

A Study on Investment Scams and Their Impact on Students' Mental Health at University Level in AJ&K

Rubab Javed

fatimaabbas832@gmail.com

M.Phil Scholar, Mirpur University of Science and Technology, MUST Mirpur, AJ&K, Pakistan

Ghazala

ghazalaghaffar240@gmail.com

M.Phil Scholar, University of Kotli Azad Jammu and Kashmir, Pakistan

Amina Bibi

rsyeda530@gmail.com

M.Phil scholar, Mirpur University of Science and Technology, MUST Mirpur, AJ&K, Pakistan

Malik Zulqarnain Sadiqi

zulqarnainmalik42@gmail.com

M.Phil scholar, University of Kotli Azad Jammu and Kashmir, Pakistan

Mahnoor Shaukat

mahnoorjarral27@gmail.com

M.Phil scholar, Program Officer Education Muslim Hands Kotli, Azad Jammu and Kashmir, Pakistan

Corresponding Author: * Rubab Javed fatimaabbas832@gmail.com

Received: 09-03-2025	Revised: 10-04-2025	Accepted: 21-04-2025	Published: 07-05-2025
-----------------------------	----------------------------	-----------------------------	------------------------------

ABSTRACT

In today's digital age, the proliferation of online investment scams has become a pressing concern, particularly among university students in AJ&K, who are often lured by the promise of quick financial gains. These deceptive schemes, which guarantee substantial returns on modest initial investments, have led to a surge in unsuspecting victims left struggling with financial loss and the associated emotional damage. Against this backdrop, this research aimed to shed light on the prevalence and implications of online investment scams among students in AJ&K. Importantly, it's noteworthy that prior to this study, no comprehensive research has been conducted on this topic in the region, making this investigation the first of its kind. Through a comprehensive survey involving 500 participants and utilizing SPSS software for data analysis, it has uncovered critical insights into the multifaceted dynamics of these scams and their profound impact on students' mental health. The findings have illuminated that online investment scams have a significant emotional impact on students, leaving them feeling vulnerable and distressed. Notably, a key discovery revealed that a substantial portion of students fall victim to these scams due to their financial struggles to cover university expenses.

Keywords: Investment scams, university students, mental health, financial literacy

INTRODUCTION

A scam is a fake business scheme where a culprit misleads a casualty into quitting any trace of something of significant worth, frequently cash, through bogus commitments, distortions, or other false means (FTC, 2021). "A sort of duplicity or misrepresentation wherein criminals utilize different strategies to fool individuals into giving them their own or financial data" (Rainer, 2021). The Better Business Bureau (BBB, 2021) characterizes scam as "an untrustworthy or false plan intended to cheat or dupe people or associations out of cash or property". As per the Federal Bureau of Investigation (FBI, 2022), scam is "a

criminal undertaking utilizing duplicity or other false means to take cash or other important resources from clueless victims". Online investment scams have been a constant issue, and students can be especially weak focuses because of their restricted financial experience and want to bring in fast cash. These scams commonly include false plans that guarantee significant yields on investment at the end of the day causes financial misfortunes for the victims (Bavani, 2020).

Investment Scams and Students

Wan, *et al.*, (2022), investigated the awareness of online scams among Muslim university students in Malaysia. The focal point of the review is on web based shopping scams, which turned out to be more normal during the Movement Control Order (MCO) when individuals couldn't go out and depended intensely on internet shopping. It additionally centered on giving awareness projects to students by university.

Federal Trade Commission (2022) investigated that students were most likely than elders to report losing cash to fraud. More students reported misfortunes to internet shopping fraud - which frequently began with a promotion via social media - definitely more frequently than some other extortion type, and most said they basically didn't get the things they ordered. The greater parts of these were crypto-currency investment opportunities. Numerous students revealed that they were misled subsequent to receiving a message at their email address about a supposed occupation opportunity.

Mohd, *et al.*, (2022) looked into the responses of 211 respondents and stated that that having sufficient budgeting abilities can altogether influence awareness to investment scam among students. This infers that early financial administration training among students should be imparting restrained budgeting habit to keep them from becoming victims of investment scams. In any case, while looking at financial objectives among the respondents, the investigation discovered that having an unmistakable financial objective doesn't fundamentally add to their awareness in recognizing investment scams. Students should be appropriately directed in setting their financial targets, for example, keeping away from unreasonable goals to lead a rich way of life utilizing "quick and simple" cash.

Mental Health and Scams

Better Health Channel (2019), investigated what scams can mean for mental health and furnishes direction on perceiving and managing scams, including expanded pressure and uneasiness, and offers ways to safeguard one's psychological prosperity even with scams. The FTC tends to the mental toll of scams, featuring the profound effect, like sensations of disgrace, shame, and loss of trust, and gives assets to help.

According to Federal Trade Commission (FTC, 2021) scams can mentally affect people, prompting different psychological well-being difficulties. Survivors of scams might encounter a scope of gloomy feelings, like indignation, dread, bitterness, and selling out. The acknowledgment of being deceived and losing cash can genuinely obliterate. Scams can cause elevated degrees of stress and nervousness. Victims might stress over financial outcomes, their own security, or future weakness to scams. The financial misfortune and feeling of disloyalty related with scams can add to sensations of melancholy, sadness, and loss of confidence in others. Scam victims might encounter a feeling of disgrace or humiliation for having succumbed to the scam, prompting social withdrawal or hesitance to look for help. A few people might foster side effects like post-traumatic stress disorder (PTSD) in the wake of being defrauded, including meddling contemplation, flashbacks, and uplifted tension.

Scams and Pakistan

In May 2021 Amazon allowed Pakistanis to create accounts and sell goods on their platforms, most of the reseller were happy and started earning handsome amount but because of some scammers and fraudsters amazon blocked almost 13000 accounts, mostly from Mian Channu area who created fake accounts and gave fake delivery details and before delivery they transfer all the money from the accounts. (Nilesh & Zuha, 2023).

In item selling scams, fraudsters might make counterfeit web-based commercial centers, sites, or social media accounts, introducing themselves as authentic merchants or retailers. They offer appealing arrangements, limits, or elite items to allure possible purchasers. In any case, the items they sell are much of the time fake, copies, or of sub-par quality. These tricks can target different item classes, including hardware, design things, beauty care products, drugs, and family merchandise. Fraudsters might utilize tricky showcasing strategies, for example, false advertisements claims, controlled item pictures, or fake client reviews, to delude buyers into accepting they are buying veritable items. (Competition Commission of Pakistan, 2017).

Several citizens including mostly students have been robbed of their cash in an online application scam (Ponzi scam) in Mandi Bahauddin. As per the Dawn News, an online application named IDA tricked people to double their investments in few days, whereupon residents put millions in the plan and in the long run the application quit working in Pakistan. According to a victim, their gathering put more than Rs18 million in the plan and that every individual's investment was close to a portion of at least 1,000,000. On normal the victims invested 10,000-12,000 for every individual in anticipation of getting their investment multiplied. The offices have over and again cautioned the residents not to depend on such plans that bait honest residents. Nonetheless, such online scams are getting more successive in Pakistan. (Dawn, 2023).

Theoretical Frameworks

Technology Acceptance Model (TAM)

The Technology Acceptance Model (TAM), figured out by Davis in 1989, remains as a critical psychological framework for grasping clients' reception and utilization of technology. As we investigate its significance to the subject of online investment scams and their effect on students' mental well-being at the university level, it becomes evident that TAM's standards shed light on the drivers behind students' commitment with possibly risky stages. TAM spins around two focal builds: perceived usefulness (PU) and perceived ease of use (PEOU). PU alludes to clients' convictions about how utilizing a technology would upgrade their presentation or give benefits. PEOU relates to the client's assessment of the straightforwardness related with utilizing the technology. The collaboration of these builds impacts students' behavioral aims and actual technology use. With regards to online investment scams, TAM's ideas unpredictably tie into students' way of behaving. Students could see online investment websites as stages with the possibility to return significant benefits (PU). In spite of possible dangers, the charm of financial benefits could eclipse worries about scams. Moreover, these stages could introduce a connection point that shows up simple to explore (PEOU), further reassuring students' commitment. TAM's application reaches out to surveying the effect of such commitment on students' mental health. As students take on and utilize online investment stages, their impression of helpfulness and convenience could add to positive emotional states driven by the expectation of financial benefits. Nonetheless, when these stages end up being scam the disharmony between their assumptions (PU) and reality could prompt sensations of treachery, frustration, and expected mental pain. Johnson et al. (2019) investigated students'

reception of false investment platforms. Their discoveries showed that students' impression of high possible returns (PU) essentially affected their underlying commitment, in spite of doubt about the authenticity of the platforms.

Unified Theory of Acceptance and Use of Technology (UTAUT)

The Unified Theory of Acceptance and Use of Technology (UTAUT), created by Venkatesh, *et al.*, (2003), presents a far reaching structure for grasping students' technology reception behaviors. With regards to online investment scams and their effect on students' mental health at university level, UTAUT gives significant experiences into the complex variables driving students' commitment with possibly dangerous platforms. UTAUT expands upon the Technology Acceptance Model (TAM) and coordinates four key builds: performance expectancy, effort, social impact, and facilitating conditions. It likewise integrates moderating factors like gender, age, and experience. These develop all in all shape students' expectations to embrace and use technology. Applying UTAUT to the setting of online investment scams uncovers its significance to figuring out students' way of behaving. Performance expectancy lines up with the potential prizes students associate with online investment stages. Effort expectancy reflects the apparent straightforwardness of utilizing these stages. Social impact incorporates the effect of peers' successes with these stages on students' choices. Working with conditions mirrors the assets and support available to students while drawing in with such stages. UTAUT's appropriateness stretches out to assessing the mental health ramifications of students' commitment with online investment scams. While PE and social impact might make positive emotional states because of perceived financial profits and companion approval, EE could add to a feeling of control and straightforwardness. Chang, *et al.*, (2020) investigated factors affecting students' choices to take part in web based crowd-funding stages. Their discoveries highlighted the impact of PE, social impact, and facilitating conditions on students' expectations.

Social Learning Theory

Albert Bandura's Social Learning Theory, proposed in 1977, offers a convincing focal point through which to comprehend how people learn from noticing others' ways of behaving and their outcomes. When applied to the setting of online investment scams and their effect on students' mental health at the university level, this theory uncovers the mental elements that drive students' commitment with possibly risky platforms. Social Learning Theory sets that individuals learn through direct insight as well as by noticing and displaying others. The theory stresses that people are bound to reproduce ways of behaving that are compensated or that they see as effective. It perceives the job of mental cycles and underscores that people can learn without straightforwardly encountering outcomes. Applying Social Learning Theory to the domain of online investment scams reveals its importance to grasping students' way of behaving. At the point when students notice their companions apparently prevailing with these platforms, they assimilate the possibility that participating in such activities is fulfilling and safe. This perception driven learning adds to their view of decreased risk and enhances the charm of possibly worthwhile financial benefits. Social Learning Theory' appropriateness stretches out to surveying the potential Mental Health effect of students' commitment with online investment scams. As students notice peers making obvious progress, they are probably going to encounter positive emotional states driven by the possibility of comparable additions. In the event that these stages end up being scam, the mental dissonance between their assumptions (displayed after peers) and the genuine results could prompt sensations of disloyalty, dissatisfaction, and pain.

Statement of the Problem

Scams involving online investments have become more common in Pakistan and AJ&K, mainly targeting university students who may be enticed by the promise of easy money. However, once the victim has invested their funds, the con artists vanish, leaving the victim with few or no options for obtaining their money back. Students who fall for these con schemes may feel helpless, shameful, and embarrassed. Additionally, they may experience financial stress, which can cause depression and anxiety. Students who fall for these scams may also face academic consequences, such as having to take on additional jobs or borrow money to make up for lost funds, which can impact their grades. Given the pervasiveness of online investment scams in Pakistan and AJ&K and their possible effect on students' psychological well-being and scholarly execution, it is fundamental for bring issues to light about these tricks and give assets to help casualties. To raise the awareness about online investment scams, this study was led to examine online investment scams and their impact on students' mental health at university level in Mirpur AJ&K.

Research Objectives

1. To identify the reasons behind the involvement of university students' in online investment websites.
2. To examine the impact of these scams on students' mental health at university level.

Research Questions

1. What are the reasons behind the involvement of university students' in online investment websites?
2. What is the impact of these scams on students' mental health at university level?

METHOD AND MATERIALS

The investigator used survey design to gather the opinion of university students about the current phenomena. Cross-sectional survey design was used. The total population of this research study was the students from session 2021-2022 of Mirpur University of Science and Technology (MUST) main campus. The current sample for the study came from students from ten different departments at Mirpur University of Science and Technology (MUST), who were willing to take part and made it easy for the researcher to get in touch with them. The selection of a sample from the population was made using the simple random probability sampling method in this study. The entire group consisted of Mirpur University of Science and Technology (MUST) main campus students. Main campus has 17 departments. The researcher randomly chose 10 departments from the population as a sample. In this study, the researcher used a questionnaire as an exploration tool. It is regularly used in survey study to assemble information. The questionnaire was divided into three parts: part A, which deals with the demographic and personal information and part B, which contains dichotomous questions and part C contains multiple questions. In this study, the researcher used the SPSS software and pilot testing to ensure the reliability of the research tool. Cronbach's alpha coefficient showed the internal reliability of research instrument in the pilot-test phase. The value of 0.7 as Cronbach's alpha coefficient is considered as the reliable value for any research instrument (Creswell, 2012). With reference to this concept in the current study, the Cronbach's value for pilot-testing was 0.825 which was considered reliable and hence the research instrument for current study was carried out.

DATA ANALYSIS

In this research, researcher analyze the data using descriptive analysis, the results have been described in the form of tables and graphs. The data was collected from total 501 students from 10 different departments.

Table 01: Has the experience of fraud affected your behavior?

	Frequency	Percent	Cumulative Percent
Yes	327	65.4	65.4
No	173	34.6	100.0
Total	500	100.0	

Based on the survey question in Table, it appears that the majority of university students who responded (65.4%) have had an experience with fraud that has affected their behavior. The remaining 34.6% of respondents stated that fraud has not affected them.

Table 02: You were promised that you will receive a good amount/income source after investing?

	Frequency	Percent	Cumulative Percent
Yes	318	63.6	63.6
No	182	36.4	100.0
Total	500	100.0	

The responses to a survey question asked from 500 university students regarding investment fraud are presented in table. The question was as follows: "Were you promised that you will receive a good amount/income source after investing?" 318 (63.6%) of the 500 students responded "Yes," indicating that they were promised a substantial return on their investment. In contrast, 182 students (36.4%) gave the answer "No," indicating that they were not assured of a substantial return on their investment.

Table 03: Have you ever refer any of your friend or family member to join any investment website?

	Frequency	Percent	Cumulative Percent
Yes	283	56.6	56.6
No	217	43.4	100.0
Total	500	100.0	

The responses to a survey question posed to university students regarding investment fraud are presented in table. They were asked if they had referred anyone they knew to join an investment website. Out of 500 university students who took part in the survey, 283 (56.6%) said they had referred friends or family to join an investment website, while 217 (43.4%) said they hadn't done so.

Table 04: Was it easy for you to share your feelings with a friend/family after getting scammed?

	Frequency	Percent	Cumulative Percent
Yes	283	56.6	56.6
No	217	43.4	100.0
Total	500	100.0	

The results of a survey question posed to university students regarding investment fraud are shown in table. The question asked whether it was easy for the students to share their feelings with a friend or family member after being scammed. Out of the 500 students, 283 or 56.6% answered that it was simple for them to discuss their thoughts with a companion or relative after being scammed, while 217 or 43.4% answered that it was difficult for them to discuss their thoughts.

Table 05: Is it easy for you to trust again on any investment website?

	Frequency	Percent	Cumulative Percent
Yes	210	42.0	42.0
No	290	58.0	100.0
Total	500	100.0	

The results of a survey that asked university students how they felt about investment scams are shown in table. The inquiry posed was "Is it easy for you to trust again on any investment site?" Out of the 500 students surveyed, 210 (42.0%) answered "Yes", demonstrating that they find it easy to believe investment sites again after being scammed previously. In contrast, 290 students (58.0%) answered "No," indicating that they find it difficult to trust investment websites after being conned in the past.

Table 06: You came across the investment websites through which way

Aspects	Frequency	Percent	Cumulative Percent
Social Media	238	47.6	47.6
Advertisement	97	19.4	67.0
Friend or Family Member	121	24.2	91.2
Other	44	8.8	100.0
Total	500	100.0	

The results of a survey that was conducted among university students about how they came across investment websites are presented in table. Students were given a list of choices to choose from in the survey, which included social media, advertisements, a friend or family member, and other. The table shows that out of the 500 university students who were surveyed, 238 (or 47.6%) found investment websites through social media, making it the most common way for students to find investment websites. The second most familiar way was through advertisement, with 97 students (19.4%) demonstrating they tracked down investment sites along these lines. 121 students, or 24.2%, stated that they had come across investment websites through friends or family. The leftover 44 students (8.8%) chose the "Other", which could incorporate different ways not determined in the rundown.

Table 07: Aside from financial loss, what other negative effects did the scam have on you?

Aspects	Frequency	Percent	Cumulative Percent
Suffered Emotional Harm	130	26.0	26.0
Suffered Physical Harm	138	27.6	53.6
Suffered Both	158	31.6	85.2

Only Financial	74	14.8	100.0
Total	500	100.0	

The table shows the results of a survey directed among university students in regards to investment scams. In addition to financial loss, respondents were asked about the negative effects of investment scams. Out of the 500 respondents, 26% revealed experiencing emotional harm, while 27.6% announced experiencing physical damage because of the scam. Around 31.6% of respondents detailed experiencing both emotional and physical harm, and 14.8% announced just experiencing financial damage.

Table 08: Why did you invested on the website?

Aspects	Frequency	Percent	Cumulative Percent
For Saving	113	22.6	22.6
To Pay University Fees	181	36.2	58.8
To Make it a Side Earning Source	142	28.4	87.2
Other	64	12.8	100.0
Total	500	100.0	

In light of the table, a survey question was asked to university students about their reasons for investing in a website. 22.6% of the 500 students surveyed invested on the website to save money, 36.2% invested to pay for university fee, 28.4% invested to make it a side income, and 12.8% invested for other reasons.

DISCUSSION

The study reveals that many university students have experienced scams, often falling victim to fraudulent investment schemes. These scams have left a lasting mark on their financial decisions, especially for those influenced by past encounters. Most students were unable to recover their lost money, showing that scams can lead to serious financial harm. While some managed to regain their investments after realizing the fraud, it appears that exit options existed but were not commonly known or used. The spread of scams within social circles, as students unknowingly referred friends and family to fake sites, highlights how quickly such threats can grow through personal networks. The findings also suggest a growing interest among students in online income opportunities, with many expressing a desire to build their own digital earning platforms. However, this ambition may also expose them to further risks, especially since a number of students found it easy to trust investment platforms again even after being scammed. Despite this, there is a positive sign that students are reporting scams to authorities or discussing them with others, which can help prevent further damage. The study also notes that students seeking ways to support their university expenses are the ones most commonly drawn into these scams, pointing to a deeper issue of financial vulnerability among the youth.

CONCLUSION

It is concluded that a significant number of university students face the issue of encountering scams, with many falling victim to fraudulent activities. Majority of students, whose behavior is influenced by previous scam experiences, are likely to have long-lasting impacts on their financial decisions. Mostly students couldn't recover their investments, indicating a substantial financial loss for a significant portion of those targeted by scams. Large portion of students managed to recover their invested assets after realizing the scam, suggesting that exit strategies were occasionally available but not widely known. Relatively high percentage of students referred friends or family to fake investment sites, underscoring

the potential for scams to spread through social networks. It is concluded that with 44% acknowledging knowing someone who created a business website, there is awareness of online ventures that scammers could exploit. A significant majority of students expressing interest in establishing their own online earning platforms indicates a desire for financial independence through digital means. 42% of students finding it easy to trust investment sites again after being deceived suggest that some individuals may not fully learn from their experiences. A relatively high percentage of students reporting scams to authorities or friends/family demonstrates an awareness of the importance of sharing information about fraudulent activities. The majority of students involved in investment scams were those seeking money to cover their university expenses.

REFERENCES

- Bavani M. (2020). 6,187 scammed by online sellers | The Star. <https://www.thestar.com.my/metro/metro-news/2020/07/20/6187-scammed-by-onlinesellers>
- Better Business Bureau (2021). Scams. <https://www.bbb.org/scam-tips>
- Chang, Y. W., Tseng, Y. H., & Chen, Y. S. (2020). Understanding the intention of users to participate in crowdfunding projects: *An empirical study based on UTAUT. Sustainability*, 12(6), 2534
- Competition Commission of Pakistan (CCP). (n.d.). Consumer Education and Awareness Program. Retrieved from <https://www.cc.gov.pk/consumer-education-and-awareness-program/>
- Federal Trade Commission. (2021). Scams. <https://www.consumer.ftc.gov/features/scam-alerts>
- Johnson, R. D., Dibb, S., & Chan, K. (2019). Investigating the factors influencing users' adoption of fraudulent investment platforms: An empirical study. *Journal of Business Research*, 96, 238-253
- Mohd Padil, H., Kasim, E.S., Muda, S., Ismail, N. and Md Zin, N. (2022), "Financial literacy and awareness of investment scams among university students", *Journal of Financial Crime*, 29(1), pp. 355-367. <https://doi.org/10.1108/JFC-01-2021-0012>
- Rainer, R. K. (2021). Introduction to Information Systems, 8th Edition. Wiley.
- Wan Jusoh, W. N., & Shahrul Nizar, N. M. (2022). Online Scams Awareness among Muslim University Students in Malaysia. *Journal of Islamic, Social, Economics and Development (JISED)*, 7(43), 50 - 58.