Investor Protection Booklet

KEY MESSAGES OF CySEC INVESTOR PROTECTION CAMPAIGN 2022





It seems like everyone is investing in crypto, but it doesn't mean it's risk-free





Social media hype can make it seem like your peers are all investing in crypto, and enjoying big returns on their investment. You may be tempted to invest, out of fear of missing out.

Don't follow the crowd blindly. Do your own research and assess the risks yourself. The product being hyped today could be the next to crash, leaving you with no safety net.



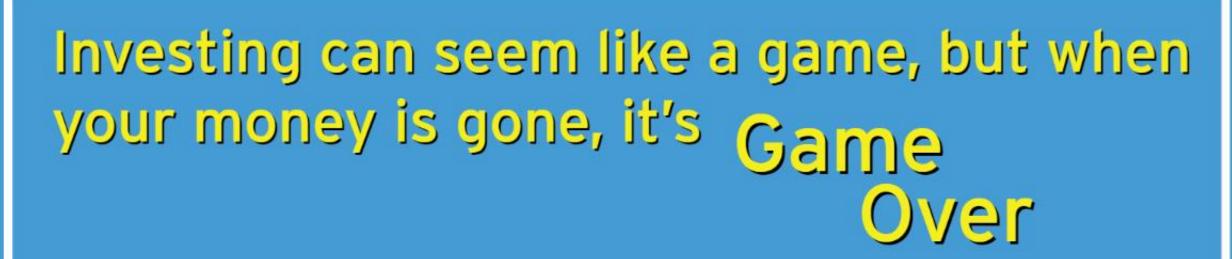
Investing in cryptocurrencies can seem fun and simple at first, but the markets can be very volatile. Returns promised by crypto can quickly drop to zero and leave you with nothing.

Before you invest, ask yourself: Can I afford to lose this amount of money? Never gamble your financial security on cryptocurrencies. The returns are never guaranteed.



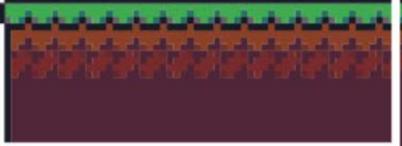
If you see a celebrity promoting a certain financial product online, there is a good chance they have been paid for their endorsement. They should not be seen as financial experts or be depended on for advice.

Just because celebrities and influencers are popular does not mean they are qualified to guide your investment decisions.









Some online trading and investment platforms have adopted 'gamification' techniques, where design elements from games are incorporated into marketing, in order to attract and retain customers.

The familiar rewards and sense of competition can make you forget that investing has serious consequences. If you lose all your savings, you can't just press 'restart'. It's Game Over.



Scam artists are now utilizing social media to push risky investments onto unwitting consumers. If you receive an unexpected message or email with financial advice, think twice.

They may not be authorized to give financial advice and may not have your best interests at heart. Don't invest without thorough research and risk assessment.



If the value of your investments dropped to zero today, how much trouble would you be in? A wise investor will never gamble on their financial security and will always ensure they have a safety net.

If you use an unauthorized firm, you won't have access to the <u>Financial Ombudsman Service</u> or the <u>Investor Compensation Fund</u> so you're unlikely to get your money back if things go wrong.

Keep a cool head when investing online. Don't let yourself be led by your emotions.



If you are led by your emotions, you will be more likely to make unwise and risky financial decisions. Investing out of enthusiasm or a fear of missing out may leave your money vulnerable.

Resist following the advice of social media "hype". Those marketing risky products aim to provoke an emotional response, hoping you will dismiss your own concerns about the product.



Financial experts recommend keeping a diverse portfolio of investments, to smooth out risk. The positive performance of some investments may neutralize the negative performance of others, leaving you less exposed if one loses value.

You should never pin your hopes on one single financial product, and never invest more than you can afford to lose.

Don't let shady investment advisers trick you over the phone. The safest thing to do is to hang up.





Scam artists are very skilled at persuading you that their investment opportunity is legitimate. Their materials and testimonials may seem credible, and they may seem knowledgeable and professional.

Never commit to an investment over the phone. It is safest to hang up and do your own research.



You don't have to follow the crowd when it comes to investments. Your friends may have different financial situations and risk tolerances, so you shouldn't be making the same financial choices.

Peer pressure can be a powerful influence, but it is always better to stay rational and make your own assessments.



If you deal with an unauthorized entity, you will not have access to the services of the Financial Ombudsman or the Investor Compensation Fund. This means you will be unlikely to get your money back if things go wrong.

An operating licence is only granted if the firm complies with specific requirements and standards which set out how to treat investors and what sort of information they should give.

Further links:

- Financial Literacy
- Does your investment sound too good to be true?
- 7 key questions before investing
- How to avoid investment scams
- Check if an entity is authorised

