

## ASIC warns of rise in investment and crypto-asset scams during COVID-19

Source: [www.asic.gov.au](http://www.asic.gov.au)

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**Abstract:** The Australian Securities and Investments Commission ('ASIC') has warned of a sharp rise in investment scams, specifically scams relating to crypto-assets during the COVID-19 pandemic, with reports of misconduct up by 20% compared to the same period last year.

According to ASIC most crypto 'investment opportunities' reported to ASIC appear to be outright scams and investors may lose all of the money they invest in fake crypto-assets. Offenders are difficult to catch and lost money can be difficult to recover, especially when offenders operate outside of Australia and all contact has been online.

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 investment
- 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.

With regard to crypto-asset scams, specifically ASIC reports that:

- investors typically sign up to 'crypto-asset trading' online and deposit funds into a trading account, either via a crypto wallet or bank account.
- Scammers encourage consumers to deposit more funds into the account.
- When an investor logs into their account, it may look as though they are making profits initially (due to fake data), but eventually shows 'trading losses' even though no actual trading is taking place.
- When the consumer asks to withdraw their funds, the scammers either cease all contact, or demand further payment before funds can be released.
- Often scammers are also seeking to mine personal information from victims to engage in identity fraud.

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