***Online Credit Unions Offering High Interest Rates on Savings May Be Fakes***

Ontario’s financial regulator has issued warnings about three websites illegally claiming to be credit unions, but it is powerless to close them.

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The dazzling white lobby of the office tower at 99 Bank Street in Ottawa certainly looks like a place where you’d find the headquarters of a financial institution. But up on the floor that Ottawa Credit Union’s elaborate website lists as the location of the company’s head office, there’s only a federal government agency.

An unregistered credit union is nowhere to be found in the Ottawa office tower listed online as its headquarters.Credit...Ian Austen/The New York Times

This week, the Financial Services Regulatory Authority of Ontario [formally warned consumers](https://www.fsrao.ca/announcements/consumers-beware-ottawa-federal-credit-union-not-registered-credit-union-ontario?_gl=1*13lfez8*_gcl_au*MTU2MDUwMTc4Ny4xNzI1NjMwNjUy*_ga*ODM4NDY0NDgzLjE3MjU2MzA2NTI.*_ga_SBF9PKM7WQ*MTcyNTYzMDY1MS4xLjEuMTcyNTYzMDY1Ni41NS4wLjA.) that Ottawa Credit Union is not, as is required by law, registered with the province. It’s the third such warning about online sites claiming to be credit unions that the financial industry regulator has put out in just over two years.

“We attempted to contact the business to inform them they were required by law to cease operations,” Russ Courtney, a spokesman for the agency, wrote in an email to me. “We reached out by phone, email and registered mail but were unsuccessful.”

Both Ottawa Credit Union and [Sunray Credit Union](https://www.fsrao.ca/announcements/consumers-beware-sunray-federal-credit-union-not-registered-credit-union-ontario?_gl=1*1fge7zg*_gcl_au*MTU2MDUwMTc4Ny4xNzI1NjMwNjUy*_ga*ODM4NDY0NDgzLjE3MjU2MzA2NTI.*_ga_SBF9PKM7WQ*MTcyNTY1OTQ1My40LjEuMTcyNTY1OTQ1NC41OS4wLjA.) live on online and continue to pop up in Google searches. (The third phantom organization that the government warned about, HonoUno Credit Union, seems to have vanished.) My efforts to contact them were no more successful than the regulator’s.

At first glance, their sites look like those of most financial institutions, although they promise alluring interest rates of 9 percent or more on savings accounts.

Just a little bit of reading reveals many peculiarities. While the two credit unions claim to be Canadian, the sites say they offer individual retirement accounts — the name of a tax-advantaged U.S. savings plan similar to registered retirement savings plans. A compounding interest calculator at Sunray is in U.S. dollars. And a Sunray page about avoiding credit card fraud and identity theft has a warning that reads, “Website trickery: Fraudster creates websites that look legitimate and tricks victims into thinking it’s a real website,” before veering off into a discussion about [Occidental](https://occidental-lang.com/) becoming the “new common language.”

Both sites are filled with contradictory and implausible statistics about the size of the credit unions.

Opening an account login page on the Ottawa Credit Union site — “Known For Trust, Honesty & Customer Support” — produces a small pop-up window with this message: “Make Urgent International Funds Transfer. Click Here!” I didn’t take up the suggestion.

Mr. Courtney said the regulatory agency had not received any complaints from consumers about the unregistered credit unions, adding that “there is no evidence of consumer harm.” It has reported the sites to the Canadian Anti-Fraud Centre, an operation of the Royal Canadian Mounted Police, the Competition Bureau Canada and the Ontario Provincial Police. The center did not respond to my questions about the sites aside from an automated email acknowledgment.

The sites’ mixture of reality and nonsense and their odd digressions suggest that they were generated using artificial intelligence, so I contacted Hany Farid, a professor specializing in digital forensics at the University of California, Berkeley. But he told me that identifying A.I.-generated text “is very tricky and not particularly accurate right now.”

[Karen Eltis](https://www.uottawa.ca/research-innovation/centre-law-technology-society/people/eltis-karen), a law professor at the University of Ottawa who studies legal issues surrounding artificial intelligence, told me that scammers are increasingly turning to A.I. to deceive consumers with things like fake financial websites.

She also questioned whether there had indeed been no harm to consumers from the three phony credit unions, as the Ontario regulator suggested. For one, she said, it’s possible that the scam was not about getting people to make deposits. Rather, she said, the sites may be a way to harvest detailed financial information for later use in identity thefts or obtaining fraudulent mortgages.

Professor Eltis said that some people might have filled out forms on the sites, found that nothing happened, and therefore had nothing to report to the police or regulators. But those consumers, she said, may later encounter unpleasant surprises based on their stolen data.

“This is disastrous for democracy,” Professor Eltis told me. “If we think back to Soviet times, people couldn’t tell what was real and therefore relied on nothing.”

For people whose personal information is used illegally, she said, finding a way to solve the problem can be frustrating and is often ultimately fruitless. Online frauds targeting Canadians often come from outside the country. But there’s no international agreement that requires other countries to follow Canadian court orders related to online crimes, such as website takedown orders.

“The recourses that the regulators or administrative tribunals offer are all built for the brick and mortar,” she said. “The courts and regulators will have tremendous challenges determining what is real and what isn’t.”