

‘They are so convincing’: Vera Gazzard lost her life savings to HyperVerse

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Vera Gazzard had plans for her \$50,000 in savings. Elective surgery was on the list, as was help for her daughter who was expecting a second child. But when an acquaintance recommended an investment opportunity called HyperVerse offering daily returns of 0.5%, she jumped at the opportunity. “He told me he couldn’t have got through Covid without HyperVerse. He told me that it was working and lured me into it,” Gazzard told Guardian Australia. HyperVerse was one of the many crypto investment schemes being run by Sam Lee and Ryan Xu, offering returns of up to 300% within 600 days through a membership plan to the Hyper “community”. After initially being able to withdraw some funds through the scheme – less than half of her initial investment – Gazzard found the platform suddenly stopped working. “My [recruiter to the scheme] was saying, ‘it will be OK, it will be OK’, and then some months later I realised it was not OK,” Gazzard said. Gazzard had lost \$30,000. Another HyperVerse consultant, who she believes was motivated to recruit others to earn further online rewards, then persuaded her to migrate funds to a new version of the scheme – HyperNation. In a desperate bid to keep her investment alive, she put in an extra \$5,000. That, too, was lost. Gazzard was devastated. “That money meant everything to me – it meant that I could have had some elective surgery that I was hoping for. And my daughter had her second child at the time and it meant I could have helped her out financially. It has affected my life in so many ways. “Money doesn’t make you happy but it can certainly help.” Gazzard, who lives in Geelong, is angry at the system that she feels has let her and thousands of others down. “It’s just so wrong. They can penalise someone ... for going over the speed limit, but someone can profit by marketing something like this without consequences or penalty, and just keep going and going?” she said. Sign up for Guardian Australia’s free morning and afternoon email newsletters for your daily news roundup After the collapse of her Hyper investment she also turned to some of the many “recovery experts” who advertise on Facebook promising to get lost money back. This cost Gazzard a further \$10,000 and she recovered nothing. Separately, she invested in one of Lee’s more recent schemes, V.A.V – unaware that it was linked to HyperVerse – costing her another \$4,000, on a promise that she would get back \$12,000. “They are so convincing,” she said. “I am no dickhead, but I am not the brightest button. I have got a beachfront property in Torquay. I know about real estate. I’ve got half a brain, but my biggest fault is I’m gullible.” Gazzard said she wants to see those who established and promoted these schemes held to account for her losses. “They are the ones who initiated it all. Whatever country they are in, whether it’s Dubai or Afghanistan, they should be brought back to the country of origin. They have lost so much money.” Guardian Australia has spoken to 10 investors who say they have lost almost \$400,000 combined to the various Hyper group schemes. Each one tells a similar story of being offered the opportunity by

someone they knew and trusted, who was convinced by the investment opportunity, before withdrawals suddenly stopping and being left out of pocket. Ryan Baker, 37, a small business owner in Newcastle, says he put in \$5,000 after a friend said they had made “heaps of money”. “At the time, the \$5,000 wasn’t that much money for me and I thought it was worth a shot ... but now that \$5k would be coming in handy now that things are a bit more difficult.” Baker attempted to contact the person who had introduced the scheme to his friend – who he says also lost \$40,000 – but “they wouldn’t return contact”. He also reported the scheme to ScamWatch, which is run by the Australian Competition and Consumer Commission, but never received a reply. “The authorities are hopeless,” he said. The ACCC referred questions about the Hyper group schemes to the Australian Securities and Investments Commission, which said through a spokesperson that it discloses “general information on its website regarding the risks of engaging with unlicensed organisations offering unregulated products”. It also claimed it had been “very active in warning consumers about the risks associated with crypto assets (as an investment product) and separately, crypto scams”, highlighting several media releases and reports. Peter*, who does not want to reveal his real name, says he lost \$100,000 in the HyperVerse scheme after being introduced to the platform by a golfing friend. He said he initially “tested” the system by putting in about \$1,000, and once he saw that it was working, he tapped into his superannuation and other savings to tip in about \$100,000. His investment grew “to the seven figure zone” on paper, but he says that when he attempted to withdraw it he got a message saying the transaction was “pending”. This was then followed by other error messages, such as there being a glitch in the server, or technical issues. “I was starting to get a bit jittery,” Peter said. “There were cracks but they were papering over it. Initially the excuses were plausible enough and you want to believe it. But it didn’t take me too long to realise that the \$100,000 was all gone.” Before realising he might lose everything, Peter, who has a background in sales, ran several seminars to help recruit others into the scheme. This was known as his “frontline”. If those people then recruited others, this was his “downline”. “The average punter, and I am one of them, they look at the shiny lights and the greedy-ar-se returns – people by nature are greedy. Everyone has got a weakness, it’s a human frailty and that is what they play on.” Peter says he recruited people locally – “friends of friends” as well as casual acquaintances. “I recruited 18 people and I have lost 16 friends who don’t talk to me any more,” he said. Jo*, not her real name, was encouraged to invest by a friend of her sister during the height of Covid while her small business was shut down and she was worried about her income. Her sister had invested \$60,000 and withdrawn \$20,000, so they both believed the system worked. She put in \$20,000 of her own money and another \$20,000 of her son’s money that she had saved to help him with a house deposit. Jo then set up accounts for friends and family in the Philippines, as well as encouraging some of her local friends to sign up. “It is not only the money, it is the trust of friends that you introduced this to. I had some friends that gave money to me to join because I genuinely thought it was OK. Now they are not communicating with me.” Lee and Xu did not respond to questions from Guardian Australia but Lee denied the HyperVerse scheme is a “scam” when asked about it in a February 2023 meeting with investors. He also told people they need to be patient if they want to get their money back, and urged them to sign up to a new platform, known as StableDao. Do you know more? Contact sarah.martin@theguardian.com • If you are feeling overwhelmed or need financial help, call the national debt helpline on 1800 007 007