

FSCA Press Release

4 October 2024

FSCA warns the public against impersonations.

The Financial Sector Conduct Authority (FSCA) warns the public to be cautious of individuals or entities (impersonators) who are fraudulently soliciting funds by impersonating the FSCA. FSCA employees are sometimes impersonated with the intention of duping victims that their funds may be recovered by the FSCA. However, an upfront fee is often required for the assistance.

The FSCA will not under any circumstances request any fees or payments to be made before it investigates any misconduct or imposes sanctions. Any such request is likely to be a fraudulent activity and should be reported to the FSCA without delay. Whilst the FSCA will use every opportunity to explore and consider lawful mechanisms for the return of funds for the benefit of victims, it is not mandated to recover investors' funds. The various Ombud schemes are mandated to assist with the recovery of funds.

What is e-mail and identity impersonation?

Email and identity impersonation is a form of cybercrime in which an individual pretends to be somebody else or a representative of a reputable company to deceive others for financial gain. This often involves creating fake identities, emails, or online profiles to trick individuals into sharing sensitive information, such as passwords and access to banking or financial details. Additionally, scammers may manipulate victims into believing they are in distress, convincing them to pay money incrementally over time as part of a refund scam.

What technology security measures has the FSCA implemented to prevent these incidents?

The FSCA has implemented various cyber security measures including identity protection controls to prevent cyber criminals from gaining access to the FSCA's systems and information. These capabilities enable effective cyber incident responses and preventative measures to ensure appropriate supervision in the financial services sector.

Notwithstanding, fraudsters are still able to create fake identities and mail addresses to mislead the public. The public are therefore cautioned to be vigilant when receiving communications purporting to be from the FSCA which may be offering the recovery of funds against payment of any fees. The public is advised to contact the FSCA to verify the authenticity of communications purporting to be from the FSCA.

Executive Committee:

Commissioner: U. Kamlana | **Deputy Commissioners:** A. Ludin | K. Gibson | F. Badat

The FSCA once again urges members of the public to always check:

- that an entity or individual they are dealing with is authorised by the FSCA to provide financial products and services, including giving recommendations about how to invest.
- what category of advice the person or entity is registered to provide, as there are instances where companies or people are registered to provide basic advice for a low-risk product and then offer advice on far more complex and risky products.
- that the FSP number utilised by the entity or individual offering financial services matches the name of the FSP on the FSCA database.

One of the following methods may be used to confirm the status and FSP number of a service provider or a person that claims to be an authorised service provider:

- 1) **Toll-free number:** 0800 110 443
- 2) Online search for authorised financial institution **by license category:**
<https://www.fsca.co.za/Regulated%20Entities/Pages/List-Regulated-Entities-Persons.aspx>
- 3) Online search for a financial institution that is an **authorised FSP in terms of the FAIS Act:** https://www.fsca.co.za/Fais/Search_FSP.htm

ENDS

Enquiries: Financial Sector Conduct Authority

Email address: Communications@fsca.co.za

Telephone: 012 422 2919