



# BBB® Cryptocurrency Scams

## BBB study finds lack of regulation and consumer education results in dramatic increase in fraud and financial losses.



**What is cryptocurrency?** A digital payment system that does not rely on banks to verify transactions.

A virtual tug-of-war exists between the legitimate and fraudulent use of cryptocurrency.

### In 2021, BBB received:

<b>2,465</b> complaints with losses of \$7,933,474	<b>1,215</b> BBB Scam Tracker <sup>SM</sup> reports with losses of \$7,953,502	<b>579</b> negative reviews about cryptocurrency companies
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### Cryptocurrency complaint losses

**\$750 million** Federal Trade Commission (FTC) - 2021

**\$75 million** The Canadian Anti-Fraud Centre (CAFC) - 2021

**\$246 million** FBI's Internet Crime Complaint Center (IC3) - 2020

### How do scammers use cryptocurrency?

#### In investment scams

- Ponzi schemes
- Initial coin offerings
- Bitcoin mining
- Social media
- Romance scams

#### As a "new" payment method in "old" scams

- Fraudulent sales of goods online
- Advance fee loans
- Employment scams

For complete report, visit [BBB.org/scamstudies](https://www.bbb.org/scamstudies)

Two common protections **do not** apply to cryptocurrency:

- Credit card chargeback protection
- Federal Deposit Insurance Corporation (FDIC) Insurance

#### Be wary of:

- Sharing your cryptocurrency wallet
- Unfamiliar email addresses and website addresses
- Paying with cryptocurrency for products
- Fake recovery companies and reviews
- Social media celebrity endorsements, claims, and "friends"
- Crypto apps from unfamiliar sources
- Promises of guaranteed returns



Report scams on

