LLOYDS BANK

PRESS RELEASE

Surge in investment scams targeting younger victims

- **Investment scam victims lose around £8,585 on average**
- **Those between 18 and 24 most likely to be scammed**
- **Younger investors lured by fake crypto and meme stocks**

Victims aged under 45 now account for 70% of reported investment scams, according to new data from Lloyds Bank.

18 to 24 years olds are most likely to fall victim to an investment scam, making up around a quarter (25%) of all cases. Many younger investors said they were lured by fake ads on social media promoting cryptocurrencies and meme stocks[1].

However, the biggest increase in those reporting investment scams over the last 12 months came amongst 35 to 44 year olds, with cases jumping by more than half (52%) compared to the previous year. Those aged 25 to 34 saw cases rise by almost a quarter (24%) over the same period.

The average amount lost per victim was £8,585, down considerably on the previous year (£10,217). However, this varies hugely amongst different age groups, with older victims usually losing much more.

Victims aged between 65 and 74 lost an average of £30,397, more than any other age group. The amount lost by younger age groups is typically a lot less, with 18 to 24 year olds losing £1,433 on average, and those aged 25 to 34 losing £2,410.

Analysis also shows that victims typically make three payments to fraudsters over the course of an investment scam.

In the run up to Tax Year End, and with financial markets increasingly volatile, Lloyds Bank is warning would-be investors that scammers will exploit any new opportunities to trick victims into parting with their cash.

Liz Ziegler, Retail Fraud & Financial Crime Director, Lloyds Bank, said: “Investing can be a great way to make money, but many deals are simply too good to be true, and it takes hard work and lots of research to find the right investment for your circumstances.

“The organised criminal gangs behind scams are constantly evolving their tactics to exploit new trends and trick more victims into parting with their cash. Recently we’ve seen them widen their net to target younger investors, who are often tempted by the supposed ‘get rich quick’ promise of cryptocurrencies and meme stocks.

"While older investors remain at high risk – and often stand to suffer much heavier losses – there's now a new generation of younger, more inexperienced investors on the scene for scammers to target. Predictably, our analysis suggests that social media platforms are the main breeding ground for these types of scams, with a mix of bogus ads, fake endorsements and cloned accounts key to fraudsters' methods."

Top tips to avoid investment scams:

- **Great deals don't find you:** Fraudsters put adverts for scam investments on social media and the internet. They can also send 'deals' by direct message, over the phone or by email. Often, a deal will offer returns that you can't get elsewhere. If someone contacts you out of the blue about an investment, it's most likely a scam.

- **Make sure it's genuine:** Fraudsters can easily set up fake companies, profiles and websites to clone real firms. Use the FCA website to find genuine contact details for a company and links to their site. Always do your own research but also see what others people have to say in reviews. Never underestimate the lengths a scammer will go to, to convince you an investment is genuine.

- **Protect how you pay:** A scam investment may ask you to pay by bank transfer. If you pay this way and it's a scam, it's very hard to get your money back. Fraudsters might ask you to pay an account in a different name to the company you are meant to invest with. If the names don't match, it's a sign of a scam. Paying by card offers the greatest protection.

Ends

Notes to editors

Figures based on analysis of all investment scams reported by Lloyds Banking Group customers over the last 12 months (10th March 2021 to 9th March 2022), with year-on-year comparisons made to equivalent data over the previous 12 months (10th March 2020 to 9th March 2021).

1) A meme stock refers to shares in a company that have gone viral, quickly increasing in value as a result of its popularity amongst retail investors (rather than its financial performance). The activity is usually coordinated through online chat forums and social media.

How to Protect Yourself From Fraud: Investment Scams | Money Making Scams | Lloyds Bank

Media contacts:

Gregor Low: gregor.low@lloydsbanking.com / 07500 078879

Lynsey Cheshire Willis: lynsey.cheshire-willis@lloydsbanking.com