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## **Sophisticated crypto scams targeting B.C. residents through social media and dating sites**

**Vancouver and Surrey** – The B.C. RCMP, British Columbia Securities Commission (BCSC), Canadian Anti-Fraud Centre (CAFC) and municipal police are warning the public about an emerging trend of fraudsters using social media and online dating sites to lure B.C. residents into crypto-asset scams.

In the first eight months of 2021, British Columbians reported losses of \$3.5 million from crypto investment scams – more than triple the amount lost last year, which was just over \$1 million, according to CAFC data. On average, only five per cent of fraud victims report such incidents to authorities.

Fraudsters are adapting their techniques to the latest trends and technologies, using a variety of tactics to defraud victims:

- People are approached via dating apps or other social media sites. After developing an online relationship, the fraudster brings up an “investment opportunity” and convinces the person to make an initial payment. The fraudster is often able to convince victims to continue investing, which can lead to substantial losses.
- The fraudsters identify a person’s friend, and then take control of the friend’s social media accounts. The suspect, posing as the friend, easily convinces the person to take advantage of the supposed investment opportunity.
- Fraudsters research their potential victims online, including reviewing their social media posts, in order to come up with tailored strategy for each victim to maximize their chances of success.
- The fraudster, while calling with a pitch for crypto-asset investment, convinces a person to provide remote access to his or her computer. The suspect shows the person a fraudulent crypto investing website that promises substantial returns. In many cases, people will continue investing until it becomes clear that their funds cannot be withdrawn.
- Fraudsters may claim that they will use an investor’s money to buy digital currencies, and then cut off all communication after receiving the funds.

The BC RCMP, BCSC, CAFC and municipal police are urging British Columbians to exercise caution when buying or selling crypto-assets due to various risks, including the loss of some or all of their investment. According to the CAFC, there has been a 5600 per cent increase in fraud



to a total of \$28.5 million involving cryptocurrency in Canada since 2015. This upward trend is expected to continue.

Investors can protect themselves by:

1. Buying crypto-assets through a registered trading platform. Check the Canadian Securities Administrators' [National Registration Search](#) to see if the entity is registered with securities regulators.
2. Never sending money or investing based solely on the advice of someone they met through social media or a dating site.
3. Being extremely cautious about unsolicited offers to invest through social media or dating sites.
4. Being skeptical of “guaranteed” high returns with little or no risk: Generally, the higher the return, the higher the risk.
5. Resisting the pressure to buy. Fraudsters can have you signed up before you even know it. If you ever feel you’re being rushed, remember, it’s OK to say no or ask for more time.
6. Ignoring the fear of missing out. Fraudsters are skilled at making it sound like their offer is making others rich while you sit on the sidelines.
7. Asking questions. Fraudsters work hard to override your instincts with complex documents and use overcomplicated, inconsistent, jargon-filled explanations. If you can’t understand it and can’t get your questions answered, walk away.

If you do fall victim to a fraud or know someone who has, individuals should contact their local police service and the CAFC by phone at 1-888-495-8501 or online by way of the Fraud Reporting System (FRS), even if a financial loss did not occur. If you have been the victim of an investment scam or know someone who has, also [report it the BCSC](#).

**Quotes:**

**Superintendent Brent Taylor, Officer in Charge of the Federal RCMP Financial Integrity Program in B.C.**

“The recent growth in crypto-related and cyber enabled frauds has not gone unnoticed. Police enforcement cannot stop this activity without the assistance of the public. Better educating yourself using legitimate sources before investing is key. Doing your homework can go a long way toward protecting your money and investments.”

**Doug Muir, the British Columbia Securities Commission’s Director of Enforcement**



“Fraudsters use social media and dating apps to manipulate people looking to make meaningful connections, exploit their victims’ trust, and then defraud them of significant amounts of money. Be extremely wary if you are contacted out of the blue or promised high returns that sound too good to be true. Always research the investment and the person selling it before you invest.”

**Deputy Chief Howard Chow, President of the British Columbia Association of Chiefs of Police**

“Fraudsters prey on victims by taking any opportunity to exploit their vulnerabilities. The public must recognize the importance in educating themselves on crypto and cyber related crimes, prior to investing or transferring currency. The public arming themselves with current and accurate information may be the difference in identifying and preventing a fraud, before it’s too late.”

**Sergeant Guy Paul Larocque, Officer in Charge of the Canadian Anti-Fraud Centre**

“Every year, thousands of Canadians fall victim to fraud. Most don’t think it could happen to them, but fraudsters are using increasingly sophisticated ways to target people of all ages, as can be seen with the crypto investment scams. It is important for victims to know that they are not alone and that by reporting the crime they are helping themselves and others.”

**About the British Columbia Securities Commission**

The British Columbia Securities Commission is the independent provincial government agency responsible for regulating capital markets in British Columbia through the administration of the *Securities Act*. Our mission is to protect and promote the public interest by fostering:

- A securities market that is fair and warrants public confidence
- A dynamic and competitive securities industry that provides investment opportunities and access to capital

**About the Canadian Anti-Fraud Centre**

The [Canadian Anti-fraud Centre \(CAFC\)](#) is Canada's central repository for information about fraud. The CAFC is jointly managed by the [Royal Canadian Mounted Police](#), the [Competition Bureau Canada](#), and the [Ontario Provincial Police](#).

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