

Investment Fraud: Money Flipping

Fraudsters Target Vulnerable Instagram Users



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What You Need to Know

During June 2020, Action Fraud received 164 reports from individuals falling victim to fraudulent investment schemes, commonly referred to as a 'money flipping' service offered by users on the Instagram social media platform. These reports have amounted to a combined financial loss of £358,809.

Fraudsters approach (or are approached by) victims via the instant messaging feature of the platform after advertising their service. They claim to only require an initial investment of a few hundred pounds which they say will be used to trade on the stock market or to buy and trade foreign currency (Forex) until they have multiplied the investment several times within a matter of days which is paid to the victim after a small commission is deducted for the service.

In reality, once the initial investment has been transferred the victim is given a series of excuses as to why their money and 'profits' cannot be returned unless more money is sent. Eventually all contact is severed and the victim is blocked by the suspect. Victims are usually requested to send the money by bank transfer or through a cryptocurrency platform which means it is nearly impossible to retrieve

Whilst individual financial losses from this fraud are comparably smaller than other types of fraudulent investment schemes, this fraud targets a younger demographic, typically aged between 20 and 30, with less savings or those who are financially vulnerable and are searching for a quick and easy way to make money.

What You Need to Do

Unsolicited offers: A common tactic used by criminals is to promote "investment" opportunities via social media accounts, promising large returns from a small up-front payment. Never respond to any requests to send money, or have money transferred through your account, by someone you don't know and trust.

Investment opportunities: Don't be rushed into making an investment. Remember, legitimate organisations will never pressure you into making a transaction on the spot.

Seek advice first: Speak with a trusted friend or family members, and seek independent professional advice before making significant financial decisions.

FCA register: Use the Financial Conduct Authority's (FCA) register to check if the company is regulated by the FCA. If you deal with a firm (or individual) that isn't regulated, you may not be covered by the Financial Ombudsman Service (FOS) if things go wrong and you lose your money. For more information about how to invest safely, please visit: <https://www.fca.org.uk/scamsmart>

For more information about how to protect yourself online, visit
www.cyberaware.gov.uk and takefive-stopfraud.org.uk

Every Report Matters

If you have been the victim of fraud or cyber crime, report it to Police Scotland by calling 101.