

Pyramid selling: advice for the public and communities

How to spot pyramid selling, avoid the risks of participating in it and report it.

Pyramid selling happens when participants in a scheme are financially compensated by other people paying into the scheme rather than by the selling of a product or service. They:

- depend upon new members being recruited to pay in
- rely upon members promoting the scheme to their family, friends and colleagues
- fall apart – nine out of ten participants will lose their money

Don't

- join a pyramid selling scheme – you're likely to lose your money
- ask your family or friends to join – they could also lose their money
- establish, operate or promote a pyramid selling scheme – it is illegal and you risk a criminal conviction, a prison sentence and a fine

Do

- report anyone who operates or promotes a pyramid selling scheme
- stop your family, friends and colleagues from joining a pyramid selling scheme

If you join a pyramid selling scheme you're likely to lose your money. If you promote or operate one you could go to prison.

Summary developed by the Competition and Markets Authority, Action Fraud, Citizens Advice and the National Trading Standards Scambuster Teams.



How does the law protect you from pyramid selling?

Pyramid selling schemes are illegal and people who establish, operate or promote them can be prosecuted under the Consumer Protection from Unfair Trading Regulations 2008.

Nine people have been convicted under this law during 2012-14.

Read more here:
www.bit.ly/pyramidcase

To report a pyramid selling scheme

Call Action Fraud on
0300 123 2040

Visit www.actionfraud.police.uk

Call Citizens Advice on
03454 040506

In Northern Ireland, visit
www.consumerline.org or
call 0300 1236262

These materials do not constitute legal advice and should not be relied upon as such.