Australian Government
AUSTRAC

FIGHTING FINANCIAL CRIME TOGETHER

Investment scam risk indicators

Investment scam indicators may appear unrelated in isolation but become more meaningful when viewed together.

Investment scam risk indicators that may need further review

- **Transactions that don't match the customer's known profile.**
  This includes unusually large transfers from savings, superannuation or retirement funds.
- **Increasing transaction values or frequency in a short time.**
  This includes repeated transfers after an initial small payment.
- **Movement across different payment channels.**
  For example, bank transfers, digital currency exchanges and cash. This could indicate attempts to avoid transaction controls.
- **Suspicious payments followed by third-party deposits.**
  This could indicate the customer is being used as a money mule without their knowledge.
- **Savings used up and new funds accessed.**
  These funds could include loans, credit or superannuation withdrawals.
- **Scam-related customer behaviour.**
  This could include:
  - paying fees to access an investment
  - vague explanations or trouble explaining the beneficiary
  - concerns raised by another financial institution
  - new devices or locations
  - appearing coached, pressured or unsure.



Consider these indicators with what you know about the customer.

When multiple indicators are present, the customer could be at risk of serious financial harm.

Investment scam activity often starts small and grows over time with trust.

Behind otherwise normal transfers may be promises of high returns, fake profits or instructions from someone online.



Ask yourself:

- Is this activity unusual for the customer?
- Has the value or frequency of transactions increased?
- Is the customer using new beneficiaries, overseas recipients or different payment methods?
- Has the customer exhausted savings or accessed new funds?
- Is the customer receiving unexpected third-party deposits?
- Can the customer clearly explain the investment, beneficiary and source of advice?
- Do the indicators need further review, enhanced customer due diligence or a suspicious matter report (SMR)?



Remember

- No single indicator confirms criminal activity. Consider the behaviour, context and overall pattern of activity. **Together, they may tell a different story.**
- If you form a suspicion, submit an SMR to AUSTRAC. Do this even if your customer may be the victim, not the offender.
- Learn more about investment scams at www.scamwatch.gov.au/types-of-scams/investment-scams