



South African Reserve Bank

Media release

Tuesday, 6 September 2016

South African Reserve Bank launches national awareness campaign on illegal deposit-taking and advance-fee schemes

The South African Reserve Bank (SARB) launched a national campaign today to raise public awareness of illegal deposit-taking schemes and advance-fee schemes.

Illegal deposit-taking schemes take a number of forms and varying degrees of inventiveness, including Ponzi, pyramid, and related schemes. Generally speaking, Ponzi and pyramid schemes fall within the jurisdiction of the National Consumer Commission, but the SARB investigates such schemes to the extent that they may have an element of deposit-taking in contravention of the Banks Act.

“Advance-fee” or “419” scams, involve tricksters, who obtain money from unsuspecting individuals or entities through deception. The trickster lures unsuspecting victims to hand over large sums of cash in the belief that they will in return receive large sums of money.

Themed ‘Easy Come. Easy Go’, the campaign aims to give South Africans practical tips to check whether they are being scammed. It encourages the public to exercise extra caution when choosing potential investment opportunities.

The three things to remember are to **STOP, CHECK, and REPORT:**

- **STOP:** for a moment and ask yourself some basic questions. If it sounds too good to be true, it probably is.
- **CHECK:** to see if you are being targeted and avoid becoming a victim
- **REPORT:** spread the word and help others stay vigilant

Speaking at the launch, SARB Governor Lesetja Kganyago said: “Easy Come. Easy Go’ draws on the old adage that if a deal sounds too good to be true, it probably is.”

“One of the responsibilities of the SARB is the prudential supervision of banks. The Banks Act prescribes that only registered banks can take deposits from the general public, and it is an offence for unregistered persons to conduct the business of a bank. As part of this mandate, the SARB is empowered to investigate the activities of unregistered persons suspected of taking deposits from the public in contravention of the Banks Act,” said Kganyago.

In 2015 alone, the SARB investigated 41 illegal deposit-taking schemes: 28 carried over from previous years and 13 new schemes. Currently, the SARB is investigating 19 suspected illegal deposit-taking schemes. Over 5 000 advance-fee scams have been reported to the SARB in the past five years.

Endorsing this campaign is Mr Eckard Volker, Managing Director of Integrated Forensic Accounting Services, who has investigated many scams totalling billions of rand over his career.

“There is no such thing as a risk-free ‘get rich quickly scheme’,” said Volker. “I urge potential investors to ponder this: if this were really such an excellent opportunity, why would the principal be willing to share it with strangers as opposed to becoming extremely wealthy on their own?”

The ‘Easy Come. Easy Go’ campaign will utilise radio, billboards, community activations, social media, and online platforms.

For more information on illegal deposit-taking schemes and advance-fee schemes please visit www.easycomeeasygo.co.za

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Note to editors

In fulfilling its mandate, it should be noted that the SARB’s involvement is limited to potential contraventions of the Banks Act and Exchange Control Regulations in the Republic of South Africa

and does not extend to fraud or other related white-collar crimes. Such matters are referred to the relevant regulator for investigation.

The SARB is not a prosecuting authority, but can only report the alleged contravention to the South African Police Service and National Prosecuting Authority for criminal investigation and prosecution.

Issued by SARB Media Relations

media@resbank.co.za