

Red Flag 1

The Trap of High Returns



When it comes to scams, the first and most obvious red flag is high returns. It's the bait at the end of the hook. It's the thing that makes people sit up and listen, the promise that makes them lower their guard. And it works every time.

I've been in the regulated investment world for over 25 years, and I've seen every kind of pitch you can imagine. Some are slick, some are sloppy, but they all have one thing in common: they dangle the carrot of outsized returns.

Why 15% is the Magic Number

Here's the thing: if a firm is offering you returns of 15% or more, that's a huge red flag. Why? Because in the real world of regulated investments, you can already make 10–12% a year in the stock market if you're invested sensibly and for the long term.

So if a company is promising 15% or 18% or even 20%, they're not just competing with the market. They're trying to beat it by a mile. They don't want you to choose something boring and safe like FTSE 100 dividend shares. They want your money. And to get it, they have to make the deal sound irresistible.

That's why they play on greed and FOMO — the fear of missing out.

Playing on Psychology

The people who get targeted most aggressively are often in their 60s, 70s, and even 80s. Why? Because that's where the wealth is. Retired professionals, business owners, people who've worked hard all their lives and built up pensions and savings.

And here's the irony: as you get older, you naturally become more risk-averse. You're not working anymore, you're not adding to your pot, and you certainly don't want to lose what you've built.

So what do the scammers do? They offer you fixed interest. They promise a safe, steady 15–18% a year. They frame it like a pension income: predictable, reliable, regular. It sounds perfect, doesn't it? Especially if you're used to low rates from the bank.

But here's the problem: most of the assets they're selling don't produce income at all.

The Income Illusion

Think about it. If you buy shares in BP or Unilever, you get dividends because the company is generating profits. That's real income.

But if you invest in whisky, carbon credits, rare earth metals, IPOs, EIS schemes, or even gold, none of those assets generate cash. They don't produce an income stream.

So where on earth does the "fixed interest" come from?

The truth is, it doesn't. It's being made up. It's being paid out of your capital or out of money from new investors — the classic hallmarks of a Ponzi-style operation.

When you see "fixed interest" attached to an asset that cannot generate interest, you should hear the alarm bells ringing.

The Trick of Exact Pricing

Another clever tactic is what I call "exact pricing."

These firms know that investors are familiar with the stock market. You log into your account, and you see that a share in Tesco is priced at, say, 256.74p. It looks official, precise, and trustworthy.

So what do scammers do? They create a fake market price for whisky casks, carbon credits, or whatever they're selling. They'll tell you that your cask of whisky is "valued" at £4,317.26 or that your carbon credits are priced at exactly £9.82 per unit.

It's nonsense, of course. These aren't listed assets. There's no genuine live market. But the illusion works because it feels real. It mirrors the experience of buying a share on the stock exchange. And that makes you feel more comfortable than you should.

The Power of Past Performance

Then there's the old chestnut: past performance.

You'll see glossy brochures, slick websites, and social media ads showing charts that look like rocket ships. "If you'd invested £20,000 in 2018, today it would be worth £60,000."

But here's the catch: in regulated investments, every single firm is legally required to tell you that "past performance is not a guide to future returns." In fact, they can get into serious trouble if they lean too heavily on past numbers.

In the unregulated world, those rules don't exist. They can show you whatever they like. They can cherry-pick the best years, the best examples, the best-case scenario. They'll never show you the losses or the failures.

It's marketing, not truth.

FOMO Marketing: Don't Miss Out

Finally, there's FOMO marketing. These firms are masters at it. They'll say:



- "Limited availability."
- "Entry level just £20,000 — act now."
- "Don't miss the next big thing."
- "Private opportunity only available to select investors."

They want you to feel like you've stumbled onto something exclusive. Something special. Something your neighbour or your golf partner doesn't know about.

It's all part of the trap.

Why High Returns Should Make You Run

When you put it all together — high returns, fixed interest, exact pricing, past performance, FOMO marketing — you can see the pattern.

None of it is about the asset itself. It's about the story. The whisky, the gold, the carbon credits, the IPO — those are just props. The real product is the dream they're selling you.



And that dream always ends the same way: with your money disappearing.

That's why my rule is simple: if you see a return of 15% or higher, especially if it's presented as fixed or guaranteed, run for the hills. Don't think twice. Don't let yourself be persuaded. Just walk away.

A Final Word

I know it's not easy. When you've worked your whole life and built up savings, the idea of making them grow faster is tempting. The brochures look professional. The people seem genuine. They take you to lunch, they show you their offices, they sound convincing.

But remember this: behind the scenes, they're not focused on investments. They're focused on you. They're practising every day how to overcome your objections. They're working eight hours a day on how to make the deal sound irresistible.

You might think you're doing due diligence, but they've already rehearsed every answer you'll ever ask.



That's why I record these videos and write these reports. Because I want you to see through the tricks before you lose your money.

The first red flag is **high returns**.

If you spot it, you've already saved yourself a fortune.

Red Flag 1

In "Red Flag 1: The Trap of High Returns," discover the deceptive world of high-yield investments that promise returns too good to be true. This eye-opening guide reveals the red flags of schemes that prey on your desire for wealth, exposing the tricks of exact pricing and misleading past performance. Protect your hard-earned savings by learning to recognize the signs before it's too late.

