

Avoiding Investment Fraud for Seniors

Canada has a robust protection plan in place to protect consumers from investment fraud, yet it still occurs thousands of times a year. It's a sad fact that no group is more widely targeted for investment fraud than are seniors.

A 2012 survey by the British Columbia Securities Commission (BCSC) found that 26% of males and 7% of females age 65 and older felt they had been the victim of investment fraud. Extrapolating that number across Canada's total population of 5.3 million seniors means that over 1.6 million seniors feel they have been the victim of investment fraud.

What can seniors do to protect themselves from this rampant form of elder abuse?

There are several key warning signs to be on the lookout for:

It sounds too good to be true

Most investments, over time, will produce modest gains. At times, one can get lucky in the stock market and earn 20% plus over the course of a year, or someone times buying gold just before it jumps 15% the next day. However, over time outsized results are fleeting and anyone promising you a too good to be true return is not to be trusted.

You feel pressured by sales tactics

Seniors have good instincts and should never be afraid to follow them. If you feel uncomfortable when someone is telling you about an investment, it is time to leave. No investment decision need ever be made in a day. If it is truly a good deal, it will be there tomorrow.

Unsolicited investment advice is bad advice

An unsolicited phone call or email asking you to invest should be a warning sign to hang up or delete. The only purpose of those contacting you is to make money for themselves, not you. Reputable investment companies do not cold call or send solicitation emails.

Family and friends are pushing you to buy

There is nothing sadder than reading a news story about how a family member, caregiver, or friend has defrauded a senior. Nevertheless, it all too often happens. While it is appropriate to talk over your financial affairs with family or friends, be wary of their unrequested advice or any feeling of pressure on you to invest.

What can a senior do to protect themselves?

1. Get information: Each of Canada's provinces has a security commission. In British Columbia; it is the British Columbia Securities Commission www.bcsc.bc.ca. The commission is designed to provide general investment education and information to the community.
2. Share your concern: Never be afraid to talk to your family, friends, financial advisor or an attorney before making an investment decision if you have any concerns. Trust your instincts and protect the assets you have worked so hard to achieve.
3. Get reputable advice: At Kootenay Savings MoneyWorks we're here to help. Our financial advisors can give you access to investments that are regulated and have a solid reputation in the community.

Ready to talk with one of our Financial Advisors?

We welcome the opportunity. Call us at 1.877.691.5769.