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Finantsinspektsioon helps protect consumers against fraud by publishing alerts or warnings on its website about companies operating without a licence in Estonia and elsewhere in the European Union.

Finantsinspektsioon has the legal right to publish alerts that are intended to warn the public about financial services being provided without authorisation or other breaches of the law governing the financial sector or suspected breaches. “We issue a thousand or so alerts each year, and last year there were over 1300. The main aim of the alerts is to inform the public about possible risks connected to financial services being provided without a licence”, said member of the Finantsinspektsioon management board Siim Tammer. He added that there have been more alerts than usual about virtual currency services, and that people should be particularly careful when making investment decisions in that area.

The majority of the alerts are published first in other countries. Finantsinspektsioon mainly compiled alerts about foreign service providers that did not have the right to provide services in Estonia but did so anyway, by advertising wonderful investment opportunities online for example, or giving the misleading impression of being a bank. There was also one warning about the illegal use of the trademark or similar symbol or name of a legal investment company, and another that the subsidiary of a service provider had no connection with a bank licensed to operate in Estonia. Fraudsters often use names or business names that are identical to those of legitimate service providers, as well as using invented names, and this requires even greater vigilance from consumers. In such cases it is not enough just to check the name of the market participant from the register, and other data such as the website, email address and telephone number should also be checked.

### **How can you make sure that a company is not acting fraudulently?**

The first and most important step is to do your homework and find out as much as possible about the background of the firm and the services it offers. One way of doing this is to look at the Finantsinspektsioon website to see whether the firm has been given a licence or whether it has the right to provide cross-border services.

The list of companies that have the right to provide services in the financial sector can be found in the Finantsinspektsioon register of market participants. It is also possible to use search to check whether Finantsinspektsioon has earlier issued any alerts about the company in question. The consumer website [minuraha.ee](http://minuraha.ee) run by Finantsinspektsioon explains the most common fraud schemes more broadly.

If the location of an investment firm providing services is another European country, it can be checked from the website of the financial supervision authority of that country whether the investment

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firm is registered there, or a written enquiry can be sent to the financial supervision authority of that country on this point. The website addresses of financial supervision authorities can be found on the Finantsinspeksioon website.

Another simple solution is to google the service provider. If the results link to forums where clients complain about the service provider, because they cannot make payouts from their trading accounts for example, or if they speak directly about fraud, then it would clearly be better not to deal with that service provider, or at least not to enter into a contract with it. It is of course necessary to dig deeply when googling though, as forums that contain extremely positive content could also be scams.