

Victim of an investment scam? Beware of recovery room fraud

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Victims of investment fraud run the risk of being swindled a second time via fake crypto trading platforms. The Financial Services and Markets Authority (FSMA) warns the public against these platforms.

Every **victim of investment fraud** runs the risk of being contacted once again by fraudsters, who falsely offer to **recover the lost funds**. This form of fraud is called recovery room fraud.

The FSMA has noticed that **fake platforms for trading in cryptocurrencies** are engaging in recovery room fraud.

In most cases, victims receive unsolicited phone calls or emails. The fraudsters are often very aggressive in their approach. They always ask for a **fee** for their services. They claim these are to cover certain administrative or legal expenses or to pay taxes. But these are purely **fictitious costs**.

Victims of investment fraud are told they must **pay this fee in advance**. As soon as the fraudsters receive the fee, they disappear into thin air. It is thus almost impossible to recover the fee. **The FSMA therefore strongly advises not to take up such offers.**

These fraudsters **misuse the identity details** of existing companies who are authorized to offer certain financial services. In this way, they try to appear more trustworthy. Fraudsters and their companies also falsely claim to work with the police or with financial supervisors.

The FSMA advises great vigilance if you are contacted, unsolicited, by the following entities:

- **'Blockchain'** (cloned firm)

'Blockchain' is active under the following names, among others: *Blockchain Agent Ltd; the international blockchain department; Blockchain Inc; Blockchain (GB) LIMITED; Blockchain Ltd Headquarters; Blockchain Finance Team.*

According to information available to the FSMA, "Blockchain" has been contacting victims of, among others, CFD Advanced, Winngroup(s) and Finance Reserves (FRCM), all three of which are on the [list](#) of companies operating unlawfully in Belgium.

The FCA, the British financial supervisory authority, has published a [warning](#)  against the practices of 'Blockchain'.

- **IQBcoin** (<http://iqbcoin.com/>; <http://iqbcoin.net/>; cloned firm)

According to information available to the FSMA, IQBcoin has been contacting victims of, among others, My Safe Market and Investteck, which are on the [list](#) of companies operating unlawfully in Belgium.

IQBcoin describes itself as a platform for investments in cryptocurrencies. It promises investors risk-free high returns.

The FCA thus also [warned](#)  against the activities of IQBcoin.

The above-mentioned entities do not have the requisite permission to offer financial products or services in Belgium.

A consumer reports:

'3 years ago, I fell victim to fraudsters. A few weeks ago, I was contacted by someone who said that he could recover my 2 stolen Bitcoins. I would have to pay a one-time 'fee' of EUR 4100 for this. They were going to transfer the money to my bank account, but I'm still waiting.'

Victims of investment fraud are in this way often victimized a second time by the same fraudsters: the first time as they commit the investment fraud, and the second time as they commit recovery room fraud. It is also possible that those who committed the investment fraud sold the identity details of their victims on to other fraudsters. **Everyone who has ever been the victim of investment fraud can be targeted a second time by fraudsters.**

How can you recognize and avoid recovery room fraud?

- If you have been the victim of investment fraud, we advise you always to **file a complaint** with the local police.
- If you receive an **unsolicited phone call** with an offer to recover the money you lost, ask the person how he or she found out that you had lost money. Reports of fraud will be shared only with the judicial authorities, and not with private companies.
- If you are asked to **pay a fee in advance**, you should refuse to accept their offer and end all contact.
- **Financial supervisors** such as the FSMA are not competent to recover lost money, and therefore they will never contact victims of investment fraud for such purposes.

Would you like to enquire more generally as to whether a proposed transaction complies with the financial legislation? Please use the search function available (in Dutch and French only) on the FSMA website. You can also contact the FSMA directly via the [consumer contact form](#). For more recommendations on how to avoid investment fraud, the FSMA invites investors to consult the ['How to recognize and avoid fraud?'](#) page on its website.