



Lithium Investment Fraud

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LITHIUM INVESTMENT FRAUD

The information contained within this alert is based on the results of research carried out by the National Fraud Intelligence Bureau (NFIB). One of the key objectives of sharing fraud data between the NFIB and police forces is to prevent and detect fraud.

The purpose of this alert is to inform the public of a new investment opportunity being advertised by fraudsters. Whilst the commodity is real, we believe the fraudsters are using fake companies and the investments they are offering do not actually exist.

ALERT CONTENT

Summary

Lithium is a metal used in the manufacture of batteries for electric cars. There has been a huge surge in sales for lithium in 2016 and as a result the price of lithium and the value of the companies involved in its production have increased dramatically.

Fraudsters are using the increase in demand for lithium to attract members of the public into investing with fake companies.

How does it work?

The reports have indicated that people are being cold called by companies offering them the chance to invest in lithium. Fraudsters are creating fake companies that purport to either trade in lithium or have financial links to the companies that produce lithium. These fake companies are then being used to defraud members of the public by persuading them to invest in lithium related stocks that do not exist.

The modus operandi used by suspects is very similar to that of a boiler room scam.

PROTECTION / PREVENTION ADVICE

Members of the public should be aware of the following

- Callers often offer further investment opportunities which they also claim reap high returns.
- Additional investment opportunities typically (although not exclusively) relate to gold, wine, rare earth metals and nanotechnology.
- The investment may be offered as part of a deal to recover funds lost in previous investment frauds.
- Post-investment, the consumer will often find it difficult to contact the investment company to discuss their investment or reap any financial returns.

Crime prevention advice

- Never respond to unsolicited phone calls – if in doubt, hang up.
- Always check that the details of the organisation or company contacting you (such as website, address and phone number) are correct – the fraudsters may be masquerading as a legitimate organisation.
- Don't be fooled by a professional looking website, as the cost of creating a professional website is easily affordable – therefore carry out as much research as possible prior to any investment.
- Consider seeking independent legal and/or financial advice before making a decision.
- If you have been affected by this, or any other scam, report it to Action Fraud by calling 0300 123 2040, or visiting www.actionfraud.police.uk

FEEDBACK

The NFIB needs feedback from our readers to evaluate the quality of our products and to inform our priorities. Please would you complete the following NFIB feedback survey through: <https://www.surveymonkey.com/r/FeedbackSDU>. This should take you no more than 2 minutes to complete. If you have other feedback or additional information that you would prefer to provide by email please send to NFIBfeedback@cityoflondon.pnn.police.uk.