



THE FSMA WARNS THE PUBLIC AGAINST "RECOVERY ROOMS" AND THEIR PRACTICES

The Financial Services and Markets Authority (FSMA) warns the public against the activities of persons who present themselves to victims of investment fraud offering to help them recover the sums invested.

These persons, who present themselves under various pseudonyms and/or in different capacities (lawyers, financial analysts, accountants, financial advisors, etc.), approach investors who have been victims of fraud, usually by telephone, stating that they can, for a fee, help them recover the sums invested or losses incurred on unauthorized trading platforms (forex or binary options).

More generally, this type of activity is typical of the fraud mechanism known as a "recovery room". The practice consists of contacting victims of an earlier fraud, unsolicited and often by telephone, to offer assistance in recovering the losses incurred. The services offered will then vary: an offer to help recover the sums invested, to restore the invested amounts on condition that a certain sum be paid or an account opened on a trading platform, etc. In any event, demanding that a financial payment be made before the service has been rendered is a clear indication of a "recovery room". The fraud may be perpetrated either by the original fraudster or by other persons who have obtained a list of victims. In reality, any consumer who has been victim of an unauthorized trading platform or of investment fraud in general should be aware that fraudsters may try to target them again or sell their data.

In a considerable number of cases, these persons steal the identity of persons/companies that do in fact exist (a lawyer, a registered company, etc.), or claim to be acting under a mandate from or at least with the consent of one or other supervisory authority. Identity theft is a common feature of the type of fraud known as "cloned firms": scammers use the identity of an existing person or company in order to give the appearance of trustworthiness or legitimacy, and thereby to persuade investors.

The FSMA strongly advises against responding to any unsolicited offer of services claiming to recover losses incurred through fraud, and against transferring money to any account number the persons making such offers might mention.

Here are a few testimonies of victims of "recovery room" fraud:

"Six days ago, a French company calling itself 'XXX' contacted me, assuring me that it would be able to return my money plus compensation within 30 days, on condition that I pay the handling costs of € 330."



"Further to our telephone conversation today, I confirm that we have closed your trader account on a trading platform under the supervision of the Autorité Boursière Européenne (sic!) and that a capital gain of € 526.18 has been sequestered. In order to make it possible to transfer the amount to you, please provide me with the following documents: - Photocopy of both sides of your identity card - Proof of domicile. Upon receipt of the documents, I will contact you again to give you further information on the procedure to follow. Cordially AAA"

"I have just been contacted by a company that claims to have recovered the funds (€ 137,000.00), which sum is said to be in a sequestered account with Barclays in London!!! This involves: BBB. They are asking me to pay € 25,000.00 in order to recover this amount???"

"A little over a week ago, someone rang me on my mobile phone telling me that I had previously traded on other trading platforms (including markets.com) that were unregulated and that he was offering to return the funds invested by opening an account with CCC.

Since I believed in this promise to return my investment, I therefore invested € 770 on their trading platform (CCC) in order to unblock a sum of money (€ 1000) which they claim to owe me, in the form of a bonus that can be withdrawn within 40 days via Barclays bank.

They said they were acting as a transit platform to compensate individual investors who had previously invested in other unregulated trading (broker) sites.

Subsequently I realised that this was a fraud that has been exposed by the AMF in France."

If you wish to check in general whether a proposed transaction complies with the financial regulations, please use the search function (available in [Dutch](#) and [French](#) only) on the website of the FSMA. You can also contact the FSMA (email address: info@fsma.be).

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Press contact Jim Lannoo
 Spokesman
T direct + 32 2 220 57 06
Email Press@fsma.be