



5251 Duke St, Suite 400
PO Box 458
Halifax, NS
B3J 2P8

tel: (902) 424-7768
fax: (902) 424-4625
nssc.novascotia.ca

Securities Commission

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Nova Crypto teaches Nova Scotia investors about fraudulent crypto trading websites for Fraud Prevention Month

Halifax – Nova Scotians continue to lose considerable amounts of money to fraudulent crypto trading websites. The Nova Scotia Securities Commission has issued several warnings about fraudulent crypto trading websites and the red flags of crypto-related fraud. For Fraud Prevention Month in March, the Commission used a new investor education tactic by launching its own fake crypto trading website – NovaCrypto.ca.

NovaCrypto mimics the fraudulent crypto trading websites that steal millions of dollars from investors each year. The purpose of the website is to proactively warn investors about fraudulent crypto trading websites before they invest and experience irreversible financial loss. NovaCrypto serves as a wake-up call to Nova Scotians and others seeking to invest in these types of scams.

“According to the Canadian Anti-Fraud Centre, more than 50 percent of investment fraud reported in Canada since 2019 has been connected to fraudulent crypto trading websites, and at the Commission, 50% of complaints to enforcement has been related to these sites.” says David Harrison, Investor Education and Communications Officer with the Commission. “By mimicking these sites with our NovaCrypto website the Commission is hoping to continue educating investors to protect them from losing hard-earned money to these fraudulent sites.”

When building NovaCrypto, Commission staff copied the structure, text, and language of actual fraudulent sites. NovaCrypto.ca went live in early February. An advertising campaign targeting Nova Scotian residents through online ads and digital billboards launched soon after to direct those interested in investing in crypto assets to the site.

Once on the site, anyone who clicks a link related to creating an account, depositing money or downloading an app was directed to the [reveal site](#) housed on the Commission’s website. The [reveal site](#) tells the story of NovaCrypto and identifies the red flags that appear on the site that investors can look for to identify fraudulent sites. It also shares information on registered crypto trading platforms and how to invest in crypto assets more safely.

“Some of these red flags include misspelled words, typos, and grammatical errors, claiming to be registered with fake regulators, and posting fake testimonials by so-called profitable investors,” said Harrison. “Most of the red flags that you can spot on NovaCrypto.ca were taken from actual fraudulent sites the Commission has previously issued warnings for. Yes, a fraudulent site really did spell the word affordable with a T.”

Thousands of users have visited the NovaCrypto website since February, with most of

those users coming from Nova Scotia. The support email posted on the [NovaCrypto](#) site has also received emails from users looking for more information on investing. By finding [NovaCrypto](#) instead of one of the thousands of fraudulent trading sites online, these would-be investors avoided a major and likely irreversible financial loss.

“Now that the secret about [NovaCrypto](#) is out, the Commission is asking Nova Scotians to visit and share the [website](#) and our [reveal site](#) to spread awareness about these fraudulent sites,” says Harrison. “Education is the best defense against fraud. The more people know about fraudulent crypto trading platforms and how to recognize them, the fewer will end up losing money to them.”

The Nova Scotia Securities Commission is the provincial government agency responsible for regulating trading in securities in the province.

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Media Contact: David Harrison
 902-424-8586
 902-222-5896 (cell)
 E-mail: david.harrison@novascotia.ca