

## UK Victims Warned Over Crypto Recovery Scam

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British citizens are being urged to remain vigilant as cybercriminals launch sophisticated scams posing as legal professionals who claim they can recover lost cryptocurrency. Authorities say these frauds are growing in frequency, targeting vulnerable people who have already suffered financial losses, with the elderly and those desperate to recover investments most at risk.

The warning comes as the United States Federal Bureau of Investigation (FBI) issued an advisory on the trend, after reporting cases of fake recovery firms defrauding victims twice over. While the alert was made in America, similar schemes have been identified in the United Kingdom, prompting calls for renewed awareness from UK regulators and police.

The **Financial Conduct Authority (FCA)** and **Action Fraud**, the UK's national fraud reporting centre, have highlighted cases where victims of initial cryptocurrency scams are contacted by so-called recovery agents. These agents present themselves as lawyers or investigators and offer to help reclaim stolen funds.

However, instead of assisting, they demand upfront fees or personal information, leaving victims facing further financial loss. Action Fraud says that in many cases, scammers use fake documents or claim to be working in partnership with government agencies, a tactic that can appear convincing to those under stress.

"Fraudsters exploit the desperation of those who have already lost money," an Action Fraud spokesperson explained. "Anyone approached by firms claiming official links to law enforcement or regulators should be extremely cautious. No legitimate UK authority works with private companies to recover crypto losses in this way."

The FBI and FCA both outline several red flags that victims should be aware of:

**False claims of government partnerships:** No private law firm or agency has an official partnership with the FCA, the Metropolitan Police, or any other regulator to recover cryptocurrency.

**Pressure tactics:** Scammers often push victims to act quickly, warning that recovery opportunities will expire.

**Requests for upfront payments:** Demands for processing fees, "legal costs," or taxes in advance are a clear indication of fraud.

**Unsolicited contact:** Many victims report receiving unexpected messages through social media or messaging apps from people posing as legal experts.

The FCA advises that anyone contacted by a supposed recovery firm should check its registration on the regulator's public database. If the firm is not listed, it is likely to be fraudulent.

Cryptocurrency-related fraud has been on the rise in the UK. According to Action Fraud, losses from crypto investment scams were reported to be more than £300 million in 2023, with thousands of victims across the country. The recovery frauds compound the harm, preying on individuals already struggling with financial loss.

Consumer protection groups warn that the psychological toll can be just as severe as the financial hit. Victims often feel shame, isolation, and helplessness, which can prevent them from seeking help. “It is important to remember that anyone can fall victim to fraud,” says the charity **Victim Support**. “These scams are deliberately designed to be convincing and manipulative.”

The Metropolitan Police cybercrime unit has been working with partners, including the National Crime Agency (NCA), to investigate fraud networks targeting people in the United Kingdom. However, the cross-border nature of cryptocurrency fraud makes it difficult to investigate and prosecute offenders.

Authorities urge victims not to send any further money or details to suspicious firms and instead to report all attempts to **Action Fraud** and the **FCA**. Victims can also seek free, confidential support through **Citizens Advice** and other charities specialising in financial crime.

Experts recommend the following steps to avoid becoming a victim of recovery scams:

**Verify firms with the FCA:** Always check the official FCA register before engaging with any financial or legal company.

**Be sceptical of cold calls or messages:** Legitimate firms do not approach victims out of the blue through WhatsApp, Telegram, or social media.

**Never pay upfront fees:** Reputable organisations do not demand advance payments for recovery services.

**Report suspicious contact:** Forward emails, texts, or calls to **Action Fraud** or the FCA’s helpline.

The resurgence of recovery scams highlights the need for greater awareness among the British public, particularly as cryptocurrency investment continues to attract interest. With

digital assets remaining largely unregulated, fraudsters exploit gaps in understanding and oversight.

Authorities stress that while the promise of recovering lost investments may seem appealing, these schemes almost always end in further loss. Protecting consumers requires vigilance, education, and timely reporting.

“Prevention is the strongest tool we have,” the FCA spokesperson concluded. “If something sounds too good to be true, it usually is. The best defence is caution.”