# Investigation launched into whisky investment scams affecting hundreds of investors



Police are currently conducting investigations into three Scotch whisky companies following reports that these firms have deceived hundreds of investors, leading to losses amounting to millions of pounds. These scams, highlighted in a recent BBC investigation, lure victims by promising high returns on investments in whisky casks that either do not exist or have been sold multiple times, often at inflated prices. Many of those affected include vulnerable individuals, such as NHS employees and those facing terminal illnesses.

The investigation has revealed that fraudsters create a façade of legitimacy for their companies through tactics such as the hiring of actors and the use of false identities. Victims, often hoping to capitalise on the lucrative whisky investment market—which has gained traction due to reports of substantial returns—find themselves entangled in complex financial disputes.

Among the victims, Alison and Ian Cocks from Montrose, Angus, invested £103,000 in Cask Whisky Ltd, a company managed by a man operating under the name Craig Arch. Initially, Alison purchased a cask for £3,000, but later, persuaded by promises of significant returns, she invested in three additional, more expensive casks. While initially enthusiastic about her investment, alarm bells rang when she attempted to contact the company to sell her casks, only to discover that her calls went unanswered. “Suddenly they didn't want to talk to me anymore. They were avoiding my calls. I was really panicking,” Alison recounted in a conversation with the BBC. An independent assessment revealed that she had paid five times the actual value of the casks.

Notably, Craig Arch is not who he claims to be. He is actually Craig Brooks, a disqualified director with a history of fraud, having served a prison sentence for his involvement in a £6.2 million scam that defrauded 350 victims through false investments in carbon credits and rare earth metals. Brooks is now under scrutiny from the City of London Police Serious and Organised Crime team.

The situation is similarly dire for Jay Evans, a 54-year-old woman diagnosed with terminal cancer, who invested £76,000 with Whisky Scotland in hopes of providing financial security for her wife, Susie Walker, after her death. Despite assurances of lucrative returns, she discovered that two of the seven casks she purchased did not exist and that the remaining five had been sold to her at substantially inflated prices. The company and its directors have since vanished, leaving her with the grim realisation that it could take her 25 years to reclaim her investments.

Geoff Owens, a self-employed locksmith from Wrexham, also fell victim to Whisky Scotland, having put over £100,000 of his life savings into the scheme. He has voiced his determination to seek justice, stating, “No-one is going to rip me off and walk away from this, without me facing you.” He aims to gather other victims in an effort to hold those responsible accountable.

In the wake of these incidents, industry experts have highlighted the lack of regulation surrounding whisky cask investments, which has created an environment ripe for exploitation. Regulatory gaps have rendered it challenging for investors to validate the legitimacy of their purchases, with many discovering that their investments are nothing more than paperwork with no real asset behind them.

Kenny Macdonald, a legitimate whisky cask broker, underscored the difficulties faced by investors, noting that while there are reputable firms within the industry, the prevalence of fraudulent schemes is alarming. “The sharks are circling. They know there's blood. They can smell it,” he remarked, alluding to the vulnerability of investors in today’s market.

The scope of these fraudulent schemes, affecting numerous individuals and families, has prompted a thorough investigation by police, who are working to unravel the complexities of this extensive scam. The outcome remains uncertain as authorities try to piece together what has happened to numerous investors’ funds amidst a backdrop of betrayal in an industry that boasts a storied tradition and potential for profit.

Source: [Noah Wire Services](https://www.noahwire.com)

## References

* <https://drinksint.com/news/fullstory.php/aid/11665/Victims_lose_millions_to_cask_fraud_scam.html> - This article corroborates the recent BBC investigation highlighting a whiskey cask investment scam where hundreds of people lost millions. It underscores the deceptive tactics used by scammers and the ongoing police investigation.
* <https://www.bbc.co.uk/news> - This is where the original investigation by the BBC was reported, detailing the scams involving whisky cask investments and the impact on vulnerable individuals.
* <https://www.cityoflondon.police.uk/about-us/serious-and-organised-crime-unit> - This URL points to information about the City of London Police's Serious and Organised Crime team, which is investigating individuals like Craig Brooks involved in various scams.
* <https://www.foodbev.com/news/whisky-investment-market-sees-significant-growth/> - This article explains the rise in whisky investment popularity, which has attracted both legitimate investors and scammers, creating a fertile ground for fraudulent activities.
* <https://www.investopedia.com/articles/retirement/09/alternative-investments-whiskey.asp> - This resource provides an overview of the whisky investment market, discussing its potential for returns and risks, which are exploited by fraudulent schemes.
* <https://www.scotchwhisky.com/magazine/in-depth-whisky-investment/> - This article discusses the nuances and challenges of investing in Scotch whisky, including the lack of regulation that has contributed to the prevalence of scams.