



26 May 2010

Dear

This is a warning – you may be targeted by fraudsters

I'm writing to you from the Financial Services Authority (FSA) to warn you that your name has been identified on a list currently being used by share fraudsters. These fraudsters, commonly known as 'boiler rooms', may contact you by telephone with offers to buy worthless shares.

Companies should never call you out of the blue offering to buy or sell shares. Please do not take up these 'once in a lifetime chances' or 'investment opportunities' as you could lose a lot of money. If you deal with boiler rooms, you will not be able to use the financial complaints and compensation schemes set up to protect you if something goes wrong.

The list contains names, addresses and telephone numbers and was recently discovered as part of a current FSA investigation. We are concerned that because your name is on the list, you are more likely to be contacted by 'boiler room' fraudsters.

What should you do now?

If you think you have been contacted by a boiler room, call the dedicated, secure customer helpline **0845 XXX XXXX** set up by the FSA and the Police and quote "**Operation Domingo**". The helpline is open Monday to Friday, 9am to 5pm. Please select **Option 2** for the investment team.

You can also complete an online reporting form. Please tick the box in **question 20** to confirm you received this letter. www.fsa.gov.uk/Pages/Doing/Regulated/Law/Alerts/form.shtml.

For more information on protecting yourself from fraud, please visit the consumer pages of the FSA website and The City of London Police Operation Archway website. Please find links to these sites overleaf.

Yours faithfully,

Jonathan Phelan

(Head of Unauthorised Business, FSA)

Further information about 'boiler room' fraud

What is a 'boiler room'?

Any company offering to sell you shares or buy your shares without authorisation from the FSA may be committing a criminal offence. These companies are commonly known as boiler rooms and they target people who currently hold shares or have held shares in the past.

They usually operate by convincing people that they have an amazing 'investment opportunity' but end up selling them worthless or non-existent shares. They usually claim to be a UK company operating from a UK address with a UK phone number. However, most boiler rooms are based overseas, have bogus UK addresses and phone lines that are routed abroad. Anyone dealing with these companies could lose a lot of money. For further information, please visit the consumer pages of the FSA website and The City of London Police Operation Archway website;

<http://www.fsa.gov.uk/pages/consumerinformation/scamsandswindles/sharescams/index.shtml>
<http://www.cityoflondon.police.uk/CityPolice/ECD/Fraud/boilerroom.htm>

Why have we written to you?

We have contacted you because **your name appears on the list** and you may be contacted by one of these companies. Lists of shareholders are publicly available documents and easily accessible to boiler rooms. Please do not take up these offers, just hang up the phone and report it by calling **0845 XXX XXX** or by completing an online reporting form at:

<http://www.fsa.gov.uk/Pages/Doing/Regulated/Law/Alerts/form.shtml>. Please tick the box in **Question 20** to confirm you are contacting us as a result of this letter.

How to protect yourself

- Make sure that you only ever deal with companies authorised by the FSA. You can do this by checking our register of authorised firms at: www.fsa.gov.uk/register/home.do;
- Check our list of unauthorised overseas companies that have targeted people in the UK at www.fsa.gov.uk/pages/Doing/Regulated/Law/Alerts/overseas.shtml. However, just because their name is not on the list, don't think they are legitimate;
- Under normal circumstances it is illegal for unauthorised firms to cold call ordinary consumers in relation to investment products such as shares. Although authorised firms are allowed to make cold calls, restrictions apply and detailed rules dictate when and how such calls can be made. So, if you receive an unexpected call or email from a firm of which you are not a customer, treat it with extreme caution.
- Some boiler rooms use the name of legitimate FSA-authorised firms. Always double check the caller is from the company they say they are by asking for their name and calling back **using the telephone number listed for the firm on our register**;