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Securities Commission

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Nova Scotia Securities Commission cautions investors, issues fraud prevention checklist during Fraud Prevention Month

Halifax - March is Fraud Prevention Month, and the Nova Scotia Securities Commission is reminding investors to do their due diligence when investing, especially in cryptocurrencies and initial coin offerings.

Recently attention was given to the rise and fall in the value of Bitcoin, cryptocurrencies and initial coin offerings grabbing the moniker as the “next big thing in investing.” There are legitimate investments in cryptocurrencies and initial coin offerings, but their sudden rise in popularity has also made them a breeding ground for scam artists and fraudsters.

“Whenever a new investment gains media exposure you can be sure fraudsters and scam artists are not far behind,” said Heidi Schedler, senior enforcement counsel with the Commission. “We have seen this with cryptocurrencies, initial coin offerings, BitCoin as well as binary options, gold options and Forex. Investors should exercise extreme caution with these “fad” type of offers.”

Despite their rise in popularity and increased coverage in the media, people’s knowledge around cryptocurrencies and initial coin offerings remains low. Fraudster typically target people with this lack of knowledge, using it against them to push illegitimate or fraudulent investments.

“The popularity and tremendously volatile valuation of Bitcoin also helps scam artists,” said Ms. Schedler. “People see these huge valuations of Bitcoin on the news in the thousands of dollars and fear that they might be missing out on an investment opportunity. Scam artists are ready and willing to take advantage of that fear with schemes that can cause an investor to lose a lot of money.”

To help investors avoid investment frauds and schemes the Commission has developed a new [Investment Fraud Protection Checklist](#). This checklist includes information an investor should check before purchasing any investment.

This [checklist](#) is available on the Commission’s website and is part of the Fraud Prevention Month campaign that also includes a look at famous fraudsters and how they swindled their victims, blog posts on market misconduct, and a social media series of fraud tips.

"Our website is a great source for investors looking for information on identifying and avoiding investment fraud, as well as novice investors looking for basic information on investments and the markets," says David Harrison, investor education and communications officer with the commission. "We recommend any investor in Nova Scotia to visit our website to learn more, and we also encourage them to reach out to us with any questions they might have."

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

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