

[🏠 \(https://www.fma.gv.at/en/\)](https://www.fma.gv.at/en/) > [News \(https://www.fma.gv.at/en/category/news-en/\)](https://www.fma.gv.at/en/category/news-en/) >

[Press Release \(https://www.fma.gv.at/en/category/news-en/press-release/\)](https://www.fma.gv.at/en/category/news-en/press-release/) >

FMA warns about a strong increase in fraudulent activities in the financial markets in conjunction with the Corona pandemic

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2. April 2020 | [Press Release \(https://www.fma.gv.at/en/category/news-en/press-release/\)](https://www.fma.gv.at/en/category/news-en/press-release/)

The Austrian Financial Market Authority (FMA) warns that fraudulent activities in the financial markets are becoming increasingly prevalent in conjunction with the Coronavirus pandemic. Such activities often use established scams repackaged in light of the particular challenges presented by the Covid-19 crisis and the associated increased level of uncertainty across many facets of daily life.

“Remain critical, even in a time of crisis,” warn the FMA’s Executive Directors, Helmut Ettl and Eduard Müller: “Stick with usual control mechanisms and precautionary measures even in these particularly challenging times. In such times, the old adage applies more than ever that if something sounds too good to be true, then it generally isn’t true.”

### ***CEO Fraud***

Fraudsters are increasingly also exploiting the particular challenges presented by teleworking for employees of companies, to try to deceive them using falsified e-mails from their superiors, especially from members of the top management, to conduct transfers while circumventing the usually applicable internal control standards. There is frequently a request for “strict confidentiality” with communications to be restricted to e-mails circulating between the circle of addressees listed in the e-mail (using the falsified e-mail addresses). In addition, falsified information and letters from renowned law firms are frequently used, and/or references made to supervisory authorities like the FMA, including faked links and e-mail addresses.

### ***Phishing***

The FMA is also observing an increase in “phishing” activities, whereby fraudsters attempt to get consumers to reveal confidential account information via e-mail or social media channels, which they then use to conduct fraudulent transactions. Requests are made to apparently update account information, frequently disguised as a communication or e-mail from the bank, or additional account information is requested to be able to execute or complete a transaction.

### ***Pushing of penny stocks***

Dubious information services and letters about investment are increasingly cropping up that are used to spread apparent insider tips about the (in actual fact worthless) stock of companies apparently close to a market launch of medication to treat Covid-19 or an immunisation against Covid-19, and whose stock price will soon rocket. The fraudsters have therefore bought up all or many of the worthless shares beforehand, which often only trade for penny amounts on exotic stock markets or market segments, and then push their price up using fake Corona news, and then sell the shares that are actually worthless onto the (retail) investors that they have managed to deceive.

### ***Advance payment fraud***

There is a currently observed strongly increasing trend regarding the granting of apparently hassle-free loans via e-mail and the Internet. As a rule, they involve fraudsters offering cheap loans without (or only with very lax) credit checks being performed. Such providers then request the payment of a comparatively small fee or another advance contribution before they are able to pay out the apparent loan amount. This fee is cashed by the provider, but the loan amount is never paid out.

Further information about financial and investment fraud issues can be found on the FMA website by following this [link \(https://www.fma.gv.at/en/spotting-financial-fraudsters/\)](https://www.fma.gv.at/en/spotting-financial-fraudsters/). From there you can also easily reach the database of investor warnings published by the FMA, which warn about dubious providers, who have engaged in activities in the Austrian market. In addition, the FMA also recommends downloading the “FMA-Sicherheits-App” onto your phone, so that you receive all current investor warnings without delay.

## Journalists may address further enquiries to:

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« [EIOPA – Call for Expression of Interest \(https://www.fma.gv.at/en/eiopa-call-for-expression-of-interest/\)](https://www.fma.gv.at/en/eiopa-call-for-expression-of-interest/)

[EIOPA and FMA urgently recommend insurance undertakings to refrain from the distribution of dividends as well as share buy-backs \(https://www.fma.gv.at/en/eiopa-and-fma-urgently-recommend-insurance-undertakings-to-refrain-from-the-distribution-of-dividends-as-well-as-share-buy-backs/\)](https://www.fma.gv.at/en/eiopa-and-fma-urgently-recommend-insurance-undertakings-to-refrain-from-the-distribution-of-dividends-as-well-as-share-buy-backs/) »

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