

**FSCA Press Release**

**23 June 2020**

**FSCA statement on Crowd 1**

The Financial Sector Conduct Authority (FSCA) warns the public against an entity called Crowd 1, which is not authorised to render the financial services it is providing. Crowd 1 is neither an authorised Financial Service Provider (FSP), nor is it a representative of an authorised FSP. There is also no record of this entity having applied for a license with the FSCA.

The FSCA is mandated by the Financial Sector Regulation Act (FSRA) to regulate, investigate and impose enforcement on any individual and/or entity rendering financial services and/or financial products as defined in the relevant acts (FSRA, FAIS Act, FMA etc.). Any activity or entity outside our jurisdiction is referred to the relevant authority or law-enforcement agency. In the case of Crowd 1, the FSCA referred it to the Prudential Authority (PA) at the South African Reserve Bank, where it is currently being investigated. While the FSCA cannot comment on the status of another agency's investigation we urge the public to only do business with financial entities that are registered with the FSCA or are registered under the Companies Act (2008). Any investment or business opportunity that is offered to the South African public (that is not regulated by the Companies Act) must be offered by an authorised financial services provider (FSP).

While it is true that all investments hold risk, one with an unauthorised FSP should be considered extremely high-risk. It is also often fraudulent in nature, and likely to lead to losses for customers, for which there is little or no recourse. Therefore, the FSCA urges the public to always be mindful of this whenever approached by an individual or entity offering an investment opportunity. It is also important to remember that if it sounds too good to be true – it probably is.

**Transitional Management Committee:**

Financial customers are encouraged to always be cautious when investing in alternative financial or investment products. It is prudent to first consider financial services and products offered by reputable financial institutions who can be held accountable for your money. For more information please contact the FSCA on either the toll free number (0800 110 443) or on the website [www.fsca.co.za](http://www.fsca.co.za) to check whether or not the institution or person you wish to invest with is authorised to render financial services.

**ENDS**

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