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Scam-related cases keep rising

IN 2023, the Securities Commission (SC) reported a notable increase in scam-related complaints, with 2,873 cases logged in the third quarter.

The financial impact of these scams amounted to a substantial RM27 million in February 2023, and an additional RM100 million was lost by 330 victims in two weeks in March 2023.

Facebook, Instagram, and X (formerly known as Twitter) have become breeding grounds for investment scams, with fraudsters creating fake profiles and groups to promote fraudulent schemes.

Fake profiles, glittering promises and exclusive invitations to join “the club” are just the tip of the iceberg.

These scams often masquerade as exclusive investment opportunities to deceive unsuspecting victims.

Traditional Ponzi schemes have been a major issue. Many notable cases involving large organisations affected some 400,000 people and caused an estimated RM500 million in losses. Overall, losses from such scams exceed RM 1 billion annually.

The Geneva Gold Futures scandal involved RM5.5 billion and 35,000

investors.

Additionally, cash trusts offering suspiciously high returns of up to 36 per cent per annum are suspected to be Ponzi schemes, with RM1 billion taken from the market in a year.

These statistics and cases highlight the widespread impact and financial damage caused by these fraudulent activities in Malaysia.

To help people from falling victim, here are some tips:

KEEP yourself updated about the latest scams and scammers’ tactics. Knowledge is a powerful defence against deception.

ALWAYS verify emails, messages, or investment opportunities through official channels.

Contact the purported sender or organisation using verified contact information.

WHEN engaging in online transactions or investments, always ascertain that the website has a secure connection (indicated by https://).

Ensure the platforms are secure and reputable; and stay alert for any signs of phishing attempts.

DON'T share confidential details

online. It is important not to post sensitive details, such as financial and personal information on social media platforms, as scammers often use this information to target their victims.

ALWAYS consult with qualified financial professionals before making significant investments. They can offer valuable insights and help identify red flags.

The promise of high returns with minimal risk is a classic indicator of a possible scam.

If you encounter a scam or suspicious activity, report it to the authorities to prevent others from falling victim.

Scam cases remain prevalent due to the ever-evolving tactics of scammers, the global nature of the Internet and the vulnerability of individuals to social media fraud.

Reducing the number of cases requires a concerted effort involving education, technology, legislation and international cooperation.

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