

For Immediate Release**April 16, 2026****Investor Alert: Ramp-and-dump scams surge as fraudulent “investment groups” target unsuspecting investors**

TORONTO – The Canadian Securities Administrators (CSA) is warning Canadians about fraudulent investment groups being promoted on social media that could be running a stock price manipulation scam called a “ramp and dump.”

Ramp and dump schemes, a variant of pump and dumps, involve coordinated efforts by fraudsters to take control of low-priced or thinly traded stocks, push their prices sharply upward, and then sell their holdings for profit. When the price falls afterward, ordinary investors are often left with significant losses. These schemes increasingly rely on social media and private messaging platforms to draw people into what appear to be legitimate investment groups.

CSA members jurisdictions are increasingly seeing these schemes are organized through social media and closed group messaging platforms, such as, WhatsApp, Discord and Telegram where scammers pose as knowledgeable investors, promote specific stocks and pressure individuals to buy in before exiting their positions. When stock prices fall, the groups typically disappear and victims who were pressured to buy are left with significant losses.

How the scam works:

- Scammers reach out to vulnerable investors on social media platforms, like Facebook and Instagram. They may use these platforms to establish a connection of trust, including friendship or a romantic relationship, and then invite victims to join an investment group on a messaging platform such as WhatsApp.
- Once in the investment group, scammers use high-pressure tactics to encourage victims to purchase specific stocks, promising high returns and exploiting their fear of missing out.
- When victims buy into the hype and invest, this artificially inflates the price of a stock.
- Once enough people – many of whom are members of the investment group – buy at the high price, the scammers sell their shares causing the stock 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 group:** The scammers promote the investment groups on social media platforms. Then they invite would-be investors to encrypted group chats on WhatsApp. In some cases, the group chat is focused on a single stock.
- **Inside information:** The scammers may tell investors that they have non-public information or a special connection to a company in order to make investors believe they will earn guaranteed profits. In most cases the scammers have no special connection and regardless, trading on inside information would be illegal.
- **Fake credentials and impersonation:** The scammers might claim to be a registered professional or affiliated with a well-known, legitimate company. These are often aliases, based on deceit in order to trick investors into investing.

Scammers will often impersonate individuals or companies to lend themselves an air of legitimacy. Scammers may impersonate famous stock advisors, industry leaders, politicians, athletes, and celebrities. They may also impersonate well-known companies or financial institutions, clients of legitimate financial entities, warranting caution by all.

- **Small foreign based targets:** The scammers will often target smaller, unfamiliar stocks. Limited public float means that only a small portion of overall shares are available to the public. When a company has limited public float, its shares can be more volatile and harder for investors to sell and easier for scammers to manipulate. They are often headquartered abroad in places like China.
- **Pressure tactics:** Scammers will try to convince you to invest quickly based on a supposed market-moving event, –such as a company acquisition or promises of price increase. They will encourage you to invest independently via your own brokerage account and direct you to purchase a specific price and quantity on a specific date, , and ask for confirmation.

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 – you may be pressured to buy shares to ramp up the price so that scammers can make money.

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 **local provincial securities regulator**, the **Canadian Anti-Fraud Centre**, your bank and local police.

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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