



WORLD
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BDCB ARTICLE

BEWARE OF FINANCIAL SCAMS

Understanding the types and tactics of financial scams is important in protecting your savings and investments. This is especially true in today's landscape of ever-evolving and sophisticated financial scams and frauds that could threaten anyone – even you and your loved ones. Brunei Darussalam, unfortunately, is not excluded from this risk. Indeed, some of the common and emerging types of financial scams in Brunei Darussalam include phishing, love scams, investment scams, financial influencers (Finfluencer) scams, job scams, and inheritance scams.

In conjunction with World Investor Week 2023, Brunei Darussalam Central Bank (BDCB) is pleased to share some warning signs to watch out for to help you avoid financial scams and frauds.

1. **Unrealistic Promises of High Returns**

One of the most prevalent tactics used by scammers is the promise of high returns within an unrealistically short period of time, with little or no risk involved. If an investment opportunity sounds too good to be true, it probably is. Always be cautious and alert when confronted with such claims.

2. **“Endorsements” by a Public Figure or Celebrity**

Be wary of investments or financial opportunities that are “supposedly” supported by well-known public figures or celebrities. This tactic aims to create an illusion that they are credible, as these endorsements are often a lie or an exaggeration.

3. **Member-Get-Member Chain Concept**

Many scams employ a member-get-member or pyramid scheme concept. In such schemes, individuals are encouraged to recruit new members to invest or participate, with the promise of high rewards for bringing in new participants. These schemes often collapse, leaving many people losing their money.

4. **Lack of Proper Documentation**

Legitimate financial opportunities have clear and easy-to-understand documents outlining its terms and conditions. If you find that there is a lack of proper documentation, including contracts, prospectuses, or investment information, consider it a major red flag.

5. **No Permanent Address or Difficult to Reach**

Scammers tend to operate in the shadows and are not easily reachable. They may not have a permanent physical address or contact information. Always verify the legitimacy of an investment opportunity by doing your own research and due diligence.

6. **Requires a Specific Payment Approach**

Be cautious if a financial opportunity insists on a specific, non-traditional payment approach, such as wire transfers or remitting money abroad. Scammers often prefer these complicated and unconventional methods to make it harder to trace them.

What can you do to protect yourself?

1. Check out BDCB's website at www.bdcg.gov.bn for the full list of BDCB licencees. As a financial consumer, always make sure you only deal with financial institutions licensed by BDCB. By doing so, you will be provided protection under BDCB's regulatory framework, which may not be provided to consumers who deal with entities who are not licensed nor regulated by BDCB.
2. Always watch out for BDCB's Alert List on BDCB's website and Instagram, which is updated every month. This is a list of companies and websites which are neither authorised nor approved under the relevant laws and regulations administered by BDCB or whose activities raise a suspicion of illegal activity.
3. Contact the BDCB Financial Consumer Issues at +673 8380007 or email fci@bdcg.gov.bn if you come across suspicious entities offering financial products and/or services.
4. Lodge a report immediately to the Royal Brunei Police Force at your nearest police station or call 993, if you have fallen victim to a financial scam.

Brunei Darussalam Central Bank

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