The Evolution of Major Cryptocurrency Scams:

An Analysis of Emerging Fraud Patterns and Future Challenges

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Abstract

The emergence of the crypto currencies has introduced a new financial paradigm underpinned by blockchain technology that facilitates peer-to-peer transfers of assets between participants with transparency, immutability and without relying on the central authority, this pseudonymity features of cryptocurrencies have attracted the attention of cybercriminals, who exploit them to carry out potentially untraceable scams, since the introduction of the Bitcoin (BTC) in 2009. the cryptocurrency market has experienced rapid growth, widespread adoption, and significant market volatility because of the new in early stage of development, relatively unregulated and high-risk environment. This has led to the substantial financial losses by scams, frauds and hackings.

This study aims to analyse the crypto market, understand different types frauds patterns major incidents since evolution up to the present, identify emerging frauds patterns examine their characteristics and discuss the future challenges faced by investors and regulators.

This study adopts a secondary-data approach and data collected from the sources such as Chainanlyis, TRMs, CoinMarketCap and other credible sources. Descriptive and comparative analysis conducted and examined the relationship between historical scams and market behaviour while emerging fraud patterns and trends over the time.

This study is expected to provide comprehensive overview and understanding of the major scams and fraud patterns, it also contributes to the growing literature on cryptocurrency fraud evolved in the form of many schemes and failures to enhance understanding and strengthening the risk awareness insights the for investors, regulators and market participants.