

FSCA Press Release

12 June 2024

FSCA warns the public against individuals or entities impersonating financial services providers

The Financial Sector Conduct Authority (FSCA) warns the public against doing financial services related business with individuals or entities (impersonators) who are fraudulently soliciting investments from members of the public, by impersonating authorised financial institutions or claiming that they are associated with such.

There has been an increase in the unlawful impersonation of authorised financial institutions by persons unlawfully soliciting investments from the public. There has also been an increase in persons claiming to be associated with an authorised financial institution. The FSCA suspects that this is being done to lend a false sense of legitimacy to the operations of the impersonators. These impersonators are not authorised to conduct financial services business. It is a criminal offence to conduct unauthorised business and against the law to impersonate other businesses or make false claims of association.

The impersonators often utilise social media platforms to make investment- or trading offers to the public. The public is cautioned to take extreme care when dealing with investment or trading offers on social media platforms.

The FSCA provides a list below, of recent instances of impersonation. The persons in column one is impersonating the legitimate authorised financial institution in column two. These legitimate businesses have confirmed that they are not in any manner associated with the impersonators.

Impersonator	Legitimate (Authorised) Financial Services Provider	Comment
Unknown	Fedgroup Asset Management (Pty) Ltd (FSP665), Fedgroup Financial Services (Pty) Ltd (FSP45563), Fedgroup Life Ltd (FSP40607) and Fedgroup Trust Administrators (Pty) Ltd (FSP16302)	Operating on WhatsApp, promising unrealistic returns
Business Financial Services	Barko Financial Services (Pty) Ltd (FSP 45614)	Fraudulently utilising Barko's company information

Executive Committee:

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

Members of the public should always check:

- that an entity or individual is authorised by the FSCA to provide financial products and services, including for giving recommendations about how to invest.
- what category of advice the person 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 to the name of the FSP on the FSCA database.
- in the case of social media offers, call the contact number that is registered with the FSCA for the provider, to check that the offer is legitimate and guard against fraud by impersonation or false association.

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

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