

Karima M. Woods, Commissioner

DISB CONSUMER ALERT

Beware of Financial Influencers

The District of Columbia Department of Insurance, Securities and Banking (DISB) warns residents to be on guard against financial advice shared on social media by “finfluencers.”

WHAT IS A FINANCIAL INFLUENCER or “FINFLUENCER”?

A finfluencer is a person who can influence the financial decision-making of others through promotions and recommendations on social media. They usually post in an entertaining style so that the post will go viral. They may be paid by companies they promote, marketing agencies, social media platforms or other undisclosed financiers.

WHAT SHOULD YOU CONSIDER WHEN YOU COME ACROSS FINANCIAL ADVICE ON SOCIAL MEDIA?

Consumer protection rules require that advertisements—including product endorsements by social media influencers—must be truthful and disclose all relevant conflicts of interest. However, consumers should not assume that a finfluencer is disclosing everything at all times.

While brokerage firms, banks and investment advisers work with individual clients, finfluencers are primarily concerned with online engagement and follower numbers. Their content is meant to be entertainment for the masses, not personalized advice, and should not be taken as such.

Investors may have limited ability to recover from losses resulting from taking advice from a finfluencer who turns out to be a fraudster or a know-nothing pretending to be a professional.

WATCH OUT FOR RED FLAGS

While some financial content may include helpful advice like the basics of financial literacy, other content might include reckless advice (e.g., “Avoid paying your debts” or “Use this HACK to avoid your mortgage payments”) that could result in serious financial consequences, including a lowered credit score, losing significant amounts of money, or even civil or criminal actions being brought against you.

If the finfluencer claims to hold a financial certification or designation of any kind, check to see if it is from an accredited organization and still valid. You can also check with DISB to see if the person is registered to provide investment advice and recommendations.

Ask for the data to back up the claims the finfluencer is making. If they only promote their “amazing” results, they are likely too good to be true. Remember, they are making content for their own financial gain.

WHERE TO GO FOR HELP

If you believe you have been the victim of a finfluencer, you may contact the [North American Securities Administrators Association](#). You may also contact the DISB Enforcement and Consumer Protection Division at 202-727-8000.

DISB Mission

Our mission is three-fold: (1) cultivate a regulatory environment that protects consumers and attracts and retains financial services firms to the District; (2) empower and educate residents and (3) support the development and expansion of business.

Social Media

DISB Twitter: [@DCDISB](#)

DISB Instagram: [instagram.com/disb_dc](#)

DISB Facebook: [facebook.com/DISBDC](#)

DISB Website: [disb.dc.gov](#)