

## Ponzi crypto app dupes people by offering high returns

- A ponzi scheme involves persuading the public to invest in fraudulent, seemingly lucrative, schemes.
- The life savings of many people were wiped out after they invested in a crypto app which had promised daily and monthly returns.
- The crypto app which claimed to be a US-based firm, had opened two Telegram groups which had more than 19,000 members where they spread their investor base.
- The app lured investors by offering huge returns. At the beginning stage, the app even let investors withdraw their profits.
- It also offered heavy bonus to those who got more people to invest in the app.
- Later there were no option to withdraw investment funds and the app itself vanished from app stores and ceased to function.

## How to identify Ponzi schemes and stay safe?

Most Ponzi schemes have common attributes such as :

- **Promise of high returns with minimal risk:** If someone offers an investment with high returns and few risks, it is likely to be a too-good-to-be-true deal.
- **Overly consistent returns :** Investors should always be skeptical of investments that generate high returns consistently regardless of the fluctuating market conditions.
- **Unregistered investments:** Before rushing to invest in a scheme, it's important to confirm whether the investment company is registered.
- **Secretive, sophisticated strategies:** If you have no idea how a particular investment scheme works, it is better to avoid any 'investment' plan that offers higher returns from such schemes.

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