

Guidance Note to the Public regarding Clone Companies



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1. Introduction

The Malta Financial Services Authority (“MFSa” or “the Authority”) strives to safeguard the consumers of financial services by providing them with updates and necessary information *via* public notices and guidelines. In view of a recent increase in the number of reported clone companies, wherein fraudsters have been using the details of authorised and established companies in order to deceive the public, the MFSa wishes to alert and educate the consumers on how to avoid being deceived.

2. What are clone companies?

Clone companies might try to deceive consumers by various means including cold calling, fake websites or a mix of both. Cold calling is when investors are approached *via* unsolicited telephone calls during which the caller promotes fake products or services to the investors. The caller may proceed to identify themselves as coming from a legitimate business, by using details of a genuine company such as name, address, and registered number, in an attempt to mislead consumers into conducting business with them. However, the most common form of cloning consists of replicating the website of a licenced company in order to misguide consumers.


Also, consumers should never give personal information and details of bank accounts, credit card numbers, etc. by telephone or by email except to trusted entities who have properly identified themselves as this might lead to identify theft.

3. How to spot a clone?

Scammers go to great lengths to deceive the consumer, thus one must proceed with care and caution to ensure that the other party is genuine. One should always check the details provided by the person or company to ensure that the information provided can be verified. It is important to ask as many questions as necessary. Questions about the identity of the contact person, the phone number and the address of the company. One should keep in mind that a genuine company will have no issue providing such information. Additionally, one should cross check the information provided by the person or company which claims to be licenced by the MFSa with the Authority’s [Financial Services Register](#), since any person or company which provides financial services in or from Malta must be registered or authorised to conduct such licensable activity by the MFSa.

When dealing with a clone website one should ensure that the website’s URL matches that present on the Authorities website. Example: the MFSa’s legitimate website <https://www.mfsa.mt/> vs a clone <https://www.mfssa.mt/>. In this hypothetical scenario the link is non-operational, however, minor changes in the address might fool an unsuspecting investor.

When browsing the website consumers should spend more time to look for red flags such as:

- The lack of a padlock near the websites’ URL  <https://www.google.com/> (padlock which indicates that the network is secure);
- A lack of contact details (for instance only a telephone number or email address);

- A lack of secure payment methods such as PayPal or credit card, offering only bank transfers or postal methods of payment;
- Spelling mistakes;
- Lack of individuals on the website or the use of stock or fake images to represent their staff;
- Presence of unclickable logos from reputable companies which the fraudsters claim to be partners with; and
- Inconsistent information.

Additionally, conduct some internet searches for further information on the company. Usually if one types the name of the company followed by the word scam or fake they would be alerted if the website is not legitimate.

Make sure you can identify the people behind the company, however, be aware they might impersonate the representatives of the genuine company. While clone companies or website might have minor changes from the original licenced entity, such a change might be negligible to the unsuspecting consumer. It is important that one does not conduct any financial services *via* unsolicited emails or calls. When in doubt regarding the legitimacy of a company always contact the Authority at <https://www.mfsa.mt/about-us/contact/>.

4. I think I've been scammed what do I do?

If you are a victim of a scam or think you might be dealing with a clone company or any other type of financial scam, first of all stop all transactions with the company and contact the MFSA at <https://www.mfsa.mt/about-us/contact/> as soon as a suspicion arises.