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Nova Scotia Securities Commission educating the public during Fraud Prevention Month

Halifax - The Nova Scotia Securities Commission (NSSC) is getting the word out on investment fraud and scams to protect the public during Fraud Prevention Month.

Throughout the month of March NSSC will be sharing information on common investment fraud and scams through the [Before You Invest blog](#) found on the [NSSC website](#). Through our partnership with the Canadian Securities Administrators (CSA) NSSC will also be engaging in a public awareness campaign on binary options.

“Binary options fraud is a very real and current type of investment fraud targeting Nova Scotians,” said Lianne Bradshaw, Senior Investigator with NSSC and member of the CSA Binary Options Task Force. “In the last 12 months, there has been a remarkable rise in reports of Nova Scotians being approached by binary options fraudsters. Across Canada, families of every demographic are suffering unnecessary financial losses attributable to binary options frauds. Nova Scotians need to understand the significant financial dangers associated with these products.”

Binary options are a ‘wager’ where investors bet on the performance of a specific asset, such as a currency, stock index, or share. The timeframe for the bet is typically very short - hours or even minutes. When the time is up, you either win a predetermined payout or lose it all – hence the name ‘binary.’ This type of investing can carry a great amount of risk and is not suitable or appropriate for many investors.

Binary options fraudsters often use websites, social media and mobile apps to market the options themselves or a platform that can be used to access the options. The first trades are often rigged to deliver a small return and lures investors to continue trading. Investors not only risk losing their initial investment, but money is also often syphoned off through unauthorized advances and purchases on the investor's credit card.

"The fraudsters promoting binary options or their platforms to access binary options in Canada are not registered to trade in securities in Canada," says Heidi Schedler, Senior Enforcement Counsel with NSSC. "Making sure that the firms and people you are dealing with are registered to trade in your province or territory is the first step in protecting your investment. Once a victim has lost their money to a binary options scam it is very difficult to get any of it back."

The CSA launched a new resource site, www.BinaryOptionsFraud.ca, to educate Canadians and help protect them from binary options scams. The site includes more information on binary options, scams that have reported to CSA and NSSC and unfortunate examples of victims losing money.

The NSSC warns Nova Scotians to take the following precautions when considering investing in any new product:

- Check the registration of any person or company offering investments or investment advice.
- Check the disciplined persons and companies list for enforcement actions taken against the person or company.
- Be cautious of giving out personal information (including credit card information) over the phone or Internet.
- Do not make any investment decisions on the spot. Take the time you need to research the opportunity and review it with an independent and registered financial advisor.

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

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