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## 20-147MR Rise in investment scams during COVID-19 pandemic

ASIC has seen a rise in the number of investment scam reports from Australian consumers and investors during the COVID-19 (coronavirus) pandemic.

Reports of misconduct received by ASIC from March to May 2020 are up 20% compared to the same period last year.

ASIC Executive Director for Assessment and Intelligence Warren Day said economic uncertainty due to COVID-19 has created a perfect storm. ‘Australians are at risk of being scammed and losing money, and scammers are using age-old tactics in new and sophisticated ways to target people.’

‘We are seeing a spike in reports of scams related to fake crypto-assets (or crypto currencies), term deposits, investments and scams that start via romance sites.’

‘ASIC is particularly concerned about the risk to consumers and investors losing money when buying into fake crypto-assets. Most crypto-asset investment opportunities reported to ASIC appear to be outright scams and there is no actual underlying investment,’ Mr Day said.

While reports from the public provide ASIC with valuable intelligence, scammers are difficult to catch and lost money can be difficult to recover, especially when they are operating outside of Australia.

Scams can take many forms. Reports of scams received by ASIC indicate that many financial and investment scams have similar traits. Scammers often:

- present a range of investment offers – from modest returns to high returns – that sound safer than they are
- make persistent requests to continue investing despite no evidence of actual returns on initial investments
- display [fake endorsements](#) from celebrities or government agencies, including ASIC
- request money be paid to a person or company into [multiple or constantly changing bank accounts](#)
- lure someone via a romance site and direct them to send money or invest in [crypto-assets or forex trading](#).

If you think you or someone you know has been scammed, [lodge a report of misconduct with ASIC](#).

For more information about [investment scams](#), visit ASIC’s Moneysmart website.

### **Background**

On 22 June 2020, the Australian Competition and Consumer Commission (ACCC) released its [Targeting scams 2019: a review of scam activity since 2009](#) report.

ASIC uses the information it receives from the public to target entities with more intensive surveillance. Where we identify unlawful conduct or practices that harm investors, ASIC can consider its full suite of regulatory tools and enforcement powers to take action

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