



# Sports ‘investment’ scams

Don't be tempted to buy into gambling schemes, camouflaged as investments. Many are just scams and you will lose your money—participate at your own risk!

**Sports arbitrage, sports betting, sports wagering, sports tipping or sports trading** are terms often used to promote sport investment scams. They involve gambling on sporting events, usually between two teams. Promoters argue that by placing one bet for each outcome with different betting companies, it's possible for you to always make a profit.

These schemes are usually promoted using betting syndicates or software packages. Both require large up-front costs and ongoing fees and charges.

**Betting syndicates** also require you to put money into a sports betting account. Promoters claim to use this money to place bets on behalf of the syndicate and you are supposed to receive a percentage of the profits. Often no bets are actually placed.

**Software packages** claim to identify ‘opportunities’ and allow you to place your own bets. People often purchase software only to find out that it doesn't work.

Promoters often target small business operators, professionals, retirees or others with funds to ‘invest’ and may contact you through unsolicited phone calls, emails or letters.

## Warning signs

Scams succeed because they look like the real thing—don't be fooled! Protect yourself by being aware of the common tricks used by scammers.

**Trick** Promoters will try to convince you to join by using professional looking websites, glossy brochures, and financial terms like ‘trading’, ‘investment’, ‘recession proof’, ‘like a managed fund’ or ‘tax free’.

**Fact** These schemes are **NOT** investment products; they are simply a form of gambling. Gambling is always risky and nobody can guarantee a win.

**Trick** You'll be promised high investment returns and risk-free profits.

**Fact** These schemes generally show little or no return and certainly not the ‘sure bet’ profits you were promised.

**Trick** You're promised 24-hour access to your money and a refund if you are not happy.

**Fact** You will have no control of your money once you hand it over. These companies often disappear and start up again under another name to avoid detection and refund claims.

**Trick** You're told that the scheme is a legitimate business that is registered with the Australian Securities and Investments Commission.

**Fact** Promoters will tell you whatever it takes to convince you that the scheme is legitimate and not like other ‘shonky’ operations. Registering a company is cheap and easy to do and doesn't make it trustworthy.

**Trick** You're told that the company has a corporate head office.

**Fact** The company's ‘official’ address is likely to be ‘rent by the hour’ office space or an empty parking lot and promoters or telemarketers often use false names.



## Golden rules

Remember these golden rules to help you beat scammers:

- If you are asked to 'invest' in sports investment schemes, be sceptical.

Ask yourself: How much can I afford to lose?

- Don't be enticed by reports of past performance or graphs showing high returns. Scammers lie!
- There are no guaranteed get-rich-quick schemes. The only people who make money are the scammers.

Ask yourself: If these schemes produce a guaranteed, risk-free profit, why is the company selling the scheme instead of simply using it to make millions themselves?

- Be wary of high-pressure and slick sales techniques. Promoters are highly skilled at selling—they will say anything to close the deal.
- Don't believe claims that places are limited. They are happy to take anyone's money, at any time.
- Don't allow anyone to pressure you into making a financial decision. Get independent advice from a solicitor or a licensed financial adviser.
- If it sounds too good to be true, it probably is. The only winners are the promoters.

## Reporting a scam

If you spot a scam or have been scammed, there are many government agencies in Australia that you can contact for advice or to make a report.

To find out which government agency is best placed to assist you, visit the 'Report a scam' page on the SCAMwatch website: [www.scamwatch.gov.au](http://www.scamwatch.gov.au).

SCAMwatch is a website owned and maintained by the ACCC. SCAMwatch provides information on a number of scams. It is designed to help you spot the warning signs and reduce the likelihood of being ripped off.

### For more information

This publication has been developed as part of a multi-agency initiative to address sports investment scams and to highlight the risks to vulnerable consumers.

The following federal and state agencies were involved in this initiative and provide information on sports investment scams.

#### Australian Competition and Consumer Commission

Call the ACCC Infocentre for the cost of a local call.

#### Australian Securities and Investments Commission

Visit ASIC's consumer website [www.fido.gov.au](http://www.fido.gov.au) or call 1300 300 630 (for the cost of a local call).

#### Queensland Office of Fair Trading

Visit [www.fairtrading.qld.gov.au](http://www.fairtrading.qld.gov.au) or call 13 13 04 (for the cost of a local call).

#### Queensland Police Service

Visit [www.police.qld.gov.au](http://www.police.qld.gov.au) (for information on current investigations or to report a sports arbitrage scheme).

#### Australian Taxation Office

Visit [www.ato.gov.au](http://www.ato.gov.au) (for information on aggressive tax planning schemes).

Consumers outside Queensland should contact the office of fair trading in their state or territory for more information on sports 'investment' scams.

## ACCC contacts

ACCC Infocentre 1300 302 502

ACCC website [www.accc.gov.au](http://www.accc.gov.au)

Callers who are deaf or have a hearing or speech impairment can contact the ACCC through the National Relay Service, [www.relayservice.com.au](http://www.relayservice.com.au).

Voice-only (speak and listen) users, phone 1300 555 727 and ask for 1300 302 502.

### Important notice

The information in this publication is solely intended to provide a general understanding of the subject matter and to help people assess whether they need more detailed information.

The material presented in this publication is not and must not be regarded as legal advice. Users should seek their own legal advice where appropriate.

While everything practicable has been done to ensure the information in this publication is accurate, no liability is accepted for any loss or damage whatsoever that can be attributed to reliance on any of that information.

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