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Securities Commission

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Nova Scotia Securities Commission, Halifax Regional Police and Halifax District RCMP warn Nova Scotians about increasing crypto-fraud

Halifax – The Nova Scotia Securities Commission, Halifax Regional Police, and Halifax District RCMP are warning Nova Scotians to be vigilant when investing in crypto assets as residents continue to lose substantial amounts of money to crypto-related scams.

The Commission previously issued crypto warnings in [January](#) and [March](#). Since then, Nova Scotians have lost more than \$750,000 to crypto fraud. These are only reported losses and since investment fraud is vastly under-reported, the actual losses are likely much higher.

“Crypto-related fraud complaints have been our enforcement division’s most common complaint this year,” said Paul Radford, Chair of the Commission. “Out of all the complaints and inquiries we received in 2023 just over half were related to crypto assets.”

The reported losses in 2023 do not include the \$1 million-plus lost by Nova Scotians to crypto-related “pig butchering” scams in 2022.

While pig butchering scams remain prevalent, there are two other crypto-related scams that are on the rise that Nova Scotians need to know about.

The first type of scam involves fake crypto-trading websites and platforms. These unregistered platforms are being advertised, shared, and promoted through social media, forums, websites, and search engine results.

“Most unregistered platforms are located overseas even if they list a North American address on their website,” said Radford. “They often will reference \$250 as a safe, easy starting deposit, but any money deposited on these platforms is stolen, not invested, and the fraudster manufactures reports showing lucrative returns that are imaginary and false and designed to entice their victims to invest more and more money, which increases the amounts lost.”

The second type of prevalent scam involves fraudsters posing as “professional” or “registered” crypto traders. They target people interested in investing in crypto assets who do not have the technical knowledge to do it themselves. These so-

called professional crypto traders are not registered and simply steal crypto assets and funds from unsuspecting investors.

“There is no such thing as a registered or professional crypto trader in Canada,” said Radford. “Anyone who says they are a professional crypto trader is most likely looking to scam you. They will often instruct you to purchase crypto assets on a legitimate registered platform and then send your assets to their wallet to trade for you. Once you transfer your assets to another person’s wallet, you will likely never see them again.”

Crypto asset trading is highly risky, not only from scams, but also from volatility, hacking and other risks including technology failures. Anyone considering trading in crypto assets, should remember the following to protect themselves and their money:

1. If you are trading in crypto assets, **only use crypto asset trading platforms or dealers registered in Canada**. A [list of registered platforms](#) is on the [Commission website](#).
2. Even when using a registered platform, **being told to move your crypto off an established platform to a “wallet”** that has been set up for you by someone else is a red flag of fraud.
3. Giving out any personal or financial information or downloading trading apps or software that allow computer access to another person such as AnyDesk, **create potential for financial and identity theft**.
4. **Never** use credit cards or lines of credit to invest.
5. The perpetrators are usually located overseas outside the reach of law enforcement agencies and thus losses from crypto assets scams are often **unrecoverable**.

Anyone whose identity has been compromised or has lost money because of fraud should call Halifax Regional Police at 902-490-5016. Investment fraud can be [reported to the Commission](#), and the [Canadian Anti-Fraud Centre](#) and the Centre also provides information on current scams.

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