exclusivity:** “Only a few select investors are being offered this.”
- **Reassurance:** They'll often say the investment is “FCA approved” (even if it's not).
- **Flattery or guilt:** Some scammers will build a rapport and make you feel like you're letting them down by hesitating.



## How to Protect Yourself



1. **Check the [Financial Conduct Authority register](https://www.fca.org.uk/consumers/warning-list)** to see if the firm is registered before handing over any money. Also use the FCA's Warning List to see if the company has been flagged as suspicious: <https://www.fca.org.uk/consumers/warning-list>. Be cautious — clone firms often use the name of a genuine firm, so always use the contact details listed on the FCA Register, not those given by the person who contacted you.

2. **Ignore Cold Calls** - It is illegal for companies to cold-call you about pensions or investments in the UK. If you receive an unsolicited call, hang up.

3. **Don't Be Pressured** - Scammers want you to act quickly. A genuine firm will give you time to think, ask questions, and get advice.

4. **Get Independent Advice** - Talk to a regulated financial adviser before making any major decisions. You can find one at: [www.unbiased.co.uk](http://www.unbiased.co.uk). [Money Saving Expert](http://www.unbiased.co.uk) provides some good advice on when you might need a financial adviser and questions to ask before appointing one.

5. **Be Wary of High Returns** - If an offer claims to be “low risk” with “high returns,” walk away. All investments carry some level of risk — there's no such thing as guaranteed profit.



## If You Think You've Been a victim of investment fraud:



### Act quickly:

- Contact your bank immediately on 159 to try to stop any payments.
- Report it to Action Fraud, the UK's national fraud reporting centre:
  - Call 0300 123 2040
  - Visit [www.actionfraud.police.uk](http://www.actionfraud.police.uk)
- Report to the FCA:
  - <https://www.fca.org.uk/consumers/report-scam>

Keep any emails, letters, texts, or screenshots. The more information you can provide, the better chance of stopping the scammer and helping others avoid the same trap.



## Final thoughts: trust your instincts



It's okay to say no. It's okay to hang up the phone. It's okay to take your time.

Many of these scams are incredibly well-presented — but if something feels wrong, or too good to be true, it probably is. Trust your instincts.

Your financial future is too important to risk on a rushed decision or a smooth-talking stranger. Protect your savings, protect your independence, and share this information with friends and family — we're all safer when we look out for one another.

If you are affected by the content of this bulletin, you can talk to us. Our Scams Awareness and Aftercare Team can offer free support, advice and guidance. Contact our team today on:



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