

# ALL YOU NEED TO KNOW IN UNDER 5 MINS

Before making any investment, whether it is online or offline, there are five things that you can do to arm yourself against a persuasive pitch from a scam artist.

## MINUTE 1

### KNOW YOUR GOALS

Having a financial plan can help you get where you want to be. Before you invest, take time to set out your investment goals. Not having a plan can make you an easy target and you can easily be persuaded to invest in something that sounds appealing. Don't let this happen to you.

Start by reading **Investing Basics** (PDF), for tips on setting financial goals, choosing an advisor, and an introduction to the types of investments you may want to consider.

Your financial plan should take into consideration any current investments, your knowledge of financial markets, your tolerance for risk, how much you plan to invest and your overall investment objectives. If you need help creating a plan consider seeking the help of a registered financial adviser.

## MINUTE 2

### KNOW WHO YOU'RE DEALING WITH

In Canada, anyone trading securities or in the business of advising clients on investments must be registered with the provincial or territorial securities regulator, unless an exemption applies. A securities regulator will only register firms and individuals if they meet certain standards and requirements.

Use the **National Registration Search** to find out if an individual or firm is registered in your province or territory. Keep in mind that being registered doesn't mean that firms and individuals have the same skills, provide the same services or charge the same fees. Make sure you understand their qualifications, and the product or service they are selling.

As part of your research, it is also a good idea to check whether the person offering you an investment has been the subject of enforcement action. You can use:

- The **Disciplined Persons** tool to browse alphabetically, search or see the 10 most recent disciplined persons; and
- The **Cease Trade Orders** tool to see if there has been an "order" issued by a provincial or territorial securities regulatory authority or similar regulatory body against a company or an individual that you are considering dealing with.

## MINUTE 3

### KNOW YOUR INVESTMENTS

Make sure you understand what you're investing in, how the investment works (including any fees) and whether it fits with your goals and risk tolerance. Here are a few questions you should ask any person selling or advising you about an investment:

- Why are you recommending this investment instead of others?
- How does this investment fit into my overall investment goals or financial plan?
- What are the risks and expected return of this investment?
- Are there any costs or fees associated with buying this investment?

Scam artists will often identify trends in the investment market like green energy, gold, oil and gas and use these as tools to reach their victims. Bottom line, regardless of what you are investing in you should always know what it is about and how it works.

Read **Investments at a glance** (PDF) for a description of different kinds of investments, the risks, types of returns, costs and other things you should know before investing.

**Understanding Mutual Funds** (PDF) can help you decide if mutual funds are right for you.

# MINUTE 4

## KNOW THE RED FLAGS OF FRAUD

Online investment scams affect Canadians every day. Using the Internet, scam artists can quickly and easily find potential victims while operating anonymously from anywhere in the world, making them hard to catch. Once you've given your money to an online scam artist, it's likely gone for good.

Browse through **our listing of investor alerts**, alphabetically, by topic, or by using the search. You may also want to familiarize yourself with the common red flags of **online investment fraud**.

# MINUTE 5

## KNOW WHERE TO GO FOR HELP

### Securities regulators can:

- Help you find information about investment products and services
- Provide free resources to help you work with your adviser
- Tell you if an adviser or firm is registered in your jurisdiction and check their qualifications
- Tell you if an adviser has been subject to disciplinary proceedings and if there are any terms and conditions on their registration
- Answer your questions if you suspect a fraud or scam
- Advise you on your options if you are concerned that something has gone wrong with an investment
- The steps you can take to file a complaint against an adviser or firm

Find out how you **can report an investment scam** to your local regulator.

**The Effects of Scamming** When someone loses money to an investment scam, the effects are often long-term and very serious. Many people suffer from mental and physical health issues and find themselves isolated from family and friends. People who have saved their entire life for retirement may find themselves back in the workforce starting at square one.