

Boiler Room Scams – what they are and what to look out for

We take our customers' financial security very seriously. So we wanted to highlight the threats around so-called Boiler Room Scams. There's no need to worry but as the saying goes, forewarned is forearmed.

What is a Boiler Room?

Boiler Rooms are businesses that use high-pressure sales techniques to sell 'sure thing' investments with the promise of massive returns. In fact, what they're selling is worthless stock in often unquoted companies that are either overvalued, or simply don't exist at all.

How they work

Boiler Room operatives generally cold-call their targets, using phone numbers from publicly available shareholder lists. Because it's against the law for investors to cold-call in the UK, they tend to be based abroad (often Spain, Switzerland, or the US) where they're beyond the jurisdiction of the Financial Services Authority (FSA). They can approach anyone, anywhere.

Boiler Room techniques

A Boiler Room can look and sound legitimate. They may mention companies you've heard of, give themselves a UK address or phone number, and have a professional looking website. They're notoriously persistent, and can hound a victim for months in the hope of a sale, catching out even seasoned investors. According to the FSA, Boiler Room Scam victims lose on average £20,000.

Remember, as a general rule, if an opportunity sounds too good to be true, then it almost certainly is.

What to do if you're called

If you think you're being targeted by a Boiler Room, the FSA's advice is not to worry about being polite, just hang up. You should then dial the FSA contact centre on **0845 606 1234** with as much detail as you can remember. You'll find more information about Boiler Rooms on the FSA website **www.fsa.gov.uk**

We hope you've found this information useful but if you have any questions about staying safe, give us a call and we'll be happy to help.

Contact us on **08457 404 404*** (lines are open 8.00am to 10.00pm every day). If you are a Premier customer, please call **08457 70 70 70**** (lines are open 24 hours a day, 365 days a year).

*Calls may be monitored and/or recorded. Textphone: 1800 108457 125563.

Overseas telephone: +44 1226 261010.

**Calls may be monitored and/or recorded. Premier overseas telephone: +44 1226 260260.

Overseas textphone: +44 2020 882077. Premier Direct Relationship Management service available 8am to 8pm weekdays and 8am to 6pm weekends (except Christmas Day, Boxing Day and New Year's Day).