

24 March 2020

IMPORTANT INFORMATION REGARDING COVID-19

This circular provides information to the general public regarding the measures being taken by the Authority in relation to COVID-19 so as to continue safeguarding the interest of consumers.

During the past weeks, the Authority has issued various notices addressed to regulated entities regarding the contingency and business contingency measures they need to have in place so that they can continue servicing their clients. One can access all the notices and media releases issued by the Authority in respect of COVID-19 from [here](#). We are closely engaging with the entities which we regulate in order to understand the potential impacts which COVID-19 is having with respect to their business as well as their clients. During this contact we continue to make clear to these regulated persons that they must continue to treat customers fairly.

In the sections below, we will provide information on the things to look out for when buying a financial product or service during these unprecedented times.

Banks

You may make more use of online or mobile banking services and the purchases via the internet may increase as well. We strongly suggest that you refer to the **Key tips to protect yourself when choosing online or mobile banking service** document which is available on our [website](#)

Always ask the bank representative if you have any queries regarding the terms and conditions of the particular product you are purchasing and ask for full disclosure in respect of costs and charges.

You should read all the notices being issued by Banks regarding the current banking services being offered at branch level and always follow the instructions provided by the relevant bank before visiting any branches.

Insurance

We are having regular conversations with insurance companies to ensure that they can manage any impact of coronavirus on their operations. You should be aware that:

[1] for **policies which cover medical conditions**, a blanket exclusion for claims arising out of COVID-19 is not acceptable and treatment for COVID-19 should be covered insofar as it falls within the limits established by the policy for such cover;

[2] Insofar as **travel policies** are concerned, if your holiday, flight or other arrangements have been cancelled, you may need to try to recover cancellation costs from your travel agent, airline or other supplier before you claim on your insurance policy. You are urged to read the insurance policy before travelling.

You should contact the insurance company if you have any queries regarding the policy you intend to purchase. Always read the documentation provided by the insurance company before buying the applicable policy.

Investments

If you are considering either investing, buying or selling an investment, you should be cautious regarding the information that you rely on in taking such decisions. As events are progressing very fast, it is possible for information to be out of date quickly and forecasts may be unreliable.

In some instances, reporting deadlines are being extended to accommodate circumstances and therefore up to date financial information on the issuers may not be available.

Any investment communication that claims to be promoting investments based on medical or scientific solutions to the crisis, cures or vaccines should likewise be treated with extreme caution.

It is highly recommended that investors consult a licenced financial intermediary before investing and reliance should be made on formal information such as prospectuses, audited financial statements and company announcements.

Please remember that the value of investments may increase as well as decrease and past performance is not an indication of future performance.

Scams

The MFSA issues notices to the general public whenever it is made aware that an entity is claiming to be a regulated firm by the MFSA to alert them that such entity is not in fact regulated by the Authority. You should be cautious of fraudulent schemes or financial scams which may try to take advantage of the COVID-19 outbreak to target entities and individuals with the aim of misappropriating funds and/or obtaining sensitive personal information. Such fraudulent schemes or financial scams may include advice in relation to investments in developing cures, requests for donations, medical and health insurance policies in relation to COVID-19, offers for sale of supplies, use of fake/phishing websites and/or emails with malicious content.

Scams can be easily spotted if you know what to look for. They often share common characteristics. Here are some tips on how to recognise a scam:

- ✓ **You will benefit from a sum of money very easily** – There's no such thing as easy money so if it sounds too good to be true, it probably is;
- ✓ **You have to give away personal or account information** – Trustworthy regulated entities, especially those you already do business with, never normally ask you for this. They may ask you to confirm certain details when you call them, but usually only after going through a standard security process with you first;

- ✓ **You have to make a quick decision** – Scammers don't like to give you time to think about the offer. They will try to pressure you into making a decision by saying things like "if you don't act now, you'll miss out";
- ✓ **You are contacted unexpectedly** – You are contacted by someone you've never heard of and you wonder how they got your contact details.

Furthermore, consumers should:

- ✓ **Beware of adverts on social media channels** and paid for/sponsored adverts online;
- ✓ **Not click** links or open emails from senders they don't already know;
- ✓ **Not give out personal details** (bank details, address, existing insurance/pensions/investment details);

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

You should always check that you are dealing with a regulated entity before buying a financial product or service. Entities regulated by the MFSA are listed in the Financial Services Register, which can be accessed from [here](#).