

## Complaints - Its a dangerous time for Investment...

Written by Administrator

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**Do homework before investing'**

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KUALA LUMPUR: A search on the Internet or a phone call to check the background of investment companies could save Malaysians from losing their life-savings to unscrupulous operators. National Consumer Complaints Centre Legal Officer and Complaints Manager Matheevani Marathandan said a bit of investigation could save them a lot of money. She said about 600 complaints were received on investment scams since last year. Forty per cent of the victims were middle-income earners who did not run a background check or seek proper documentation from scam artistes peddling such schemes. She added that most neither visited the office of the company they were investing with nor obtain reports on them from the Companies Commission of Malaysia.

Matheevani said this trend was evident in the latest scam involving a contract farming investment project, on which 15 complaints were lodged. The victims invested between RM3,000 and RM30,000 after being promised returns of up to five-fold of their investment if they bought cows for meat and dairy purposes. The scheme promised returns of between RM8,000 and RM17,000 for a cow a year, depending on milk production. Some were coaxed into taking up bank loans.

Matheevani said teachers, managers and executives were swayed, parting with RM100,000 each. A 54-year-old teacher signed away RM3,000 of her savings at a weekend roadshow. Matheevani said salesmen of the company did not provide a schedule of returns. "The same modus operandi is used each time they approached a potential investor. This gives the victim no time to visit the office or check if any complaints had been lodged against them." She said investors were sometimes paid a small amount initially to prevent them from getting suspicious. "However, when the investors pump more money into the project, the cheques stop coming in."

Matheevani said investors who realised they had been cheated sometimes treated the centre like a claims processing board and expected to get their money back. "Some even fight with our officials due to this misplaced expectation." She called on the Companies Commission of Malaysia to update records on investment companies. She claimed some companies were still registered with the commission after closing shop. She also urged the police to step up enforcement to curb such crime. Those cheated are advised to lodge reports so that action can be taken.