Lyoness a pyramid scheme in Italy, fined 3.2 million euro

By on 5. 06 2014 | Lyoness, Vapedom

Alessandro Lanni, Lyoness Italy President, is under investigation for attention of Italian authorities.

Italy's Competition Authority AGCM has sanctioned Lyoness Italy with a fine of 3.2 million euro for misleading practices.

The investigation concluded in late December, resulting in Lyoness being sanctioned a month later.

Re-up: AGCM's investigation.

> Lyoness Italy is under scrutiny for the company's Lyoness Italy for its internal among consumers a formula for the purchase of goods and services through a system of "cashback" rewards, which would seem a pyramid scheme, resembling a Ponzi scheme. Lyoness Italy is under scrutiny for the company's Lyoness Italy for its internal among consumers a formula for the purchase of goods and services through a system of "cashback" rewards, which would seem a pyramid scheme, resembling a Ponzi scheme.

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Re-up: AGCM's pot 5.

> Lyoness' cashback system, using the pretext of deceptive advertising of purchases with cashback, actually involves the subscription of members who are induced to believe that they can earn income sufficient for a real job, in order to pay up shortly after the subscription, the fees required by the system. Lyoness Italy (€ 1.600.000) and chief the "company" as Lyoness Premium Network.
>
> Consequently, they must pay a fine of one million euros, as well as the fine of 600 thousand euros imposed on the company Lyoness Italy "company".

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Of particular note is that the AGCM investigation revealed **cashback shopping within Lyoness** was only encountered for about 40% of Lyoness' business activity.

The remaining 60% was accounted from direct investment in shopping centres.

This is a ploy by the fact that, by design, the amount of volume required to trigger a 50% is unfeasible through cashback.

> The achievement of high levels of frequency thanks to the purchasing of goods and services, which the company provides only with the payment of sums of money by the participating consumers to the subjects recruited by the company.
>
> According to information provided to the AGCM by Lyoness,
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> [illegible] Only one of consumers in the sample, in fact, has achieved the aforementioned quota of money to enter, participate and remain in the system, while the other consumers have actually engaged in pyramid-type practices.

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Unfortunately Lyoness manages to continue migrating to different countries since caught in local investor recruitment collapse.

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Re-hash of

> If you attempted a half baked effort you will loose!

In a Ponzi scheme like Lyoness it is mathematically guaranteed that the majority of investors will lose money. There is a point where it doesn't matter what effort you put in. Potential suckers will run out and there'll be nobody left to recruit.

> I joined. After 5 months I have started earning. It's not a scheme. This is a fact…

You stealing money from people who join Lyoness after you doesn't change the fact that it's a Ponzi scheme.

And before you rattle off the "BUT WUTTABUT MUH SHOPPING?!" spiel, Norway and Italy have both proven shopping in Lyoness is a ruse. Which we've been reporting for years.

The only way to make money in Lyoness is to invest and then recruit others to invest. This is why every Lyoness market eventually collapses.

Newone #38
Mar 30th, 2019 at 5:20 pm(Q)

Hi,

I am about join Cash Back World and just want to say, that I am from ex comunist country (read: we have political crisis, the healt care system is collapsing, the big bureaucracy system, taxes are increasing, the per capita income is declining etc…).

I am an owner of a physical store but most likely the last one who has not entered yet in Cash Back World and Lyconet in our city.

Just want to say what are the big merchants doing here in my country: they ordered and buy CBW cards and they distribute them for free to their final customers.

They calculate that investing the money in marketing (media, social media etc…) is less profitable than buying CBW cards and distribute them with their logo among the customers.

I talked to an owner of a big merchant chain yesterday, his company bougt 20.000 CBW cards. Do your own calculation about the cost of the cards, the instant income via CBW and future income from their customers (in therms of loyalty).

What is your opinion?

Oz #39
Mar 30th, 2019 at 5:26 pm(Q)

Forget about opinions. It is a fact that in every country it has opened Lyoness cashback has collapsed once the affiliate investment recruitment scheme collapses.

Your country sounds doesn't like it would have a healthy retail environment at the moment. But it's probably ripe for investment fraud.

By signing up your customers you'll be selling them lies just to make a little extra money.

Newone #40
Mar 30th, 2019 at 7:21 pm(Q)

Thanks for your opinion.

But you missed the point: I will not signing them up. I will give away them my CBW cards with logo of my company.

Oz #41
Mar 30th, 2019 at 7:35 pm(Q)

I assure you I've missed no point.

You'll be invited to invest, the same as the other greedy store owners. You'll be told your shoppers will contribute towards the maturity of your invested units.

Those you hand cards out to will be recruited under you. You'll tell them that just by shopping they can earn cashback.

That is the lie.

The amount of shopping required to make anything is ridiculous. The only people who make any money in Lyoness are the scammers who invest, and then recruit investors and shoppers under them.

Inevitably the collapse of Lyoness in your area will result in widespread investor losses.

You and your greedy store owner friends won't be among those who lose money. But you will lose all credibility and live the rest of your life knowing you abused the trust and good will of your customers.

You can rephrase what you will do however you want. It is what it is and has played out in many countries before yours over the last decade.

Having lost Italy, Lyoness desperately needs new suckers to keep it running. Your country certainly sounds ripe for pillaging.

hello #42
Apr 12th, 2019 at 6:31 am(Q)

Can someone please tell me what is the authority of this agcm in Italy and how much influence they have?

And I am interested about the he Lottery and Foundation Inspectorate in Norway and how powerful is this document bekm.eu/wp-content/uploads/2019/04/Norwegische-Beh%C3%B6rde-13.03.2019.pdf.

How much influence does The Lottery and Foundation Inspectorate of Norway has?

Oz #43
Apr 12th, 2019 at 7:57 am(Q)

The AGCM is Italy's FTC equivalent. They have similar regulatory powers in Italy.

The Norwegian Gaming Board is like a combination of the FTC and SEC as far as MLM regulation goes in Norway. I can't speak to the other areas they regulate.

Both are top-tier national regulators financed by their respective governments.

John #44
May 25th, 2019 at 9:55 pm(Q)

Oz , in Germany there will be the biggest lyoness scam event ever. 65000 people attending, superstars like Pitbull, tony Robbins etc will be there and until yet no sign of banning it it in gernany.

Oz #45
May 26th, 2019 at 8:19 am(Q)

That's on BaFin to take action.

You'd think with Austria clamping down Germany would follow suit.

Scambuster789 #46
Jun 7th, 2019 at 2:25 am(Q)

Today +30.000 strong in Germany and not a sign of regulators nor the police. Indeed they contracted Tony Robbins Pitbull and Eric Worre to do some trainings.

facebook.com/photo.php?fbid=10215154189710178&set=pcb.10215154190590201&type=3&theater

As you can see there's no sign of a crisis in this company!

They seem to have a ball there.

facebook.com/lyconeteu/photos/pcb.2135269913249067/2135269669915758/?type=3&theater

Oz #47
Jun 7th, 2019 at 7:04 am(Q)

Gotta keep up appearances. Looks like enforcement needs to step up in Italy following the pyramid scheme decision.

Investment must still be flowing in.

U-No #48
Oct 20th, 2019 at 10:21 pm(Q)

Some folks believe that when a company hires convicers… I mean, paid motivators to speak at an event, then that company is legit and no regulators will step in to arrest everyone in the room.

The thousands paid in fees to the most influential speakers is usually done with the intent to keep distributors from leaving the company anytime soon.

It becomes a tax write off at the end of the year.

The speaker has nothing to do with the legitimacy of a company and whether the management of the company does shady stuff or not down the line.

The speaker merely talks, gets the crowd fired up, hot and bothered, collects the rest of his fee, and gets to sell more of his products and services at the end of the day.

JOHN #49
Feb 1st, 2021 at 11:04 pm(Q)

Fortunately, MyWorld is operating normally in Italy and all the other 51 countries, so this article is not quite correct this time.

There are more than other 50 countries on the way to welcome Myworld, such as Albania, Belarus, Ukraine, Japan, Egypt, Argentina etc.

The future is now!

Oz #50
Feb 2nd, 2021 at 6:59 am(Q)

^^ This is what desperate denial looks like.

The Italian fine and pyramid finding is there for anyone to read. It is very much real.

At the present time, outside of Italy Lyoness is dead. They were a thing in Europe last year (Albania etc.) but, like everywhere else, that seems to have collapsed.

Best of luck with the scamming.

Really? #51
Feb 24th, 2021 at 8:24 pm(Q)

I didn't know about lyoness until about 30 minutes ago.

All of you who commented earlier about how great this company is, did you really think you could sign up for a membership, for free, and get money back on your retail purchases? You can't be that gullible.

The structure of this "company" is a textbook pyramid scheme in organization, they just added the extra step of cash back (with huge strings attached) to throw authorities off the scent.

You realized what this was, then decided you knew enough people to trick. A fterall, you had to: there is a monthly upkeep fee for "sellers". That's there to bleed you so you hunt harder for people to trick.

You knew over 80% of the people involved in this will be left with nothing to show except a lighter wallet.

But… if you truly did not realize this, I have some bad news for you… you are the chump. Better luck next time.

jhon carl snow #52
May 14th, 2021 at 12:03 am(Q)

It is scam , but a lot of people defend it because they need you to invest

Anita #53
Dec 30th, 2021 at 1:45 am(Q)

Oh I personally met 2 guys "catching" new clients here in Croatia. One of them is showing off as IRS certified officer.

This is definitely illegal stuff and a scheme! And I know for a fact that they've gone around one mental institution and selling this sh** to drugged people that don't know what they're doing joining this.

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