

Fraudulent offers of wealth management

01/07/2021 Warning



The Financial Services and Markets Authority (FSMA) warns the public against the activities of two new companies that make fraudulent offers of wealth management. To help understand how this type of fraud works, the FSMA has produced an animated film as well as a video with the testimony of a victim (available in [French](#) or [Dutch](#) only) of this kind of fraud. The films are being disseminated as part of the FSMA's [new campaign raising awareness of online fraud](#).

As part of such fraudulent offers of wealth management, the fraudsters contact you by phone, without having requested it or after you entered your contact details on an online form. A 'specialist' offers to manage your assets, promising interest rates that are much higher than market rates, and usually offering a capital guarantee. However, these offers are too good to be true. Be vigilant, since if you put your trust in these fraudsters, you will never get your money back!

In recent weeks, the FSMA has received alerts about two such companies:

- [ML-Capital \(www.ml-capital.fr\)](http://www.ml-capital.fr)
- [La Franco-Suédoise d'investissement \(www.franco-suedoise-investissement.fr\)](http://www.franco-suedoise-investissement.fr)

How does the fraud scheme begin?

You may be approached after having expressed an interest in an advertisement dangling the promise of high interest rates published on social media or other websites. In the following days, you will receive a call from a telephone salesperson, who will offer to manage your assets. For more information, please see our warnings of [30 September 2019](#) and of [3 December 2020](#).

You may also be contacted by phone without you having taken any initiative at all. This 'cold calling' technique is widely used in investment fraud. You will then be invited to consult the website of their 'company' and open a personal account. Sometimes you are also offered a contract. Contacts will continue by email, phone, text message or via WhatsApp.

Be careful, don't rely on the 'professional' appearance of the website to which you are referred; naturally, the fraudsters do everything to make their site seem as serious as possible.

What are you being offered?

Testimonies by consumers indicate that they are often offered wealth management contracts. In short, you entrust your money to your interlocutor, who will manage it for you, promising high returns that may even come with a guaranteed rate.

How to avoid the trap?

The FSMA invites you to heed the following recommendations in order to avoid fraudulent schemes:

- Take the [test](#) on the website of the FSMA to determine whether the offer you have received is fraudulent.
- Be wary of (promises of) completely disproportionate returns. Where a return seems too good to be true, it usually is!
- Don't accept uncritically the information provided by these companies. It is not uncommon for a company to claim to be authorized to offer financial services although this is not the case. Be sure always to verify the information you are given (company identity, home country, etc.). If the company is located outside the European Union, you will also have to be aware of the difficulty of legal recourse in the event of a potential dispute.
- Check whether the company holds an authorization by searching the lists published on the FSMA website – [Check your provider](#). Be wary as well of 'cloned firms'. The latter are companies that pass themselves off as different, lawful companies even though they in fact have no connection with them. A close look at the email addresses or contact details for the companies in question may prove useful in order to detect potential fraud of this sort.
- Consult the warnings published on the FSMA website and on the sites of foreign supervisory authorities and of [IOSCO](#). Check if the company offering you a financial service has been named in a warning. Search not only for the name of the company(ies) in question but also for the names of the companies to which you are being asked to transfer money.

On the FSMA website, this search can be conducted via the [search function](#) provided. In addition, all the 'companies' about which the FSMA has already published a warning are included on the [List of companies operating unlawfully in Belgium](#), also published on the FSMA website.

Please note: the fact that no warning has been published about a given company does not mean that that company is authorized to offer financial services. While the FSMA seeks to ensure that it publishes warnings in a timely manner, it is possible that a company operating unlawfully on the Belgian market may not yet have come to its attention. Moreover, unauthorized companies regularly change their name.

- Be wary of unsolicited phone calls (cold calling), that is, calls where you have not taken any initiative prior to the call. These are often the first sign of fraud.
- Be wary of requests to pay money into accounts in countries that have nothing to do with the company that is approaching you or with your own place of residence.
- Never invest if you do not fully understand what is being offered.
- Be all the more suspicious if the payout of returns is conditional on making an additional payment and/or the payment of a tax. These additional demands are often the sign of fraud.

If you have the least doubt about whether financial services being offered to you are lawful, please do not hesitate to contact the FSMA directly via the [consumer contact form](#). As well, feel free to notify it of any suspicious company that has not yet been the subject of a warning by the FSMA.

I've been the victim of fraud: what should I do?

If you think you have been the victim of fraud, make sure you do not make any more payments to your interlocutor. Note: this is also and especially true if you are promised a refund in exchange for a final payment, as this is a technique frequently used in order to try to obtain one last payment.

Contact [your local police](#) to make a complaint and report the scam to the FSMA via the [consumer contact form](#).

The FSMA stresses the importance of filing a complaint quickly and with ample documentation of your complaint (the company in question, bank accounts to which you transferred money, etc.).

Watch the new awareness campaign videos about fraudulent offers of wealth management (available in [French](#) or [Dutch](#) only).