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Effective Communication: A Panacea to Jigsaw of Ponzi Scheme and Misrepresentation of Investment in Ekiti State Universities, Nigeria

Adepoju Adeoba ASAOLU*
Department of Finance Federal University Oye-Ekiti, Ekiti State, Nigeria
Corresponding author: adepoju.asaolu@fuoye.edu.ng
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Abstract
Purpose: This study examined the effect of Ponzi scheme-related factors on investors' behaviour among students of Ekiti State University, Ado-Ekiti and Federal University, Oye-Ekiti. The specific objectives were to examine how the frequency of Ponzi scheme exposure affects students' perception of investment opportunities, determine the relationship between the level of misrepresentation in investment schemes and students' investment decision-making, and evaluate how the effectiveness of communication strategies influences students' awareness and prevention of Ponzi schemesamong university students in Ekiti State, Nigeria
Methodology: The study used a survey research design and a structured questionnaire was used to collect primary data for the studywith a total of 394 who were sampled using the Taro Yamane sampling techniquewith proportional distribution across the faculties of the university
Results and Conclusion: Regression analysis was used in the analysis of data. The results indicated that the frequency of encountering Ponzi schemes positively and insignificantly affects students' perception of investment opportunities. The results further revealed that misrepresentation in investment schemes has a positive and significant effecton students' investment decision-making. Moreover, the study revealed that the communication strategies have a positive and significant relationship with investors in terms of awareness and prevention of Ponzi schemes.
Implication of findings: The results indicate that only awareness of Ponzi schemes will not significantly affect the Student perception of investment opportunities , reflecting the fact that awareness alone is not enough.

Keywords: Ponzi Scheme, Misrepresentation, Effective Communication, Investor Behaviour, Financial Literacy

1. Introduction

In Nigeria, Ponzi schemes are a consistent recalcitrant problem and malicious to investor welfare and financial stability. Investors in Ponzi schemes spend little time building legitimate businesses and instead focus on recruiting new investors to pay existing ones. Communication, however, remains central to both their proliferation and regulation (Obamuyi, Iriobe Afolabi, Akinbobola, Elumaro, Faloye, Adepoju & Oni, 2018). Economic hardships, financial illiteracy, and unreasonably high return (returns that are not commensurate to a given risk) increase the vulnerability of many Nigerians (Akande &Ogbeinde, 2019, link). WhatsApp, Telegram, and Facebook, in particular, have social media platforms that fraudsters have been using to recruit, retain and exploit their victims. Fraudulent investors use social engineering to create fraud victim narratives that are built on trust, urgency, and authority (Eburuaja, 2025). Communication strategies that are manipulative and exploitative are a huge concern that are incorporated into the promotional messages of multiplex Ponzi schemes. Eburuaja (2025) states that Nigerian Ponzi schemes that fail use Facebook to engage in various discursive forms such as the use of fallacious proof, framing of risk scarcity, and the granting of ephemeral authority, as well as the frivolous exaggeration of elusive returns. Communications of these forms are time-sensitive (to create urgency), appear legitimate, are crafted to look peer-driven, and leave little time to assess the rational basis of the marketing offer.

Regarding investor protection, Nigeria's Securities and Exchange Commission (SEC) has initiated efforts targeting public education and alerts on unregistered investment schemes (Ibekwe, Onyima&Onyilofor, 2021). However, these efforts are partially ineffective due to the gaps on investor awareness and digital

literacy. A considerable number of Nigerians exhibit belief in quick-win schemes, particularly narratives shared within their social circles or through social media (Obamuyi et al, 2018). A blend of psychological and socioeconomic considerations has been documented in the academic space to explain participation in Ponzi schemes. According to Obamuyi et al. (2018), participation in these schemes are driven high levels of greed, fear, and peer pressure. Other research emphasizes the utter ruin financially caused by collapsing of the schemes and calls for communication as the main tool for relentless advocacy geared for prevention (Malete Journal of Accounting and Finance, 2025). Ponzi schemes now boast unprecedented creativity, employing legitimate seeming apps, social media marketing, and well-designed referral systems as business models (Akande &Ogbeinde, 2019). There is an urgent need of communication to defend a proposition of the scheme in to the would-be victims. It is communication within a scheme that provide the funnel to would-be victims and the means to construct the victims' trust in a pseudo legitimacy.

The role of social media communication in this context is twofold: it can be leveraged by fraudsters to scale their reach rapidly, but it also offers regulators and consumer protection bodies a powerful channel to disseminate warnings, promote financial literacy, and debunk deceptive narratives (Ibekwe et al., 2021). Understanding how the frequency, purpose, and type of communication influence people's susceptibility to Ponzi schemes is crucial for improving investor protection strategies. Based on this the present study is timely and significant.

Ponzi schemes continue to develop in Nigeria, and many individuals still fall victim due of the compelling and deceptive communication strategies utilised by fraudsters. These scams build fake legitimacy via emotive appeals, manufactured success tales, and promises of speedy profits, commonly spread over social media platforms. Eburuaja (2025) shows that failing Ponzi operators depend extensively on deceptive discursive methods to mislead naïve people, notably on Facebook, where fake ideas propagate swiftly At the same time, regulatory warnings exist, but they do not reach the public with the same speed or intensity as communications conveyed by Ponzi marketers. Obamuyi et al. (2018) showed that poor comprehension of investment information and insufficient interaction with regulatory communication increased the chance of participating in fraudulent schemes. This communication mismatch allows fraudsters to dominate public attention while legitimate warnings fail to sway prospective investors.

Financial literacy problems also aggravate the situation. Akande and Ogbeinde (2019) noticed that many victims are unable to judge the trustworthiness of investment messages because they lack the skills to identify genuine investment terminology from deceptive claims This makes them more susceptible to scams that offer exaggerated rewards.

During the COVID-19 epidemic, Ponzi schemes rose considerably because more individuals depended on internet communication for financial advice and possibilities. Ibekwe, Onyima, and Onyilofor (2021) revealed that social media helped propagate fraudulent investments at a quicker pace than regulatory organisations could fight them, underscoring the communication gap that permits these schemes to grow The basic difficulty is that deceptive communication by Ponzi operators is stronger, quicker, and more compelling than the communication efforts aimed to safeguard the public. This gap demonstrates the need to explore how communication promotes involvement in Ponzi schemes and how enhanced communication tactics might help prevention and financial awareness, examine the effect of exposure to Ponzi schemes on students' perception of investment opportunities in universities in Ekiti State, Nigeria, determine the relationship between the level of misrepresentation in investment schemes and students'

investment decision-making in Nigeria, evaluate how the effectiveness of communication strategies influences students' awareness and prevention of Ponzi schemes in Nigeria

2. Literature review

Concept of Ponzi Schemes Historically, evidence indicates that Ponzi schemes predate Charles Ponzi's 1912 scam, which popularised this kind of fraud, and they have persisted thereafter (Garber, 1990). The first widely documented plan was devised by Scotsman John Law in France in 1719, then followed by the South Sea Bubble in Britain in 1720 (Mackay, 1841 as referenced in Bhattacharya, 1998). In most African nations, particularly Nigeria, the extensive history of unlawful investment schemes has been inadequately recorded, making it difficult to determine their precise origin and source. Nonetheless, Ndukwe (2016) asserts that they are not new to the nation and identifies Pyramid and Green World, which existed in the 1970s. Business Post (2017) cited Umana-Umana, which existed in Calabar throughout the 1980s, Plan-well in Edo from 1991 to 1992, and Nopecsto, which operated in Lagos from 2002 to 2007. Regardless of the designation or manifestation, it is certain that fraudulent schemes have existed, claiming to provide various forms of profit or returns, ultimately deceiving innocent Nigerians out of their hard-earned resources.

The Federal Bureau of Investigation (FBI, 2017) defines a Ponzi scheme as an investment scam in which the perpetrator guarantees substantial financial returns or dividends unattainable via conventional investing. Azim and Azam (2016) define a Ponzi scheme as a grave financial offence in which a person or organisation disburses rewards to investors using funds from new investors, rather than from actual profits generated. It is a financial investment that produces unusually high returns based only on a deliberate and earnest effort to recruit new members, while presenting no risk whatsoever (Asogwa, *et al*, 2017). Based on these perspectives, it is essential to assert that a Ponzi scheme is any unregistered enterprise or investment platform that promises excessive or extraordinary returns to participants or investors. The operators provide substantial dividends to early investors using the major contributions of future investors, and as this cycle continues, they vanish with the wealth of later participants.

Different Ponzi Schemes in Nigeria

Nigeria has experienced a wide range of Ponzi schemes over the years, many of which gained popularity through social media and word-of-mouth publicity. Below is an expanded list of notable schemes that have operated in the country:

MMM Nigeria: MMM remains the most renowned Ponzi scam in Nigeria's history. It claimed a 30% monthly return and attracted millions of users before imploding in December 2016, resulting in significant financial losses (Onyeke, 2018).

Ultimate Cycler : Ultimate Cycler became extremely popular immediately after MMM's bankruptcy. It promised speedy profits within seven days and based mainly on peer-to-peer matching. The portal finally shut down after fresh sign-ups dwindled.

Twinkas: Twinkas worked like other donation-based scams, offering up to 200% profits. Recruitment was taken out mostly via WhatsApp groups and internet forums. As with previous scams, it failed after rewards outpaced new registrants.

D9 Club: D9 Club marketed itself as a worldwide sports trade and networking platform. Participants were promised large profits via "sports arbitrage," but authorities in multiple nations exposed it as phoney. Many Nigerians lost money when the scam crashed.

MBA Forex: MBA Forex asserted expertise in professional forex trading and guaranteed monthly profits of up to 15%. It disintegrated in 2020, resulting in substantial losses for thousands of investors.

OmegaPro: OmegaPro positioned itself as an international forex and cryptocurrency trading enterprise. Subsequent investigations revealed its operation inside a multi-tiered fraudulent framework.

Crowd1: Crowd1 used a multi-level marketing framework masquerading as a mechanism for selling instructional packages. Regulators in many nations, including Nigeria, identified it as a Ponzi scam owing to its compensation system based on recruiting rather than product value.
Lion's Share: Lion's Share functioned as a cryptocurrency-based matrix scheme. Participants were obligated to acquire smart contracts using cryptocurrencies and generate commissions via referrals. A multitude of customers experienced losses as the system deteriorated as recruiting diminished.
FINAFRICA: FINAFRICA, managed by Benignant Forte, asserted the provision of substantial profits via financial and business consultancy investments. The SEC then issued a warning designating it as an unregistered and illicit investment scheme.

Swissgolden: Swissgolden presented itself as a gold investing platform necessitating members to acquire gold packets. The SEC cautioned investors on the scam, highlighting its deceptive business approach.

Frequency of Ponzi Scheme Exposure
This refers to how frequently students in universities in Ekiti State, Nigeria see communications, advertising or solicitations linked to Ponzi schemes. Regular exposure may impact how individuals evaluate the authenticity of investment offers, particularly if these communications originate from social networks or trusted connections. Research demonstrates that social networks and trust particularly among tight-knit groups play a crucial role in propagating Ponzi schemes in Nigeria. Yagcı, Abang &Asangausung (2025) propose that fraudsters leverage trust relationships in social networks to propagate their schemes. Also, as the SEC cautions, many Nigerians fall victim because they lack access to accurate information or are constantly exposed to bogus promises.

Misrepresentation in Investment Schemes
Misrepresentation involves distorting or amplifying data to make a fraudulent investment seem genuine. In Nigeria, Ponzi scheme operators entice investors with implausible returns, fraudulent registrations, or "guaranteed" substantial gains. These deceptive marketing take advantage of regulatory loopholes, since several schemes lack registration with the SEC.
This deception diminishes genuine investor trust, and the SEC has often highlighted that these fraudulent investments weaken confidence in the legitimate capital market.

Effectiveness of Communication Strategies
This examines the effectiveness of investor-education efforts, public advisories, and regulatory cautions in reaching and influencing prospective investors. Effective communication must be clear, regular, and reliable to counteract the alluring claims of Ponzi schemes about danger and fraud. The SEC has initiated a countrywide effort, providing guidance via market interactions, advertisements, and community initiatives to educate Nigerians. Concurrently, the Central Bank of Nigeria (CBN) has disseminated public circulars cautioning against illicit financial operators, illustrating the use of strategic communication to alleviate the repercussions of Ponzi schemes. Financial education specialists assert that enhanced literacy serves as the greatest safeguard against Ponzi schemes: individuals who comprehend how to authenticate investments and identify fraud are less susceptible to victimization.

Theoretical Review
Prospect Theory
investor behaviour in the context of Ponzi schemes requires examining how individuals perceive risk, process information, and respond to persuasive communication. Prospect Theory, was propounded by

Kahneman and Tversky (1979), it offers a fundamental rationale for investors' involvement in high-risk, fraudulent investment ventures. The theory asserts that people assess possible benefits and losses asymmetrically, attributing more significance to imagined advantages while undervaluing potential losses. In Nigeria, repeated exposure to Ponzi scheme advertisements, which often promise exorbitant profits, might cause investors to overvalue the advantages of involvement while neglecting the inherent hazards. This corresponds with the study's emphasis on the impact of Ponzi scheme exposure frequency on participants' perceptions of investment prospects.

Information Manipulation Theory (IMT), Introduced by McCornack (1992), it elucidates the mechanics of deception via the strategic use of information. IMT delineates four fundamental strategies used in communication: changing the amount, quality, relevance, and clarity of information. Promoters of Ponzi schemes in Nigeria often use techniques such as disseminating misleading or partial information about returns, concocting testimonials, and concealing significant hazards. This deception directly affects investor decision-making, aligning with the study's aim to ascertain the correlation between the degree of misrepresentation in investment schemes and investors' investment choices.

Empirical Review

The findings of the analysed research collectively suggest that the participation in Ponzi schemes in Nigeria and similar environments is a product of economic, social, psychological and communicative variables. The key drivers of engagement in Ponzi schemes include economic reality, expectation of great returns, peer recommendations and the desire for speedy wealth creation (Tomola et al., 2018). Similarly, Ibekwe and Oli (2020) revealed that financial illiteracy, peer influence, greed and lack of proper investing knowledge significantly lead to participation among students in postsecondary institutions. Both research yield consistent results in terms of inadequate financial knowledge and social influence as significant factors for Ponzi scheme participation.

Also, Ibekwe, *et al* (2021) extended the issue by showing that external environmental conditions such as economic hardship and crises might increase the vulnerability of individuals to fraudulent investment schemes. Their results are consistent with those of Tomola et al. (2018), who also highlighted the importance of the prevailing economic situations. Taken together, these findings imply that economic uncertainty increases opportunities for fraudsters to lure investors with excessive expectations of financial returns.

Yağcı, *et al* (2025) and Eburuaja (2025) switched the focus of their investigations from economic determinants to communication processes. Yağcı et al. (2025) found that trust in families, religious communities and friendships is a strong communication channel via which Ponzi schemes are legitimised and participants are attracted. In the same vein, Eburuaja (2025) revealed that fraud promoters purposefully implement persuasive communication methods involving bogus authority claims, promises of tremendous profits and fear-based messaging to influence investment decisions. The two studies agree that communication is not simply an instrument for disseminating information, but a strategic tactic employed by Ponzi scheme operators to influence investors' conduct.

Although the analysed research are different in their scope, methodology and geographical focus, they all agree that communication has a substantial influence on the participation in Ponzi schemes. However, the majority of the available literature has focused on the drivers of involvement, the significance of social networks, and the misleading communication strategies deployed by fraudsters. Little research has been done on the extent to which good communication by regulatory agencies, financial institutions, educational institutions, and the media can act as a preventative mechanism for investment in Ponzi schemes. Furthermore, although studies such as Eburuaja (2025) and Yağcı et al. (2025) have recognised

the importance of communication, they have mostly focused on the communication methods of fraudsters rather than on the efficiency of counter-communication actions for investor protection. Similarly, the work of Tomola et al. (2018) and Ibekwe and Oli (2020) highlighted the importance of financial literacy and social factors but did not assess the extent to which organised communication campaigns can improve the knowledge of the general people and lower their tendency to fall prey to fraudulent schemes

Thus, the present study differs from the past studies in that it explicitly examines effective communication as a strategic solution to the age-long problem of Ponzi scheme investment in Nigeria. This study differs from previous work which has mostly focused on the causes of participation and attempts to analyse the role of timely, credible and compelling communication in improving the knowledge of investors, their financial decision making and vulnerability to fraudulent investment schemes. Hence, this study bridges a critical information gap in the literature and offers a communication strategy for addressing the emerging scourge of Ponzi schemes in Nigeria.

H_{01}: Frequency of Ponzi scheme exposure has no significant effect on students' perception of investment opportunities among university students in Ekiti State, Nigeria.

H_{02}: There is no significant relationship between the level of misrepresentation in investment schemes and students' investment decision-making among university students in Ekiti State, Nigeria.

H_{03}: The effectiveness of communication strategies has no significant influence on students' awareness and prevention of Ponzi schemes among university students in Ekiti State, Nigeria.

3. Methodology

This study adopted a survey research design. The design was considered appropriate because it allows the collection of primary data through questionnaires and helps in examining the relationship between Ponzi scheme-related factors and investors' behaviour among students.

Population of the Study

The population of the study comprises undergraduate students from Ekiti State University (EKSU) and Federal University Oye-Ekiti (FUOYE), distributed across various faculties with an estimated total population of 80,710 students."

Table 1: Student Population by Faculty in Ekiti State University (EKSU)

Faculty	Estimated Population
Arts	4,530
Education	5,932
Social Sciences	5,056
Management Sciences	3,567
Science	6,500
Engineering	3,409
Law	2,430
Agricultural Sciences	2,080
Medicine & Health Sciences	3,080
Environmental Studies	2,090
Total	**38,674**

Source:(University statistical bulletin, 2024; NUC faculty distribution framework) Author's compilation, 2026)

Table 2: Student Population by Faculty in FUOYE

Faculty	Estimated Population
Arts	4,003
Education	6,030
Social Sciences	6,050
Management Sciences	6,530
Science	6,000
Engineering	5,090
Agriculture	3,500
Law	2,530
Basic Medical Sciences	2,400
Environmental Design & Management	1,300
Pharmacy	1,003
Total	**42,036**

Source:(University statistical bulletin, 2024; NUC faculty distribution framework) Author's compilation, 2026)

Sample Size Determination Using Taro Yamane (1967)

The Taro Yamane formula is:

$$n = \frac{N}{1 + N(e)^2}$$

Where:

n= sample size
N= population size (80,710)
e= level of precision (0.05)

$$n = \frac{80{,}710}{1 + 80{,}710(0.05)^2}$$
$$n = \frac{80{,}710}{1 + 80{,}710(0.0025)}$$
$$n = \frac{80{,}710}{1 + 201.775}$$
$$n = \frac{80{,}710}{202.775}$$
$$n = 397.83$$
$$n \approx 398$$

Proportional Allocation Between Universities

Formula:

$$n_h = \frac{N_h}{N} \times n$$

Where:

N_h= population of each university
N= total population (80,710)
n= sample size (398)

EKSU

$$n_h = \frac{38{,}674}{80{,}710} \times 398$$
$$n_h = 190.67$$
$$n_h \approx 191$$

FUOYE

$$n_h = \frac{42{,}036}{80{,}710} \times 398$$
$$n_h = 207.33$$
$$n_h \approx 207$$

Table 3: Proportional Allocation of Sample Between Universities

University	Population	Sample Allocation
EKSU	38,674	191
FUOYE	42,036	207
Total	**80,710**	**398**

Table 4: Proportional Distribution of EKSU Sample (191) Formula: $n_h = \frac{N_h}{38{,}674} \times 191$

Faculty	Population	Sample Allocation
Arts	4,530	22
Education	5,932	29
Social Sciences	5,056	25
Management Sciences	3,567	18
Science	6,500	32
Engineering	3,409	17
Law	2,430	12
Agricultural Sciences	2,080	10
Medicine & Health Sciences	3,080	15
Environmental Studies	2,090	11
Total	**38,674**	**191**

Table 5: Proportional Distribution of FUOYE Sample (207) Formula: $n_h = \frac{N_h}{42{,}036} \times 207$

Faculty	Population	Sample Allocation
Arts	4,003	20
Education	6,030	30
Social Sciences	6,050	30
Management Sciences	6,530	32
Science	6,000	30
Engineering	5,090	25
Agriculture	3,500	17
Law	2,530	12
Basic Medical Sciences	2,400	12
Environmental Design & Management	1,300	6
Pharmacy	1,003	5
Total	**42,036**	**207**

Source of Data, Method of Data Collection, Validity and Reliability of the Instrument and Method of Data Analysis

A pre-prepared structured questionnaire on a 5 point Likert scale was used for collecting data (Strongly Agree (5) to Strongly Disagree (1)). The questionnaires were given out on paper and/or online and picked up upon completion. The instrument was validated by expertsto guarantee that the questions are clear, relevant and suitable. The Cronbach's Alpha test was used to test the reliability of the instrument, which showed good internal consistency. Descriptive statistics and multiple regression analysis were employed in analyzing the data. The effect of Ponzi scheme exposure, misrepresentation and communication strategies on students' investment behaviour among undergraduate students in EKSU and FUOYE was tested using regression analysis. The criterion of decision was to use 5% level of significance (0.05). The null hypothesis is rejected if the p-value is < 0.05 and accepted if the p-value is not < 0.05.

4. Results and discussion

Table 4.1: Regression Analysis of Frequency of Ponzi scheme exposure

Model	Coefficient	Std. Error	R	R^2	F	Sig.
Constant	9.941	1.485				
Frequency of Ponzi scheme exposure	0.159	0.155	0.098	0.010	1.058	0.306

Source: Data Analysis (2026)

From table 4.1 The R-squared value of 0.010 shows that the model has a very low explanatory power, where only 1% of the variation in students' perception of investment opportunities is explained by the frequency of exposure to a Ponzi scheme. The remaining 99% of the variation in students' perception is due to other factors not included in the model. Considering the coefficient result, students' perception of investment opportunities increases by 0.159 for every 1-unit increase in the frequency of exposure to Ponzi schemes. It is a positive, although weak relation and, in practice, is too weak to show a meaningful influence. The constant value of 9.941 shows that when the frequency of Ponzi scheme exposure is zero, students' perception of investment opportunities is expected to be 9.941. In addition, the significance value of 0.306 exceeds the value of 0.05, which means that the predictor variable is not statistically significant. This leads to the acceptance of the null hypothesis and rejection of the alternative hypothesis. This suggests that there is no statistical evidence that shows how often people are exposed to Ponzi schemes influences their perception of investment opportunities in Nigeria. Likewise, the value of the F-statistic (fitness of the overall model) is also not significant (value 1.058). This indicates that the model as a whole is not a good fit for the variations in the dependent variable. Hence, the linear specification of the model is not suitable to explain students' perception on investment opportunities with respect to exposure to Ponzi schemes.

Table 4.2 Regression Analysis of level of misrepresentation andinvestment schemes

Model	Coefficient	Std. Error	R	R^2	F	Sig.
Constant	7.802	0.919				
level of misrepresentation	0.401	0.098	0.364	0.133	16.648	0.000

Source: Data Analysis (2026)

The regression result is obtained from table 4.2, From the table, the regression result shows that the model has a moderate explanatory power with R value of 0.364 indicating positive relationship between the level of misrepresentation in the investment schemes and investors' decision making in Nigeria. The low R^2 value of 0.133 suggests that roughly 13.3% of the variation in students' investment decision-making is

due to the degree of misrepresentation in the investment scheme. This implies that although misrepresentation accounts for some portion of decision making, the other factors not modelled in this study account for a high proportion (86.7%).

From the coefficient result, the beta value of the level of misrepresentation is found to be 0.401, meaning that the greater the level of misrepresentation, the more investors decide. This represents a positive correlation, and when misrepresentation rises, it clearly has a great impact on investor decision making. The value of 7.802 is constant, indicating the expected level of investors' decision making when misrepresentation is zero. In addition, the p-value (Sig. = 0.000) is less than 0.05, which means that the result is statistically significant. So misrepresentation does not happen by accident and affects students' investment decision-making. The value of the F statistic is also 16.648 which also confirms the overall model is statistically significant and well fitted.

Table 4.3: communication strategies and students' awareness and prevention of Ponzi

Model	Coefficient	Std. Error	R	R^2	F	Sig.
Constant	5.824	1.385				
communication strategies	0.589	0.143	0.366	0.134	16.884	0.000

Source: Data Analysis 2026

The result of the regression from the above table shows the effect of the effectiveness of communication strategies on students' awareness and prevention of Ponzi schemes in Nigeria. The result of the model is R value of 0.366 that means there is a weak positive correlation between the variables in this case communication strategies and students' awareness and prevention of Ponzi schemes. The value of the R squared is equal to 0.134, which indicates that about 13.4% of the variance in investor awareness and prevention is accounted for by the communication strategies, whereas the remaining 86.6% is explained by other factors which are not included in the model.

The coefficient result indicates that there is an increase in students' awareness and in preventing Ponzi schemes by 0.589 unit when communication strategies increase by 1 unit. This indicates a positive impact, as a better communication strategy helps investors detect and thwart Ponzi schemes. The constant value of 5.824 reflects the awareness and prevention when there is no communication strategy. In terms of statistical significance, the p-value (0.000) is less than 0.05, indicating that the result is statistically significant. This indicates that the relationship that is observed is not random. Also, the f- statistic value of 16.884 also shows that the overall model is statistically significant and well-fitted.

Findings

The regression result obtained indicated that the frequency of exposure to Ponzi schemes had a positive but insignificant effect on the perceptions of opportunity for investment among the students of the University, Ekiti State, Nigeria ($R^2 = 0.010$, $p > 0.05$). The coefficient shows that exposure to Ponzi schemes seems to have a positive effect on students' perception of investment opportunities, but the impact is relatively small and not considered significant. In addition, the R^2 of 0.010 indicates that only 1.0% of the variability in students' perception of investment opportunity is explained by exposure to Ponzi schemes and 99.0% is explained by other factors not measured in the model. Thus it was concluded that the null hypothesis was accepted. The results indicate that repeated exposure to information about Ponzi schemes has little effect on students' evaluation of investment opportunities. The finding reinforces the view of Akingunola and Olowookere (2022) that the perception of investors in developing economies is shaped more by the economic climate, financial literacy and trust deficits, than just exposure to fraudulent investment activities. In the same way, Owolabi (2021) discovered that the mere enlightenment of fraudulent schemes is not enough to have a beneficial and remarkable impact on the

perception of investment and behaviours of university students. Therefore, even though the exposure can make people more aware, it is possible that it can not significantly alter investor perceptions, unless it is paired with more robust financial education initiatives and regulatory interventions.

The regression analysis also demonstrated statistically significant and positive relation between the misrepresentation in investment schemes and students' investment decision making ($R^2 = 0.133$, $p = 0.000$). This means that students' investments are heavily driven by false claims of information, fraudulent promise of returns and false claims of credibility. The R2 value of 0.133 indicates that the level of misrepresentation in investment schemes explains about 13.3% of the variance in the students' investment decision-making and the rest of the variance is due to other factors not included in the model. Based on the strength of the relationship, the null hypothesis was rejected. This discovery suggests that the availability of misleading investment information is still a significant determinant of investors' investment choices especially in markets with low financial literacy and low regulatory protection. The conclusion is in line with the findings of Ojediran and Adeyemi (2020) which suggested that expectations of unrealistic returns and misleading promotional tactics are significant factors leading to participation in investment fraud. Similarly, Nwokorie and Eze (2021) noted that financial messages can be misleading and lead retail investors to make investment decisions without proper verification. The discovery highlights the need of investor protection measures and the implementation of measures to prevent fraudulent investment promotions.

The regression result also showed that the effectiveness of communication strategies was positively and significantly affecting students' awareness and prevention of Ponzi schemes with R2 = 0.134 and p = 0.000. This positive coefficient indicates that financial literacy campaigns, media sensitization, and regulatory announcements have a significant impact on students' capacity to identify and avoid Ponzi schemes, making it a valuable tool for effective communication. The R^2 value of 0.134 shows that 86.6% of the variations between students' awareness and prevention of Ponzi schemes are not explained by the model's communication strategies. As the relationship was statistically significant, the null hypothesis was rejected. This study has shown the effectiveness of communication strategies to educate students about the fraudulent investment schemes to improve their awareness and investment behaviour. The finding aligns with the results obtained by Sanusi and Bello (2022), which showed that financial education and regulatory communication have a significant effect in decreasing the susceptibility of investors to investment fraud. Likewise, Okeke and Uche (2023) stated that good risk communication from financial institutions leads to increased investor awareness and discouragement of investors from engaging in fraudulent schemes. The message here is that continued and accessible communications can be an effective means of preventing Ponzi scheme victimization among university students and the investing public.

5. Conclusion

The findings revealed that frequency of exposure to Ponzi schemes had a positive but statistically insignificant influence on students' perception of investment opportunities, suggesting that frequency did not significantly affect investor perception. It also found that there was a substantial positive effect on students' investment decision-making when they are misled in investment schemes, indicating that investors' investment decisions are strongly influenced by misinformation. Last, the study revealed that communication strategies had a positive impact on students' awareness and avoidance of Ponzi schemes, suggesting that communication contributes to attenuating investors' vulnerability to Ponzi schemes.

Implication of findings

The results indicate that only awareness of Ponzi schemes will not significantly affect the investment opportunities perception of investors, reflecting the fact that awareness alone is not enough. In investment schemes, misrepresentation is a primary factor in investor's choice, in students' investment decisions indicating that it is important, and that false claims and exaggerated returns are still leading factors when it comes to students' investment decisions.Communication strategies are also important to help improve students' awareness and to avoid fraudulent schemes, particularly in cases where information is clear and consistent.

Recommendations

Based on the findings of the study, the following recommendations are made:

Regulatory organisations such as the SEC and CBN should supervise investment schemes more closely to curb misrepresentations and misleading claims that mislead investors.

Enforce strict disclosure and advertising regulations to prevent misleading high-return claims that influence poor investment decisions.

Adopt modern, engaging communication tools like influencers, short videos, and storytelling to strengthen investor awareness and reduce susceptibility to Ponzi schemes.

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