

How to Identify Forex Scams

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Quickly Learn How to Identify Forex Scams
Before They Steal Your Money

Never get fooled by another Forex scam offer again thanks to this explanation of how they work. Once you understand those 20 components of the most common scams you will see every product and website differently.

When that Forex Scammer started to threaten my wife I realized that it's getting serious. I do not know how, but he was able to run some research on me using my email and probably found my wife and my home address on Facebook. After all, I think he was just bluffing, but when he asked me if he could make a visit to meet my wife and have a chat with her, I realized that it's not worth risk to have anything in common with that scammer.

Losing \$255 USD was not that much of a big deal, but still I have been working hard to earn that money, why should I give them away to some scammer? When he put my family in danger I just let go of that money.

I cannot definitely reveal any more details about this purchase, for obvious reasons, but I will just mention that after I bought a Forex robot it wasn't the product that was advertised on the website.

I hope you've never been scammed yet online and I want to give you some really great tips on how to identify Forex scams, both online and offline. If you were scammed before you will definitely find many of these tips as mistakes you already did or just something that you should have checked before you made that purchase. In any case, I deeply hope you will never be scammed again.

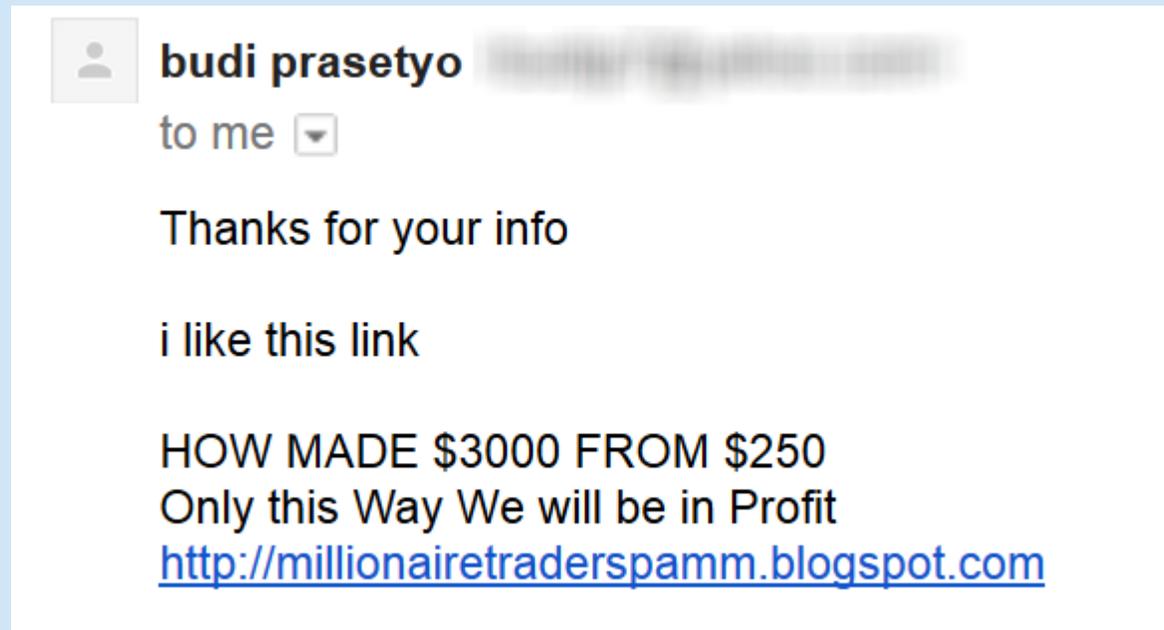
Now, let's start with the very first, and in my opinion, best advice which will help you avoid Forex scam products, and not just Forex products. Literally it will help you spot any products sold online which could be potentially a scam.

NOTE! Remember, that each of these tips alone may not prove that some product is a scam, but each of them adds more and more suspicious. What I mean that if you find product that falls under several of these categories explained below you should highly consider and double check before purchasing. Be smart, check several times before you make a purchase.

1. You found the product website from a Spam email or Spam forum post.

While there might be exceptions when a genuine email ends up in your Spam or promotions folder, majority of those will likely to be pure spam for sure.

I mean would you trust anything that's behind this URL you see in this Spam email I received the other day?



Now I won't bother to add this URL here, if you want to try visit this website you will have to type it in your browser's address bar, but it could be that it won't exist in a few months.

First it starts by saying "Thanks for your info", but I never send them anything. This alone makes it look suspicious.

I am sure it is pretty obvious for everyone to stay away or at least be very suspicious about the websites you find in Spam emails, but I just want to let you know that there were cases when my legit customers sent me similar spam emails. I was surprised at first to see them, but later I found out that the person just got a virus in his computer system that sent those emails without his knowledge. So my point here is that not every person who sends you Spam emails is a spammer, but it is likely that those emails will have website address which is 99% or even 100% pure spam or scam.

So if you want to know which product is likely to be a scam just go to your Spam folder and visit few of them. Be careful and do not do this without anti-virus software as you will be at risk getting a virus.

2. Payment gateway

Check what payment gateway is used by the company or the individual selling you a product. If this term sounds too technical to understand, payment gateway is simply the system which allows companies to charge money from your credit card, PayPal or other payment options. There are hundreds if not thousands of companies online offering such service and there will definitely be some of them who are scams. But this is not about payment gateways that are scams, as that would probably take another book to write about. It's just about the payment gateways who seem to be legit, but ... mmm... lets just say their policies or requirements for the vendors are not that high as other payment gateway companies have.

A good example is the company named Clickbank, which is definitely a high trusted payment processor. I know many of you reading this probably were scammed already by someone selling their product on Clickbank earlier, but I would just want to note that Clickbank is one of the most popular and one of the biggest companies online of its kind. Just 5 or so years ago it wasn't that good to identify scam products being sold on their system. They were slow to identify and block them, but nowadays you can trust Clickbank for sure. They have a policy that every product sold on Clickbank needs to offer 60 days money back guarantee and the best thing about it is that refund comes from the Clickbank, not from the vendor.

In other words, if you buy a product sold on Clickbank and want a refund in 60 days the vendor cannot do much about it. You just open a refund request and Clickbank will grant it in 24 hours or so. It's up to the vendor to contact you and give you some kind of a special offer or solve a problem you might have with their product so you would cancel your refund request with them.

I remember bought some cheap informational product on Clickbank and I did not liked it. So I asked for a refund and I got contacted by the vendor in less than an hour offering me an upgrade to their VIP plan where I will get tons more of information and training at no extra cost. I did not took their offer and never used their training after all so Clickbank just did a refund. But you know what, it was really professional from the vendor side to send me that offer just to avoid a refund.

Sellers need as low refund rates as possible because that makes their product more popular on CB. If they have a product with high refund rate they could even get banned from CB completely. So, every vendor on Clickbank should be highly interested to have low refund rates and this means they need to offer quality services and products.

This does not mean that you, as a client, can purchase every product and then request a refund after you get the benefit out of the product. There is a protection for vendors as well and you will get banned from purchasing any products on CB in the future if you do a suspicious series of refunds. So do not abuse this and do not ruin their respectable refund policy.

You can [read more about Clickbank refund policy here](#).

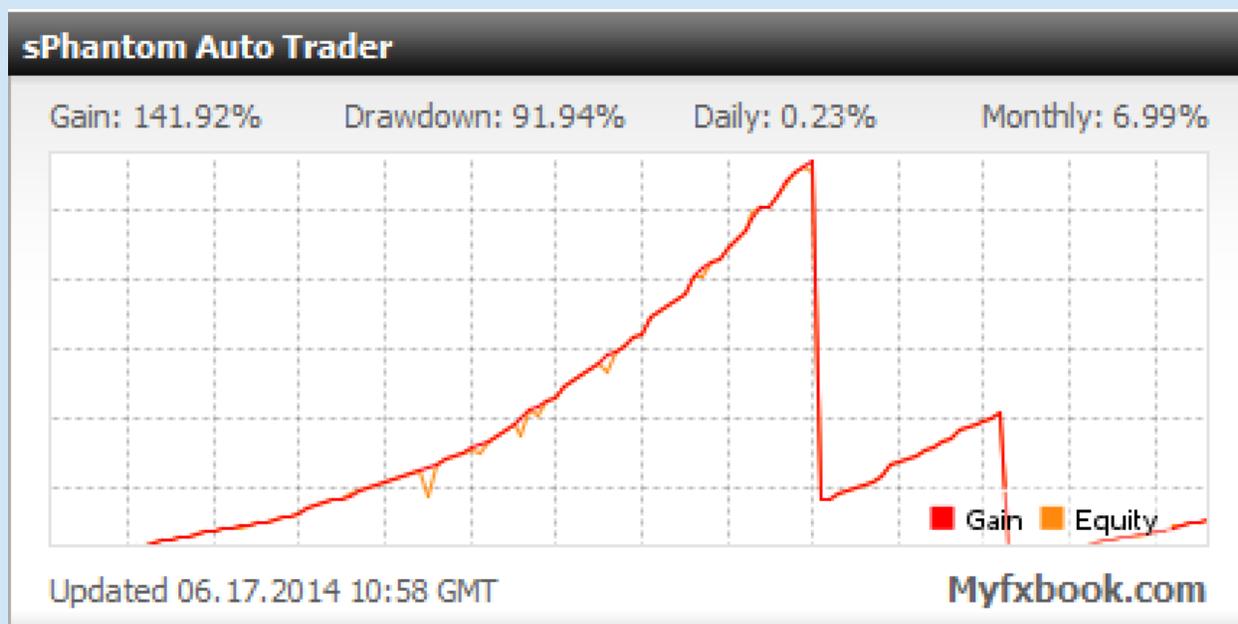
Now here's another story about different refund policy. There is this payment gateway Avangate and their refund policies are quite different from ClickBank's policies. It's not that

it is a bad thing, but it means that you should pay close attention to refund policies not only from the seller/vendor, but from the payment gateway they use. If you [read Avangate's refund policies](#) it clearly explains that they will grant a refund only if seller will approve it (at the moment I write this eBook is 2014 June). This means if the seller will not want to refund your money you won't get them back.

Actually this was the case for me and my friend when we purchased a trading robot sPhantom at the beginning of 2014. There were no refund policies explained online and they did not even gave us promise for a refund actually, so we cannot blame the seller, but this just proves that if seller does not want to give you a refund you just won't get your money back and Avangate will not help you there at all. There might be exceptions, of course, but mostly you won't get a refund without seller approval.

So we started testing sPhantom and after 30 days or so he lost almost all money on our testing account.

And this wasn't just out account. Everyone using this robot on live real money accounts lost their capital including vendor itself. He still has that website online showing you this losing track record. Here's the screenshot of it below.



Of course we joined trading this strategy before that huge loss. Later you can see it happened again.

This brings us to the next step when identifying Forex scam products and that is backtest results.

3. Never EVER take backtest results for granted

Okay, so I will start with the short explanation why you should never trust backtest results as a form of prediction of future results. First, backtest will only tell you if the trading strategy WAS profitable in the past, and this information is still hypothetical. It does not tell you how it will perform in the future.

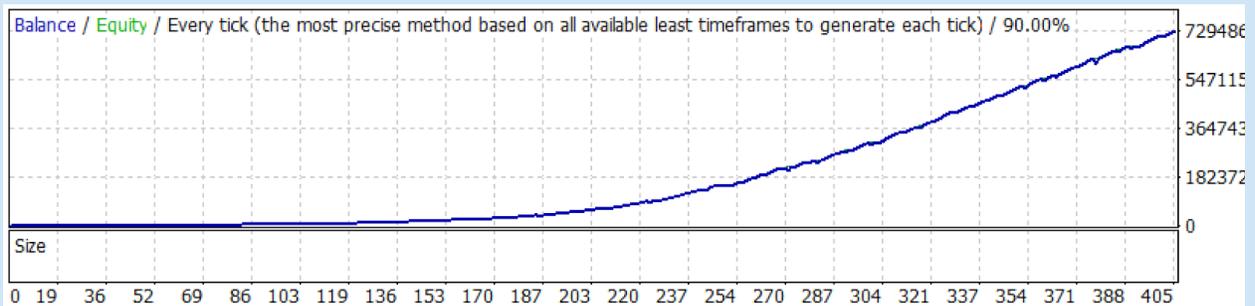
Secondly, most of backtests are performed based on the 90% modeling quality. This means the rest 10% is not known and this could be anything. So if you add 10% of bad trades (as that what it could potentially be) to any backtest it will be totally different no matter how good it looks right now.

And third thing is that even with a 99% modeling quality (which takes a lot of work to do) there is no guarantee that these results will predict how well the system will be in the future. In that missing 1% there will be spreads that get widened during news released, different price feeds, internet connection failures, computer or VPS failures, software failures, broker server delays or failures, price spikes, etc. There are so many factors that affect this and all of that can never be simulated during a backtest. So all these things, that people does not give much thought about when they see a profitable backtest result, are actually in that one missing percent which makes modeling quality of just 99% instead of 100%. Personally I would not trust backtest with 100% modeling quality, if this existed somehow. This just does not prove that any trading strategy will make you money in the future.

If you want to test a trading robot, test it live on a real money or demo account and do this for 6 months minimum. Yes, this does not sound sexy, but even this does not guarantee you profits in the future. Sucks, I know, but that's the reality and people should understand this. I have wrote another eBook only on that topic as I feel this is the best way to test trading systems, especially automated systems.

However, when you show that trading track record of 6 months on your live real money account you can say "I did this. Here are my results". Those results won't be hypothetical and will act as a real genuine proof.

Here's the Strategy Tester backtest results of sPhantom from 2012.01.01 until 2013.05.15).



This is just a pure truth of how backtests does not show you anything useful. Looking at this backtest this strategy has been working for almost 1 and a half year and produced well over \$700,000 profits. Yet, when it was started on a live real money account it blew it in a 1 month or so.

So I suspected that this can happen and this is why we tested the robot on demo and a very small real money account. When robot failed and lost that account we requested a refund, but just never got any response from the seller. Not a single email explaining anything. And you know what, we were not alone. If you Google for "sphantom refund" you will find lots of websites discussing the same experience.

Now do not take this incorrectly, I wouldn't call sPhantom a scam because he did not guaranteed or promised us refunds, but I would just say that in my opinion he could have explained that no refunds are available after the purchase and he could have done this before people bought his product.

So the final take from this step is that you should not get too excited when you see good backtest results. Now sPhantom also had a profitable and genuine Myfxbook verified trading record, that's what made us interested to try this product, but majority of products with just a backtest won't have verified live track record to show. This actually comes to the next step when identifying if Forex product is a scam.

4. Verified Myfxbook trading record

If Forex product does not have a verified Myfxbook trading record you should stay away from it or at least do much more research before buying it. But if you are like me, who values time and does not waste it on products that are not worth it, you can just close any Forex product website after you find out it does not have Myfxbook results.

And make sure you do not fall for those products who add just images of Myfxbook results. This actually makes it easy to identify if Forex product is a scam just by that. If they have screenshots of their really profitable Myfxbook account, but do not give you real access to this portfolio on the original Myfxbook site, then it's probably a scam. Do not fall for that. Some sellers might tell you that they do not have time for this, but actually it's just stupid thing to say. How come they do not have 5 minutes time to setup a Myfxbook account, but they do have hours of time to fake screenshots of the Myfxbook accounts, design them with their own texts and graphics and then upload to their site. It just does not make any sense.

Now if there is no Myfxbook results on the website you should ask the seller to provide one and if they won't do this for any reason they are much likely not telling you everything and have something to hide. For me this means just to stay away from such sellers.

So if there are verified Myfxbook results does it mean we can trust the seller 100%? Definitely no, you still need to take next steps to verify the seller. For example, one of the most brazen Forex robot scams I know, the mt4forexrobot.com (not sure if this site still exists as they change domain names regularly), does have Myfxbook results. They do not give the link to that Myfxbook page and just share screenshots on their site, but I have been able to find that results page using Google. It does look shady though and I believe they just know how to manipulate those results somehow. You can [read more details about this scam on my blog](#) at ea-coder.com.

5. Arbitrage trading scams

If the Forex product is about arbitrage just stay away from it. That is a simple tip and I really mean it. There are so many people who got scammed by these kind of products and yes, mt4forexrobot is one of them. Just look at [all these bad reviews on FPA](#).

Usually these types of accounts are reported as real accounts when they are actually demo accounts and this is what makes people to believe they just found a gold mine.

Myfxbook offers a variety of ways to mark things between different accounts. For instance, you can mark a demo account as a real account. Why do this? By marking a demo account as a real account, the trader or investor can actually use a faster execution of a demo account to their advantage. So in reality the trader would be using demo account with a faster execution, but people seeing these trading results on a Myfxbook website will think that this was done on a real money account.

Due to slippage and requotes, a lot of trading systems, like arbitrage systems, do not work on real accounts. Therefore in order to use them, they have to be seen as a demo account. Trades that have a short second trade duration (usually 1-2 seconds) often generate huge profits. This is done via demo accounts which have a trading latency between MT4 and the real price feed.

Basically, a MT4 demo account lags just a little behind what the real price is. This is especially true during news events, and it is impossible to take advantage in real life. This can be seen easier during NFP or during interest rate decisions. The MT4 price will actually freeze for a few seconds before the price will suddenly gap either up or down. However, the real price on real money accounts does not gap.

A demo account can take advantage of a delay due to its trading latency. If this is attempted in real life on a real money account, your order would never actually be filled. You should note the duration of each trade, and you can see this if the trade history is open.

Now some of these scammers might give you investor password access to their MT4 account which will look like a real proof of their amazing trading record, but do not fall for that either. This alone does not prove that the system is genuine.

The methods of cheating are extremely limited when you are logged in with investor access. Like in any other business, there are a small number of bad brokers. They have been known to cooperate with scammers. The trading environments that they create allow scalping bots to make huge profits. However, this is only for the seller, and those that try to reproduce it will often find their accounts suffering.

There is one other thing that you need to watch out for. Cent accounts have 1/100th the money that actually appears in the account, and 000 accounts have 1/1000th the money. These allow scammers to appear to be trading larger sums than what they actually are. Often times, these scammers having multiple accounts, and they will then provide you with the investor access of the best ones.

In order to combat this possibility, you should follow the account for several months and see if it continues to show performance consistent with what you see in the investor history.

Those trading results in the MT4 can also be faked if it's connected to an unverified 3rd party server.

6. Myfxbook private and hidden data

I am sure you know what [Myfxbook](#) is, but if you don't, then do yourself a favor and explore it today. This is truly one of the best tools for traders.

Many product sellers share their trading record on Myfxbook and you probably have seen Myfxbook results that have hidden statistics. These are hidden from the public and just say "Private". It can be account balance, equity, lots sizes, history trades, open trades, open positions, etc. Means that these numbers are not visible to the public.

Yes, it makes sense to hide pending orders that are not triggered yet just to avoid people copying those trades by manually placing them on their accounts, but personally I do not think it is a good sign when you see open market orders hidden.

While there could be cases when reputable traders hide open trades list, often cases will be that someone do not want you to know the whole truth behind their trading strategy. I mean it could be that there are lots of floating loss trades open and seller does not want you to see this.

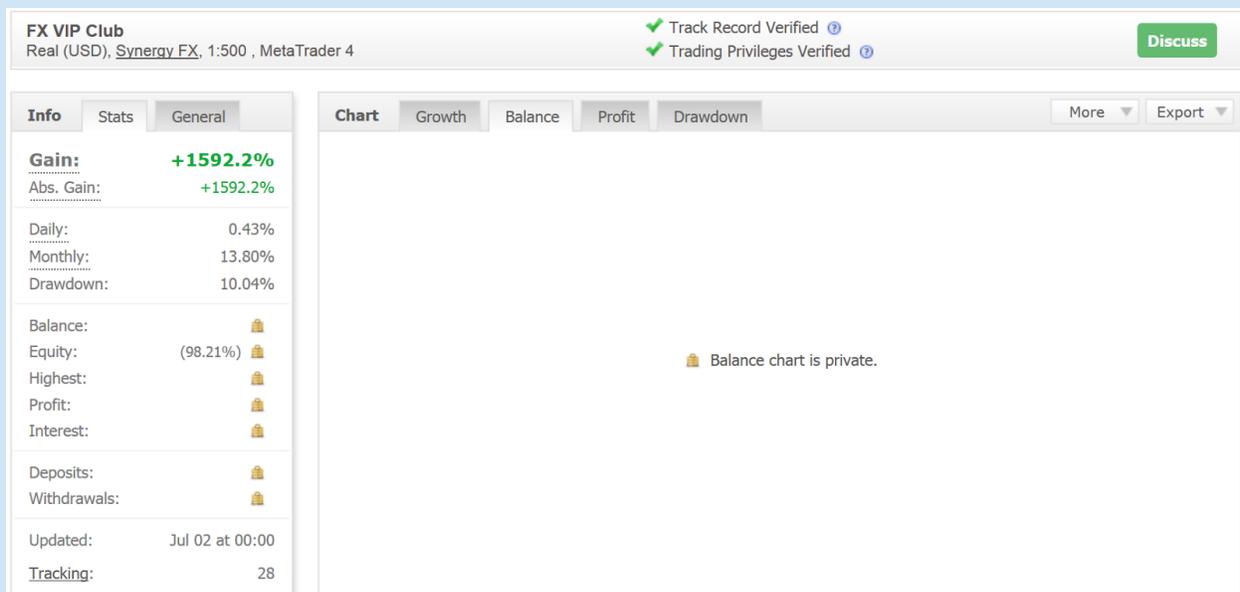
Imagine if I create a trading robot that does not use a stop loss and only close trades at the take profit. If I use it on a big demo account with a small lot size it could hold any losing positions open for days, weeks or even months before it gets closed. So this means people will only see profitable trades closed and those positions floating in a huge loss will be hidden.

Another case could be that the seller actually don't want you to see how big his account actually is. Say you have \$100 real money account and trade micro or even nano lots. You make nice profit in terms of percentage, say 50% profit, but in terms of money that is only \$50. So if you show this as is to your customers it would be considered fair and honest results.

But if dishonest sellers and marketers claim to make hundreds of thousands or even millions of dollars, which in reality is not true, they will need to hide their account balance size and other account stats as well. So customers will only see 50% gain and will start building dreams about running that trading robot on their own \$10,000 account or bigger.

Now this potentially could turn out to be profitable, but lets face the truth here. The trading on a \$100 account with micro or nano lots and trading on a \$10,000 account with full lots would make a really big difference.

Here's a screenshot of a "private" Myfxbook profile.



Now this alone does not mean they are a scam, but for me it's a red light for sure.

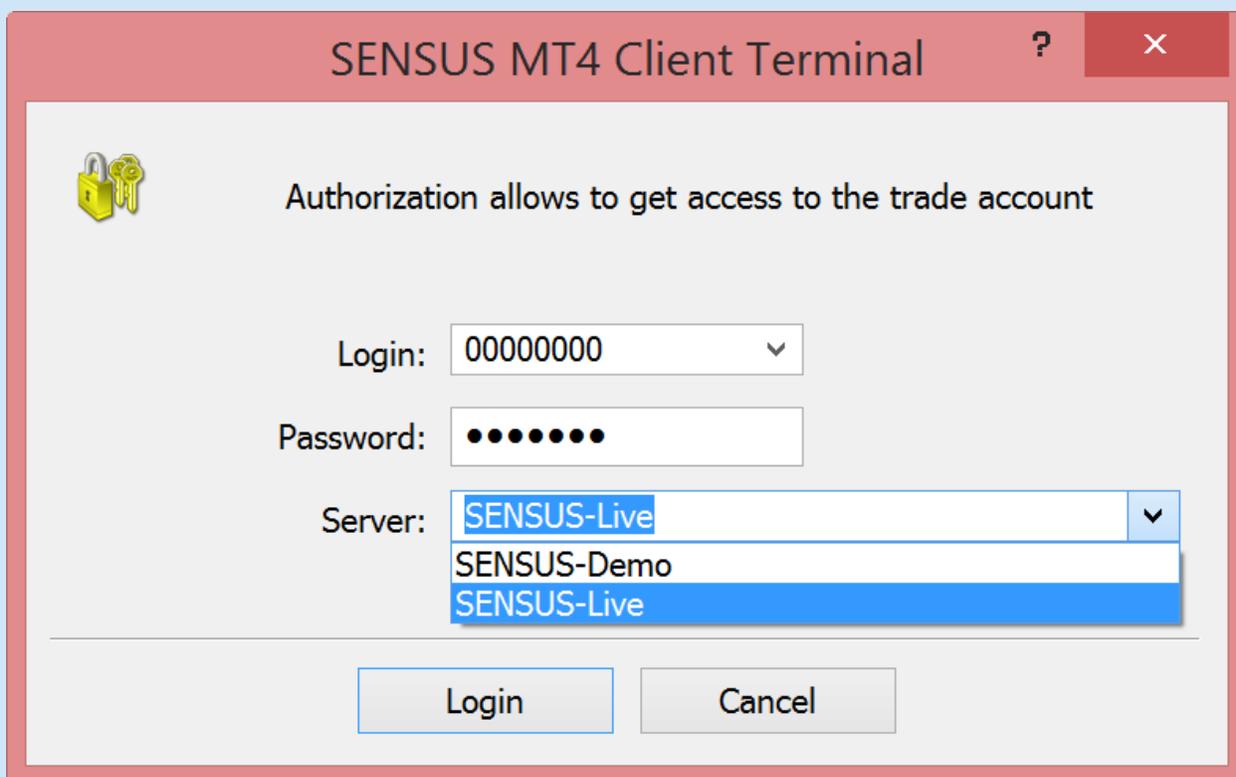
So next time you will see private data on Myfxbook ask yourself what is he trying to hide and why? Ask the seller about this or even better just close that page and forget about it.

7. Don't trust investor password with IP address

Now you probably know what an investor password is, but in case you don't, let me explain. MT4 account can have two passwords. One is called master password or the main password and the other is called investor password. Now the master password is the one you use to connect to the MT4 account to trade currencies. It gives you full rights.

The investor password is named like that not by mistake. It's the password that you can share with your potential investors so they could log in to your account and see how well you are doing. Of course it's a read only access and investor can only view information in your account with all the open and closed positions in real time. Such account access does not allow to modify any positions or open new ones.

Now when you log into the MT4 account you will always need to choose a server and nearly all brokers give you server name only. There could be exceptions, but there are no brokers that have IP addresses listed in the login window. They always list their server names.



This means that if someone is giving you investor password with a server IP address instead of the server name, take this as a caution that something might not be right about this.

It could be that the seller will give you a server IP address instead of a server name, because this allows you to connect to another broker's server from any MT4 platform (even from another broker's MT4), and there is nothing wrong about it. But the same login information should also work with the original broker platform and server name chosen instead of using IP address.

An example would be if someone gives you an investor password access to their MT4 trading account and instead of saying that you need to connect to the "SENSUS-Live" server (from the drop box that the official Sensus Capital Markets MT4 platform has), they give you an IP address something like 187.325.112.34:443 (this is a non-existent IP address just for the sake of this example).

This alone does not prove that it's a scam, but it would add up to that conclusion if you find few more things to be true explained in this eBook.

So why this could be a scam? It's because someone can have a fake MT4 server running somewhere with a fake trading results and the only way to connect your MT4 to that server is to enter an IP address directly into the login window. So this means that you might run a MT4 platform from Alpari UK (or some other well-known broker) and login to some 3rd party server that will show you fake trading results.

8. Profit reported only in pips.

There is this trick when you can literally make hundreds of pips in profit, but yet end up losing your money while you are still well profitable in terms of pips.

For someone who sees this for the first time it usually sounds something like a mistake, but it is not. Yes, you can make +1000 pips profit and lose your money with that.

This is simply done by using partial close technique and MT4 has this option. It is quite popular among forex traders as this allows you to close the portion of the trade and leave the remaining trade run for a little longer. It's a great option, but it can also be used by scammers to trick traders.

So how it is used to fake trading results in terms of pips?

You probably know how hard it is to win in Forex, but once you get into profit of lets say 10 pips, using this trick it is your chance to make many pips.

Imagine you had 5 trades, all were losers and all were full lot trades. You had 10 pips stop loss on each of those trades so the result normally would be -50 pips and approximately - \$500 USD. Not too sexy to show this to anyone as your trading results, right? However using this trick you can produce +940 pips and end up with -\$30.2 USD. Now that's another story and many people would fall for this when they see that many pips in profit.

Okay, so lets dig deeper. Lets say one of those 5 trades went into profit of 10 pips at some point and only then reversed and hit the stop loss leaving you with a loss. The rest 4 trades went straight into loss.

What if at that moment when that 1st trade was at +10 pips you can partially close the trade 10 times and 0.01 lot each?

That means you close 0.01 lot from the total of 1.0 lot. This leaves you with 0.99 lots open and 0.01 closed which banks you +10 pips and +\$0.1 dollars.

Now you repeat this 9 more times and you are left with 0.9 lots open and 10 x 0.01 trades closed that banked you 10 x 10 pips = 100 pips and +\$1.

Are you still with me? Do you see where this is going?

What if we repeat this process again and again until we are left with just 0.01 lot running? This would mean we just closed 100 trades each 0.01 lot size and +10 pips. Now we could close that remaining trade too, but for fun and sake of this demonstration lets say it hits -10 pips stop loss just like the other 4 full lot size trades. So we have banked 990 pips - 50 pips = 940 pips.

And in terms of dollars that is:

$$0.01 \text{ lot} = +\$0.1 \times 99 = \$9.9$$

$$-0.01 \text{ lot} = -\$0.1$$

$$-1.0 \text{ lot} \times 4 = -4 \text{ lots} = -\$40$$

$$\$9.9 - \$0.1 - \$40 = -\$30.2$$

So at the end we are in loss of -\$30.2 USD because we lost all 5 trades, but in terms of pips we are in profit at +940 pips.

So do not fall for thousands of pips in profits, look if there are results provided in terms of currency and/or percentage.

9. Non-Professionally Looking Website.

I was reading forums the other day about some Forex website and saw someone explaining why that particular site looks like scam to them. The guy said things like "the site is rife with spelling mistakes and is made on a free WordPress template".

Now I thought that this actually could be a signal of a scam website, but the fact that a new product is not yet a world-class and is sold on a simple website without a million dollar design does not necessary makes it a scam. It definitely could be the case, but actually if software developers are from France or some other non-English speaking country then spelling mistakes don't really matter that much. And as for the free WordPress template, maybe they are designing new one right now at this very moment and just started the site with a free template to not procrastinate the launch of their product.

So my take on this is that you don't take a non-professionally looking websites as a scam, but always check twice and then check again if you see any other suspicious stuff.

Actually, I think that scams can be on a professionally designed website as often as on a poor looking websites. I even had an incident with one website in 2014 which turned out to be a scam and that website was looking really well designed. It had lots of other things that I often see as "scam alerts", but besides those the site really had that professional look. So don't get fooled.

10. Spam activities on social media sites.

Now it's a fact that scammers are often spammers. They definitely won't be advertising like all other genuine websites does and in most cases could be even banned from advertising agency or even not approved. So the only thing that's left for them to find customers is to spam.

Ahhh, this one is my favorite. When I see a spam from some website it kind of gives itself away. One of my favorite ways to find such spam activity is to go to Twitter.

There's this well-known Forex scam online, and I am really surprised how no one shuts it down for so many years. It is a website at www.mt4fxrobot.com. Now this site may not exist now as they change domain names every other month or so, but right now it is online.

So the trick here is to go on Twitter and search for this URL.

To make it easier for you just click this link to go directly to the Twitter search results page.

<https://twitter.com/search?q=mt4fxrobot.com>

Results for mt4fxrobot.com Save

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 **Mei Chan Li** @MeiChanForex · 4m 🌐
这个FX外汇交易机器人赚的比你花的还快, 配合ECN经纪人每月在真实账户赚得超过\$50,000。 mt4fxrobot.com/chn/

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 **Ciera Adelia** @ciera_forex · 11m 🌐
El Robot puede reconocer el movimiento de precios en los próximos segundos, por eso puede ganar dinero facilmente mt4fxrobot.com/es

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95% der FX Händler verlieren Geld. Durch FX Robot gehören Sie zu 5% die tatsächlich Geld verdienen. Ganz einfach. mt4fxrobot.com

Expand ↩ Reply ↻ Retweet ★ Favorite ⋮ More

We get hundreds if not thousands of tweets with this URL. So what does it tell you about people and Twitter users (which are likely to be fake and operated by the same group of individuals) who promote a scam product? Would you ever believe a word they say?

You can see these profiles have pictures of sexy and well looking women or men that look like real business people. If you open these profiles one at a time you will see the same profile link that leads to the same scam website. All they do is promise thousands of dollars in profit made every month. They usually have the same background image for most of these profiles and tweet the same URL over and over again day and night.

By the way, it's the same Arbitrage scam I was talking earlier. You can [read bad reviews about this scam here](#).

11. The use of “Exit popups”.

Okay, so I am not going to state that all sites that use exit popups are scam, but it's another alert for me. Legit business use this “Exit popup” technique too sometimes, but for me it's a sign that it's something not right, because mostly all scam product sites use this. So again, do more research.

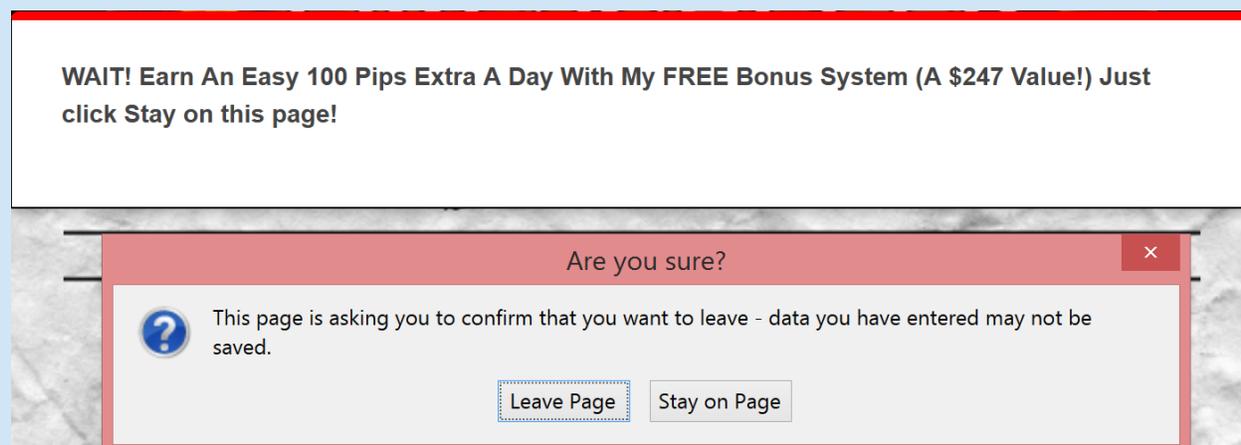
For those who do not know what an “Exit popup” is let me explain. It's when you visit some website and when you want to leave it, it immediately pops up a window insisting you to stay on the page and receive some kind of a discount or a better offer. If you leave the site then you leave it for all. If you decide to stay it usually redirects you to another page where you get a “one time only chance” to get the same product with a 50% discount or whatever the deal is.

You can actually do this over and over again (come back to the same website, hit close button and then stay on the page when it asks you to) and you will still receive the same discount offer which usually states that it is a one-time offer. It's a scarcity technique that marketers are using to make you think that this is some kind of a special offer and that you are a very special person, the lucky one, and you will not ever see this again. This makes people to buy more often.

I remember I saw some pages that had 3 exit popups. I think original product price was \$249 and when I tried to leave the site it gave me exit popup with an offer to get the same product for \$149. Then I tried to leave the site again and got the offer to get it for \$99 and then finally for \$49. I left the site and then repeat this same process few times. It did the same thing over and over again. So if you ever want to buy some product (most likely suspicious product) make sure you check if they use "exit popups" with special offers. You could get a better price.

Oh, and for me such price drop off is just a pure scam offer. If I buy that for \$249 and then later found out about this "exit popup" that allows me to get the same product for \$49, I would see this as "Hey loser, we just made you pay 5x times bigger on a product that is worth only \$49". And if a product is sold like this I would also think twice if it's even worth \$49 after all.

Here's an example how exit popup looks like on Mozilla Firefox.



This offer particularly does not look like scam as it just gives away free trading strategy, but I have added this as an example only for you to see how exit popup looks like. So when I click "Stay on Page" button it redirects me to another page which gives me this trading strategy for free if I enter my email address. So what these sellers are trying to do is to get your email address in order to reach you later and that is completely normal if you like and want this offer.

Now how would honest marketers and sellers use this same "exit popup" technique? After you decide to stay on the page after "Exit popup" they would offer you a trial period for \$1 to try their product first or something like this. Now this would sound like a really good offer. What I mean they will not give you a huge price drop off as that would be dishonest to the full-price buyers.

12. Ask seller "silly" questions.

This one can help you find out about the seller a lot. Most of scammers are usually arrogant and angry people who do not want ever show their face to the public, stay anonymous and just get paid for their scam work.

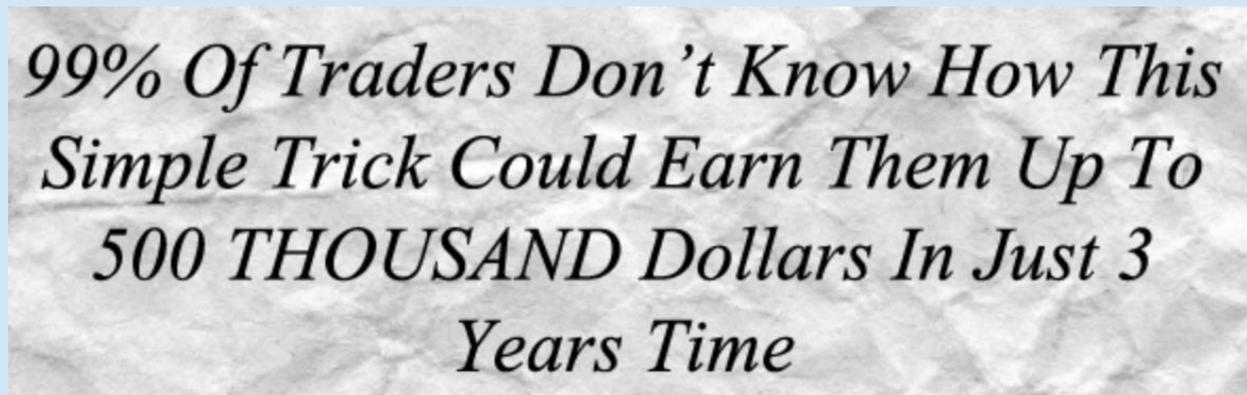
What you need to do is to ask silly questions before you make the purchase. Best is to go on the website's F.A.Q. section where you will find questions answered and then send couple of them to the seller. If he responds nicely, gives you good answer and explanation or simply kindly directs you to read the F.A.Q. section it looks like all is fine here.

But if you see that his answers sound a bit like "don't you see this question is already answered on the FAQ page?" you might want to send couple more questions from the same F.A.Q. page. This will make you look like a lazy visitor who does not bother to read anything and asks questions, but if the seller is running his business without any respect to the customer then probably you might not want to have any business with him after all.

In other words, if his answers sound like "hey stupid, can't you read?" it probably means that you will not get good support after the purchase.

13. Product name makes you think that it's probably just another scam.

If it sounds like a scam then it probably is a scam. For me statements like these below alert about possible scam product for sure.



"99% Of Traders Don't Know How This Simple Trick Could Earn Them Up To 500 THOUSAND Dollars In Just 3 Years Time".

Good thing it says "could earn", so this does not entirely make it a guarantee statement. But still, \$500k in 3 years? Well, I am sure that is possible with a \$300,000 account. You just earn 20% a year (which is considered quite a lot in Forex trading business) and that will become around \$518k in 3 years.

Now, do you have a \$300k trading account? You do? Great! Would you use a \$47 trading robot on a \$300k account for 3 full years? Would you honestly believe that it can grow your account to \$500k? Yeah, that's what I thought. It does not make any sense.

Okay, so let me calm down a bit and take another look at this. I have my own trading robot who doubled my own \$5,000 real money trading account in just 12 months. And a year

before that the same EA doubled my demo account first. So it did this twice. What I am trying to say here is that it is possible to earn good profits in Forex. Look at it this way, you just need to double \$4,000 account 8x times to earn a million dollars.

Numbers are simple like that.

Start with \$4,000.

Doubled 1st time: \$8,000

Doubled 2nd time: \$16,000

Doubled 3rd time: \$32,000

Doubled 4th time: \$64,000

Doubled 5th time: \$128,000

Doubled 6th time: \$256,000

Doubled 7th time: \$512,000

Doubled 8th time: \$1,024,000

Looks simple right? Unfortunately these are just numbers. Imagine yourself if you even reach say 4th level here and have a \$64,000 in your account. You would think, hey, I started from \$4,000 and now have \$60,000 net profit. Should I continue and risk that money or just take them and enjoy the life? What about the 7th level? You have a half a million dollars. Would you still stick to your plan and won't take a penny out of it? Yeah, that's what I thought too.

Be realistic. Don't fall for a dream that it's going to be easy and fast. It will be hard and slow. It's the ugly truth about Forex that no one wants you to know. Most of brokers, coaches, trading experts, analytics and sellers just want you to put your money into Forex and try it over and over and over and over again. Sadly this is true. So best what you can do is surround yourself with honest people in the same industry. Don't fall for those promises to get to quick riches by taking some shortcuts.

And now if you are curious what you can do with the money after you double your account, [take a look at this article](#) I wrote some time ago.

14. Run a WHOIS search on the product domain.

Of all the things that make a scammy looking website to look more suspicious is the domain name that is newly registered. This is very common. Sellers register new domain name for 1 year, try to earn as much money as they can with their scam product and then disappear.

Now I am not saying that this particular site and product is a scam, although it has lots of scammy things on their site, but I give this just as an example.

I ran a WHOIS search on <http://who.is/> and here are the results.

● Raw Registrar Data

```
Domain Name: FIRESKALPER.COM
Registry Domain ID: 1843723032_DOMAIN_COM-VRSN
Registrar WHOIS Server: whois.enom.com
Registrar URL: www.enom.com
Updated Date: 2014-01-21 11:23:47Z
Creation Date: 2014-01-21 19:23:00Z
Registrar Registration Expiration Date: 2015-01-21 19:23:00Z
```

The website registered half a year ago and only for 1 year. They claim to know the trick that can earn you that very same \$500,000 in 3 years. Now I might be wrong about this (and this is just an example WHOIS), they might turn out to be a big deal in 3 years and just simply renew their domain name every year, which is the most common domain registration period. But my point here is that most of the scam products come out from nowhere and turns out to become a “big deal” overnight with a brand new website and a brand new domain registered just 24 hours ago or so.

15. You get “upsold” after you buy some “super” product.

If you ever purchased a scam product you might already been there. You find some software that claims to be the world's best trading robot and make you rich in just weeks or months. Say it costs \$99 and it sounds like the seller is clearly saying that this is the world best software.

After you purchase that product for \$99, which was introduced as a top known making money app in industry, now they tell you that there is even more advanced version which costs \$249 or so.

Wait a minute. Just a moment ago I was paying \$99 for the best software in the world and once I bought it now you are saying you were laying to me? So you kind of ruined my trust immediately after you made a sale? What's next? If I buy that \$249 app will there be another one for \$500? Will I found out that there is actually no refund as well? I wouldn't be surprised much if that \$249 product version is nothing different from that \$99 and you just want to take more money from me.

Now I am not saying that all upsells are wrong. I might find it really useful if you offer me a VPS server or some additional paid service to help me with the installation of your software.

16. Scarcity techniques in videos.

Ever landed on a website with a video that once it started to play in just 1 minute you started to believe that your world is going to crash next week? That is called scarcity marketing. The goal of such video is to scare you and hit to your emotional level of insecurity, making you think about your job that you could lose, or your mortgage payment interest increased, etc. All these techniques are used by scammers just to sell the product.

While there might be exceptions, I would never trust such product which tries to make you feel insecure and miserable by just watching their sales video.

Basically such videos just talk about how everything is bad in your life and how their product would make your life easier, better, make you rich, or whatever that product does. They usually never give you any hint what it is all about, just keep telling you how you will feel when you buy it.

Let me give you an example. Say someone wants to sell you something in a box and they claim that this "thing" will make you very happy and that there are millions of people in the world that are happy to have this. They would never show you what they are selling, just want you to fall for their offer and get your money. When you finally buy it and look what's inside the box you find a little kitten. Their statement was kind of true, because there are truly millions of people who are happy to have cats. But does this make sense?

I remember several years ago I was watching one of these videos on some scammy website and I was very curious to learn what the hell they are selling. In the video there was this guy bragging about his luxury cars, mansions, exotic travels and other expensive things. He was telling me that probably I hate my job, I am in debt and want to become a millionaire like he is. And he basically promised me that when I buy his \$39 money making product I will be able to get rich like him.

Even though I was sure that it's just another scam I bought that product. You know what it was? Some software that automatically generates and posts comments on Yahoo Forums. How such software can make anyone rich?

Next time you end up on some website where some video is telling you that your life is miserable you better just leave.

17. Makes unrealistic promises to earn you a fortune.

This might sound like I already been talking about it, but I thought this one is worth to talk about it once again. This is just simple as it is. If a product makes unrealistic promises to make you a fortune when it costs just \$99 it does not sound to be true. And if it says it can do this in just a few weeks or months, again, it does not sound like it's possible. It's just too good to be true that you can make a fortune in just a few months with a product sold on a website.

Just think about it. If that would be true then everyone would be a millionaire. And if everyone be a millionaire then it would mean a million is nothing more than just a \$1,000 today. It does not happen, it does not exist.

Now such websites usually have pictures of expensive sports cars, mansions, exotic travel pictures and other expensive things. When I see such pictures, even if they look like they are taken with just a regular camera and seem to be real, I immediately think of such website as a potential scam.

Want to add a Ferrari picture to your website? Just go to the online cars auction and get few pictures that will look real and taken with a regular everyday camera. Need a picture of a big mansion? Just go to a real estate agency's website and get some. It's simple as that. Everyone can find these pictures and add on their websites.

Don't get fooled by this. Even if those things are real, they probably were bought from the sales and not from Forex trading using some \$99 robot.

18. Website has lots of bad reviews on Forex Peace Army.

Now if you have been following [my blog](#) or read my other books you probably already know that I am a fan of Forex Peace Army website. Now do not get me wrong. This does not mean that if some product has good reviews on FPA you are safe to buy it. What I particularly like about all this review thing is these 2 things.

A) You do not need any effort to get negative reviews if you sell a bad product.

B) You will have to put A LOT of effort to get positive reviews even if you sell an awesome product.

It's just the nature of people. When we are scammed or hurt by someone we will keep telling that story to others for the rest of our lives or at least several months. Most of us will want to get a revenge on the scammer and post bad reviews about his work on forums and other sites. We will also tell our friends about who and how stole our money. Yes, some people might just want to defame the seller, but most of us will probably share our bad experience just to give our friends a lesson and a warning to stay away from some website.

Now when we buy something and we like that product, face it, we just use it to our comfort and live our lives to not thinking much about it. You might show your friends your new stuff or product you just bought and actually say them why you like it and recommend it, but only few of us will actually go online and post positive reviews about the product.

Satisfaction does not drive us to posting positive reviews that much as the pain drives us to posting negative reviews. It's just a fact.

Now over my career as a programmer I have created hundreds of trading tools for my customers, mostly for the use on MT4 platform. I would lie if I say I did not had angry customers, there were few, but I am proud that 99% of my customers were happy with my work. Now I know that angry customers are more likely to go online and post bad reviews about me, so I had to refund the money to them or fix things they were angry about. This is how we apart at least not as enemies.

But my point here is not about the angry customers. It's about the satisfied customers. I really did not had anyone going to FPA and posting positive [reviews about my services and products](#). I got positive reviews only after I asked my customers to do this.

So my point here is that not all satisfied customers will post a positive review, but mostly each angry customer will post a negative one. So what does this means? And it is really important to understand this when you are surfing through the review sites. For me it means that for each posted negative review there are 5-10 positive reviews that are NOT posted. Now this might sound strange to many of you, but I found this to be true in many cases.

If you read 10 bad reviews for some product that also has 2 positive reviews you may likely not buy it. But I did that several times with a number of products and services (not just in Forex niche) and in many cases I found out that those negative reviews might only have been prickly people arguing about anything, everywhere and anytime. I bet you know

those people who are constantly not happy and not satisfied with mostly anything around them.

I remember traveling to Bulgaria in 2013 with my family for a 1 week vacation. Our son was only 2 years old and we have never been in that country before, but we wanted to visit the Black Sea. So we found a 5 star all-inclusive hotel that fit our budget and read the reviews. There were tons and tons of bad reviews, people were complaining about mostly anything in the hotel, people were saying it's been their worst vacation ever, even our travel agency warned us that it's not very good hotel, but it's the best one that fits our budget.

Well, somehow we felt that it will be okay and I already know that not all bad reviews will apply to all hotel guests, so we just went for it.

It was one of our best vacations ever. And it's funny when you read those bad comments again after you been to the same place and have your own experience now. You can feel how many of them come from the really prickly people.

Okay, so enough about this, let's get back to Forex and FPA reviews. So I hope my point is clear now, that not all negative reviews might be really that bad and not all positive reviews might mean that the product is really good. So be careful when judging a product by only the number of bad reviews, because every product on earth will have bad reviews no matter how good it is.

I strongly recommend reading reviews here before you buy any Forex product, but just know that you shouldn't judge a product just by reviews.

http://www.forexpeacearmy.com/public/all_forex_reviews

Also, it is very important to read what the people are talking about and not just look at the rating they gave. For example, a review like "Awesome product" does not tell much how and why it is awesome. The same is with the review like "Worst product ever". This does not tell us much. But if you find someone explaining every detail why the product is bad or good and all that sounds genuine you might really consider it to be true.

19. Testimonials that does not give much value for the reader.

Now this is something only few people can see actually, but when I show you this I am sure you will think "Why I did not thought of it before?".

My original idea was that you need to go to a product website that you want to buy, take the testimonials they publish and then search for them on Google. If those are copy/pasted from other website you will likely see this right away. But while this could be a great idea to do I found that this is to happen very rarely.

So I rather let you know about the tools like [Free Testimonial Generator](#) available for anyone online. You just enter your product name and it will generate you few testimonials with some fake name.

I enter "Forex Robot" and in a few seconds I have this testimonial that I can add to my website.



Forex Robot is so efficient. I will recommend you to my colleagues. I can't tell you how happy I am with Forex Robot. Thank You!

Kenneth Vincent
Elmhurst, IL

If you read it you can see it actually does not give any value and does not say much about why the product is good, etc. It just brags about it. If you stumble upon such testimonial on some website it does not mean that it is a fake one and the website is a scam, but personally I just do not take these type of testimonials seriously.

Here's an example of a testimonial which tells much more than that fake one. It's from [my website where I sell my book](#) and I had to work really hard to get it.

This book is very detailed and can open your eyes because it explains everything on how to start a forex signal business from A to Z.

I knew Rimantas from a few years ago. He is a perfect combination in this forex industry--a programmer, entrepreneur and a forex trader. He can explain this business very well. This book is highly recommended.

- James Soetano, Currency Trader, Indonesia

James is one of my best customers and he was one of a few people to read my book before I even published it. This is how I get real and honest testimonials for my website and my book.

I also got a great testimonial from Ben Lewis, the founder of [forexsignal.com](#), which I added on the front cover of my book. He has been my customer for 2 years already and he was glad to write me a testimonial as he finds my software very very useful for his business.

I am proud about these things and I show you them just to explain the difference between honest and genuine testimonials and the fake testimonials.

Also beware of the so called product review websites. There are lots of them. What you will find on them is usually positive reviews for dozens if not hundreds of Forex products and then there will be an affiliate link to buy that product. So what these sites do is just trying to make a sale of the product they likely do not know anything about and earn commissions on each sale. I do not say that all product reviews websites are all about this, but I've seen many of them praise each product just to make a sale.

It gets funnier if you already know which products are scams and find really good and positive reviews on such review websites.

There are robot testing sites like [ForexVerified.com](#) where you may find affiliate links, but these are different. They run real live tests of Forex products on demo accounts and show

the results publicly. Now there are lots of work involved in the process and huge server costs, so it's not a bad thing to try and make some money from the sales actually. But if you find reviews sites that just post text and stories about how each of the product on their site make millions of dollars it is likely they just trying to make a sale to people who are looking for a quick buck and that shortcut to riches that really do not exist.

20. Repainting indicators is one of the most popular scams in Forex.

So I have left the most delicious piece for ending. Now before we get to see some examples of repainting indicators I would like to say something important.

First, it is important to understand that not all indicators are repainting and those that are repainting may be built just for that. So firstly it is important to know the purpose of the indicator, then learn if it is repainting or not and only then do the judgment.

A good example here is a ZigZag indicator. If you ever tried it on your MT4 charts you probably saw it for yourself that this one repaints like hell. But in fact, it was built to do that. ZigZag indicator shows us highs and lows, recent price swings, helps us to identify price waves, so when a currency pair makes a new high or a new low it is obvious that ZigZag indicator lines should be adjusted to that. This is also known as repainting, but everything is fine in this situation. If ZigZag shows recent high is at 1.22345 does it mean that the market cannot go any further and break this price level? :-) Sounds funny, I know, so obviously indicator does not stop price from going above that level. Prices do not move in the direction of indicators. It's the indicator that should adopt to the price.

Below is the ZigZag indicator on the GBPUSD M5 chart.



You can see many waves here. Now here's the same chart several minutes later.



That first move up has quite a nice wave formation and gave us great entry. And those at the end shows that the price is going sideways at the moment with no clear trend.

Also we see how last low was repainted because price went down. So ideally we would wait for similar 1-2-3 wave formation if price retrace up a bit and then continues to move down again to form the 4th point. It could become a potential SHORT entry.

Oh yes, I already see how I can set my [Candle Range Trader](#) or [Stealth EA](#) trading tools to enter such trade automatically for me even when I sleep.

It's always best to enter the market in the direction of a trend and when you see a clear trend you should enter on a pullback or breakout in the original trend direction after pullback.

Anyway, even though ZigZag is repainting, it was built to do that and if you use it correctly you have no problem with it repainting.

Next important thing to understand is that nearly all of the indicators repaint on the currently forming price bar/candle. This means that when a price bar is forming and not closed yet all indicators might and will change during its formation. So that is why it is considered best practice to enter the market only after the current price bar is closed and indicator value is set for life. However, this is where things can go wrong with 'bad repainting indicators'.

But before I show you some bad repainting examples let me explain how you can end up in trouble if you open a trade when the price bar is not closed yet. Best example I could think of now is a simple entry rule when price cross the Moving Average line. Important to know that price can cross the MA line several times during price candle formation and then even get back and close where it started. See the example below.



In the picture above you can see how price touched the EMA line, crossed it from below to above, but before that price bar was closed the price moved down again and actually closed below the EMA line. So if you had opened a BUY trade on that price and EMA line cross you would have ended in a losing trade.

This is why it is best practice to wait and see if the price candle still gives you entry signal after it has closed. Good and reliable indicators does not change their value once the candle is closed.

Bad Repainting Indicators

Now lets take a look at a few examples of bad repainting indicators. I did not spent a month to research and list all repainting indicators for you there, but I will rather teach you how to know if indicator repaints. You know that saying about the man and the fish, right? I am not giving you a fish, I am teaching you how to catch a fish.

I have chosen an indicator known as Fisher. Yeah, I know, it's funny that its name fits in right too :-)

See this chart example below with the Fisher indicator attached on a GBPUSD 1 minute chart.



You can see this chart is split into two parts. That vertical line indicates the time when I attached the Fisher indicator to the chart. So all bars on the right side were created in real time and all those on the left were created on the launch of the indicator.

Now I will attach the same indicator with exactly the same default settings to the same chart so you could see the difference.



**Indicator at the bottom was attached 1 hour later.
You can see at how entry points differ from the one at the top.
Clear proof of a repainting indicator.**

You can see all those different entry points. Now I did not read an instruction manual of this particular indicator and maybe it is used in some other way, but if you were to go SHORT when it turned red and goes below zero you can see that in real time (indicator at the top) gives you entries much later than the one at the bottom. So when you attach indicator on the chart and look at the previous bars, chart history bars, you will always see those great entry points. But in reality you won't get them.

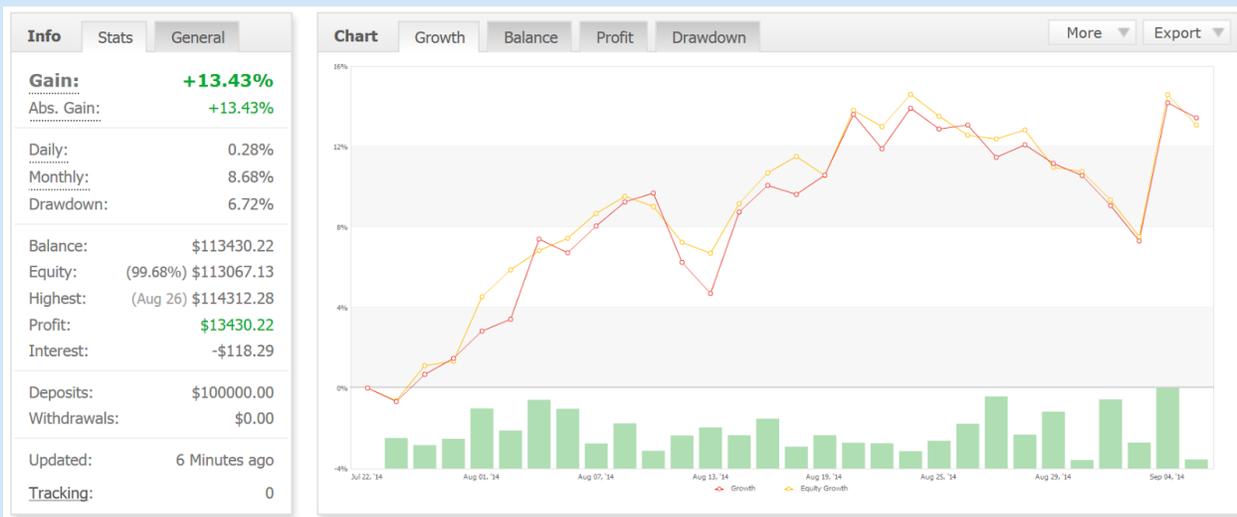
If you restart MT4, change timeframe of that chart or remove and re-attach that indicator you will get the view that bottom indicator has and won't see that the indicator repaints. But if you do this one trick that I showed you, then you will easily see if indicator repaints. So to recap. Attach indicator on a chart, wait for at least 30 price bars to form and then attach 2nd instance of the same indicator on the same chart. Make sure you do not touch the 1st instance of the indicator and do not change anything on the chart that would make the indicator to restart and redraw everything. Then compare indicator values between those 2 instances for any differences.

If indicator repaints and the seller did not mention that I would not use it and ask for a refund. Actually even if the seller mentions that the indicator repaints I would not use it anyway.

Idea how to profit from repainting indicators

Well, actually I have an idea how to use repainting indicator and just started doing this couple weeks ago with quite good results. I started trading about 10 pairs using a repainting indicator and then with the help of my [Local Trade Copier](#) application I reverse those trades to another account. So obviously I had lots of losing trades because of false entry signals given by that repainting indicator and all those losing trades reversed on another account were winners. I am still testing this and it is more difficult to do than it sounds, but it's something that might work quite well if you learn how to do this properly.

Here are the results on Myfxbook of that "reversed" account. I have been doing this for 6+ weeks now. I am still testing this and do not want to give you any false promises, but for me it looks like a great opportunity.



And here's the link to that profile on Myfxbook.

<https://www.myfxbook.com/portfolio/reverse-asc/1007653>

There are hundreds of repainting indicators and sadly many of them are for sale. What people do not realize is that this can even be possible and usually learn it the hard way. People end up paying someone for an indicator that shows all these wonderful entry points on a history price chart, but face it, anyone is a super Forex hero when it comes to analyzing something that already happened. Anyone can draw perfect cherry picked trade entries based only on a history price chart.

So don't fall for all these super-secret indicators. If some super-secret indicator were stolen from some bank it would not end up for sale on the Internet for \$49. Someone would end up in jail for such robbery.

Conclusion

I hope these tips and ideas will help you. I am sure that using some of these techniques you will be able to avoid scam products and not fall into their traps.

Now I want you to do three things now.

1) Remember these steps and techniques and never stop researching to become a smart Forex trader who avoids all those scams. Do not fall for get-rich-quick promises and products, because this alone signals that it's a scam. It takes a lot of years to learn Forex trading and it definitely cost a lot of money. Consider this as a profession and going to college or university again. No one expects to become a well-paid heart surgeon after 6 or 12 months of research on the Internet reading free articles and PDF's available on the topic. You need to study and practice for decades to become a good surgeon and everyone knows all those studies costs huge amounts of money. The same is with currency trading. It's a profession that takes years and lots of money to learn and practice.

2) Pat yourself on a shoulder because you have just read a quite long eBook :-)

3) Visit my Forex blog at www.ea-coder.com for more awesome content.

Regards,

Rimantas Petrauskas