

How do financial boiler rooms operate?

They act through channels that are also used by legally authorised entities:



1) The telephone: it allows the use of certain techniques that are based on psychological pressure

2) Letters and advertising material

3) Internet: they usually operate through webpages with a high technical quality appearance and an impressive design



They often use financial technicalities in order to transmit the impression that they are experts in the field. In reality, their objective is to confuse the investor and make him trust them



They promise high returns, with no risk involved



They put pressure on the investor to make an immediate decision since:

-They want to obtain the money as quickly as possible

-They know that if the investor asks for professional advice or mulls over the offer, it will end up being rejected



It is essential to understand the characteristics and risks of the product before acquiring it