

Will we ever Win the War on Investment Fraud?



“Some of the best entrepreneurs out there are scammers.”

So says Mark Steward, the UK’s Financial Conduct Authority (FCA) director of enforcement, who was grilled by MPs earlier this year about soaring levels of online investment fraud.

Whenever this topic comes up, I know that thoughts come into your head like; “I’d never fall for this” or “How stupid would you have to be?”, but the sad truth is that regulators have been fighting a losing battle against fraudsters during the pandemic as they find new and inventive ways to con millions out of unsuspecting consumers.

In March this year, I highlighted that you should “Beware of Covid-19 Pension Scams” You can read the article [here](#).

The focus of that article was about cold calls and pressure selling. However, another area of big concern in 2021 is cloned websites of reputable and well-known financial services providers.



Marcus by Goldman Sachs

A very convincing clone site of Marcus by Goldman Sachs has recently been taken down, and a warning has been issued by the Financial Conduct Authority (FCA).

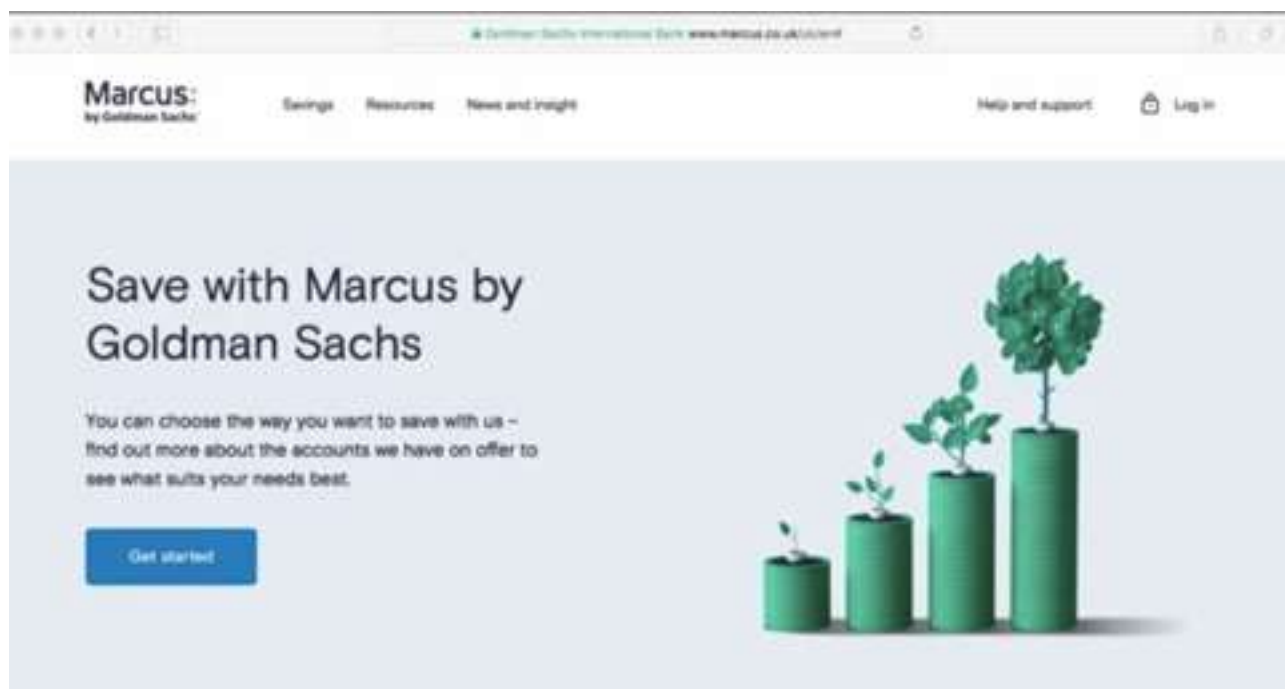
It is one of many cloned financial websites the FCA has issued warnings about this year. Just last month, it was revealed that fraudsters had cloned ING Bank and Interactive Investors websites, and used fake documents to scam unsuspecting investors.

Financial scams are on the rise. The FCA issued 1,204 specific warnings about scam firms on its website in 2020. That was a 100% rise compared with 2019. The number looks set to rise even higher in 2021, because it had already issued 721 specific warnings by 31st May, 2021, not even halfway through the year!

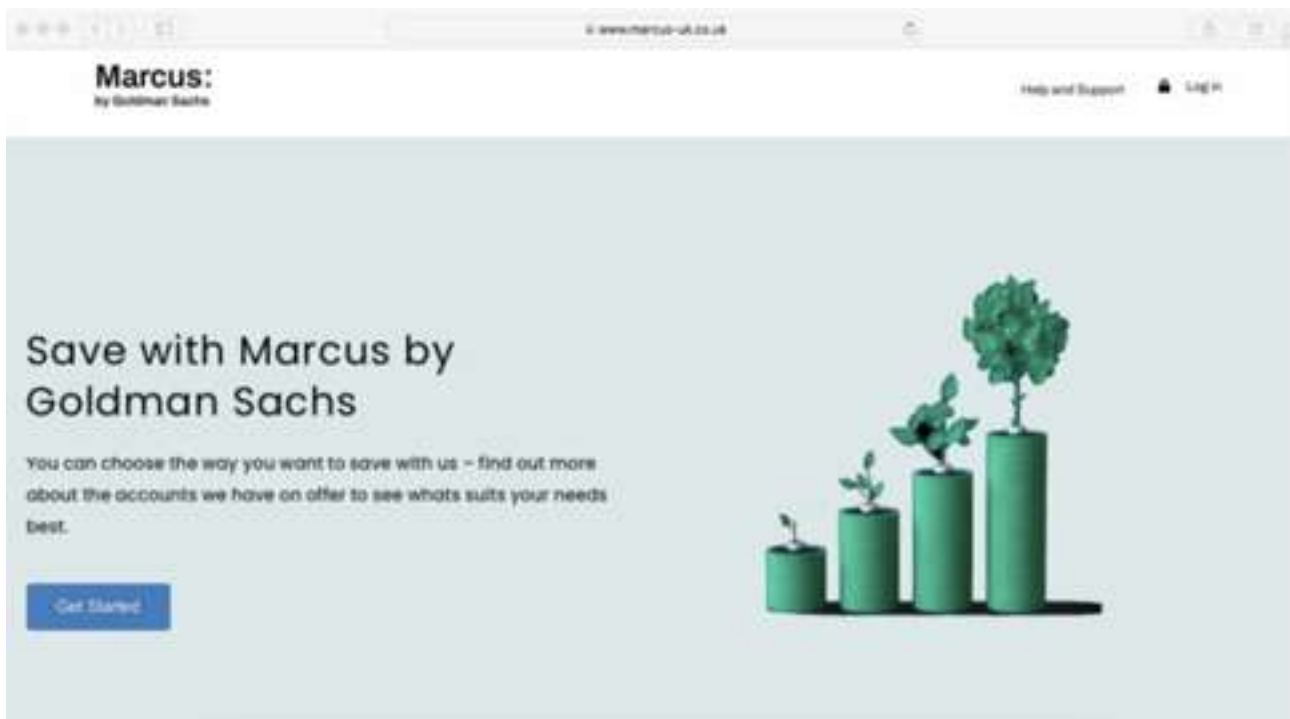
It is not known exactly how long the clone of Marcus by Goldman Sachs website was live, but the FCA published a warning about the site on 28 May 2021, and it has now been taken down.

The two screenshots below show how similar the cloned site was to the real thing.

This image below is the real website.



And the image below is the cloned website.



Most would agree they are almost identical, and it would be difficult to know you are not on the real website.

In addition, the scammers had been using the web address www.marcus-uk.co.uk. Very similar to the real website www.marcus.co.uk, and they had provided a fake email contact and phone number.



It is thought that the cloned site was linked via an investment comparison site that itself was being advertised on Google.

Uncannily, earlier this year it was reported that there had been a spike in the number of scam investment paid-for ads showing up in search engine results on Bing and Google.

This is not the first time Marcus by Goldman Sachs has had some part of its brand used by scammers. A spokesperson told us it has seen 24 cases of brand infringement in 2021 so far, and there were reportedly 130 cases in 2020. Wow!

It is clear from the huge increase in complaints that the pandemic has been like Christmas for criminals.

Many were about investment fraud, relating to very convincing cloned websites of financial providers and private banks, designed to snare people just like us.



As criminals adapt the fraud playbook, the investment returns on offer are coming down (since anything that appears “too good to be true” has become an obvious red flag).

They will string you along for months, appear to pay dividends, and convince you to plough in even more cash - Until they vanish.

As you might be directed to a cloned website via one of the growing fake, paid-for online advertisements, there is, quite rightly, a growing consensus that tech and social media platforms (who profit from selling these ads and hosting content), must help to fund the fraud fightback.

The FCA's enforcers are now targeting online platforms that fail to check if “financial promotions” have been issued by a regulated firm, and are threatening to force change if they don't act immediately.

In fact, Google is so chastened (scared?), it has even offered to refund the £600,000 the FCA spent on its own fraud prevention adverts last year.



But as the number of cloned websites proliferates, the regulator has adopted a policy of ‘warn consumers first, investigate criminals later’ - Hopefully, the strategy will yield results.

Personally I think that while it works in putting out the fires, it certainly isn't catching the arsonists.

In the UK alone, fraud of the type where consumers are duped into transferring money to criminals, hit record levels in 2020, with £479m lost by nearly 150,000 victims.

As always, check, check and check again before you even start on the process of transferring any money. If you do feel that you may have signed up to the cloned website and are worried that you've transferred money to a scammer because of a cloned website, you should contact your bank straight away.

Tell them what happened, and let them know the bank account details that you sent the money to, in order that the bank can try and recover the funds.