

# 31 Common Investment Scams and Red Flags

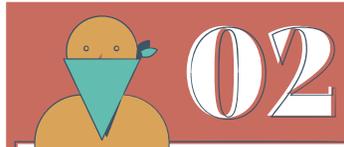
Investment fraud is the number one type of fraud impacting Canadians. Learn the common types and their red flags with this chart so you can recognize, avoid and report them to the Alberta Securities Commission (ASC).



## 01

### Red Flag: Unregistered Firms and Trading Platforms

Generally, all firms and trading platforms offering investments in Alberta should be registered with the ASC. Verify registration at [CheckFirst.ca](http://CheckFirst.ca) and report any unregistered platforms or firms.



## 02

### Red Flag: Unregistered Individuals Offering Investments

Generally anyone offering investments should be registered. Check registration at [CheckFirst.ca](http://CheckFirst.ca) and report unregistered individuals to the ASC.



## 03

### Scam: Online Romance Scams with Investment Offers

Keep your finances private in online friendships and relationships. Avoid sending money to anyone you have not met before. Always do research before investing.



## 04

### Red Flag: Spoofed or Cloned Websites

Use [CheckFirst.ca](http://CheckFirst.ca) to check the registration and obtain contact details for any firm you find online. Call the firm to validate their correct website address.



## 05

### Red Flag: Unsolicited Investment Offers

Treat all unexpected investment offers provided online or in-person with skepticism. Ask questions and do your own research into the investment.



## 06

### Scam: Pyramid Scheme Investment

Be wary of any investment offer that promotes greater returns or bonuses by bringing others in.



## 07

### Red Flag: Promises of Guaranteed Returns

All investments carry some level of risk. The higher the potential return the higher the level of risk – be wary of any investment offers with guarantees.



## 08

### Red Flag: Exclusive Investment Offers

Avoid any investment labelled as an exclusive one-time offer that should be kept secret from others.



## 09

### Red Flag: Offshore or Tax-free Investments

Any money sent overseas for an investment may be impossible to get back. Avoid offshore investments and platforms.



## 10

### Red Flag: Unsolicited Crypto Investments

Crypto is high-risk and volatile. Be wary of unexpected crypto investments offered online with claims of little to no risk.



## 11

### Red Flag: Wire or Crypto Transfers to Unknown Accounts

Avoid any request for wire or crypto transfers to unknown accounts for an investment opportunity. These transfers leave no option to get your money back.



## 12

### Red Flag: Investment Offers Tied to Missing Out

Any investment offer playing on your fears and or anxieties of missing out on the next big thing should be avoided.



## 13

### Red Flag: Insider Tips on Investments

Avoid investment opportunities based on claims of insider knowledge. The information or tip could be fraudulent or a violation of investing laws.



## 14

### Red Flag: Celebrity Endorsements

Celebrity endorsements, whether real or fraudulent, do not guarantee the legitimacy of any investment or trading platform.



## 15

### Red Flag: Investment Offers from Friends and Family

Regardless of who offers an investment, always research its legitimacy and the registration of the person or firm promoting it.



## 16

### Red Flag: Flashy Investing Websites with Vague or Missing Info

Be mindful of investing websites that guarantee appealing returns, have spelling mistakes, complex jargon, limited info or minimum deposits. Learn to spot fake websites at [spotthespoof.ca](http://spotthespoof.ca).



# 17

### Scam: Binary Options Promotions

Promoting or trading binary options, that mature in 30 days or less, to an individual or to a person or company created or used solely to trade binary options is prohibited. Verify the registration of any person or firm offering binary options at [CheckFirst.ca](http://CheckFirst.ca)



# 18

### Scam: Investment Seminar Scams

Never feel pressured into putting money towards an investment offered in a seminar without checking registration and researching the investment.



# 19

### Red Flag: Remote Access and Screen-Sharing Requests

Deny all requests for remote access assistance when exploring a trading platform or investing online. Personal data and money can easily be stolen.



# 20

### Scam: Financial Grooming or Pig Butchering Scams

Avoid any crypto investment offer from online acquaintances or love interests. Be mindful that fraudsters use emotionally manipulative tactics to create elaborate crypto investment offers that lead you to "invest" more over time.



# 21

### Scam: Forex Trading Scams

Ignore online ads promoting easy and lucrative forex trading sites. Foreign exchange trading is high risk and only registered trading platforms should be used.



# 22

### Red Flag: Investments Tied to Recent Events or Trends

Verify the legitimacy of any investment tied to recent events or trends through publically available information. Check the registration of the person or company offering it at [CheckFirst.ca](http://CheckFirst.ca).



# 23

### Scam: Recovery Room Scams

Fraudsters pose as recovery agencies or law enforcement helping victims of a previous scam recover their funds or assets for a fee. Law enforcement and the ASC will never contact you requesting a fee to assist you.



# 24

### Scam: Ponzi Schemes

Fraudsters will promise high returns to be delivered at a later date from an investment, but actually keep the money for themselves. Avoid any investment offer with vague information and promises of high returns with little to no risk.



# 25

### Scam: Pump and Dump

Be wary of investments heavily promoted in chat groups, online messengers or social media. A fraudster may be falsely promoting an investment to pump up its price for greater returns before selling it and cashing out.



# 26

### Scam: Boiler Room Scams

Ignore high pressure sales tactics tied to any investment offer. Never share your personal financial information over the phone or in online chat.



# 27

### Red Flag: Unregistered Crypto Trading Platforms

Registered crypto trading platforms operate within regulatory compliance and afford you investor protections. Visit [CheckFirst.ca/Crypto](http://CheckFirst.ca/Crypto) for a list of registered platforms.



# 28

### Scam: Promissory Note Scams

Always verify the legitimacy of any promissory note offer as well as the company issuing it. Remember, promissory notes are not generally sold to the public and returns can't be guaranteed.



# 29

### Scam: Impersonation Scams

Fraudsters may impersonate credible agencies or law enforcement requesting money. Contact the agency directly to validate any information given to you.



# 30

### Red Flag: Too Good to Be True Investments

Conduct thorough research on any investment that sounds lucrative and risk free. Check the registration of those offering it and seek help from a registered investment professional if needed.



# 31

### Red Flag: AI Trading Bots

Avoid platforms claiming higher promised returns through the use of their trading bots, including those who claim to use artificial intelligence. Only use registered trading platforms.

If you are suspicious about an investment you were offered or believe you were a victim of an investment scam, contact the Alberta Securities Commission.

#### Public Inquiries

Toll-free: 1-877-355-4488  
[inquiries@asc.ca](mailto:inquiries@asc.ca)

#### File a Complaint

1-403-355-3888  
[complaints@asc.ca](mailto:complaints@asc.ca)

Before investing in crypto visit [CheckFirst.ca/Crypto](http://CheckFirst.ca/Crypto)

Check registration at [CheckFirst.ca/Check-Reg](http://CheckFirst.ca/Check-Reg)



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