

For Immediate Release
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Investor Alert: Fraudulent social media “investment groups” take advantage of unsuspecting investors

TORONTO – The Canadian Securities Administrators (CSA) warns Canadians about fraudulent “investment groups” promoted on social media like Facebook and Instagram. These groups could be running a scam called a “pump and dump.”

How the scam works:

- Scammers use social media to advertise investment groups promising high returns to would-be investors.
- They artificially inflate the price of a stock they own shares of, by hyping it up.
- Once enough people buy in at the high price, the scammers sell their shares causing the price to crash.
- Investors who bought at the high price suffer significant losses and investor harm.

How they try to lure you in:

- **Private WhatsApp chat:** The scammers promote the groups on social media platforms. Then they invite would-be investors to encrypted group chats on WhatsApp.
- **Fake credentials:** They might claim to be a registered professional or affiliated with a legitimate company or celebrity.
- **Shifting targets:** They may start by pitching a well-known stock and then, through WhatsApp chats, push you towards riskier, unfamiliar ones. These are often listed abroad in places like Hong Kong.
- **Pressure tactics:** They will try to convince you to invest as much money as possible, even from friends and family.

Protect Yourself:

Be wary of unsolicited investment advice, especially on social media. Be careful when interacting in “investment group” WhatsApp chats that claim to provide investment advice. Some are scams designed to take advantage of potential investors.

Check the background, qualifications, and disciplinary history of investment advisors before you invest. You can use the CSA’s [National Registration Search](#). Check the CSA’s [Investor Alerts](#) page for a list of firms to avoid. You can subscribe to updates from the CSA to know when new alerts are issued.

If you think you have been a victim of this or a similar scam, immediately contact your bank, local police, your local provincial securities regulator, and the [Canadian Anti-Fraud Centre](#).

The CSA, the council of the securities regulators of Canada's provinces and territories, coordinates and harmonizes regulation for the Canadian capital markets.

For investor inquiries, please [contact your local securities regulator](#).

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