

# Safe Investment Education and Anti-Fraud Awareness for the Community of Sanankerto Village, Malang Regency

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## Abstract

The rapid expansion of financial technology has provided broader access to digital investment platforms, yet it has simultaneously increased the prevalence of fraudulent schemes such as scams, money games, binary options, and illegal robot trading. These practices have significantly impacted communities in Indonesia, including rural areas with limited financial literacy. Sanankerto Village, Malang Regency recognized as a tourism village with active MSMEs and community-based economic activities faces growing exposure to deceptive investment offers delivered through social media and digital channels. This community service program aims to enhance financial literacy and strengthen residents' capacity to identify, verify, and avoid illegal investment schemes. Employing a Participatory Action Education approach, the program consists of five stages: needs assessment, educational workshops, hands-on training on legality verification using OJK, Bappebti, and SWI platforms, fraud-identification simulations, and evaluation through pre- and post-test assessments. Findings reveal a substantial increase in participants' understanding of legal investment principles, the ability to independently check institutional licenses, and heightened vigilance toward digital fraud. The program also produced sustainable outputs, including trained village financial literacy volunteers, educational modules, and anti-fraud posters. Overall, this initiative contributes to improving the financial resilience of Sanankerto Village and preventing economic losses associated with illegal investment practices

## 1. Introduction

The rapid expansion of digital financial services and investment platforms in Indonesia has significantly widened public access to investment opportunities. However, this growth has simultaneously increased exposure to fraudulent investment schemes such as online scams, money games, binary options, and illegal robot trading. Empirical studies indicate that limited financial and digital literacy substantially increases individuals' vulnerability to such schemes, particularly when investment offers are disseminated through social media and informal digital channels (Ariani & Wicaksono, 2021; Park & Kim, 2021; Rahadian, 2023). Also, the research indicates that inadequate financial literacy and weak ability to verify institutional legitimacy contribute to higher vulnerability to such fraudulent schemes (Lestari, et al, 2023; Umar & Dalimunthe, 2024). Several recent studies emphasize that financial literacy alone is insufficient if not accompanied by adequate digital literacy and fraud awareness. Digital environments enable fraudsters to exploit information asymmetry, behavioral biases, and low risk perception among potential victims (Zhou & Wong, 2022; Lee & Teo, 2023). In Indonesia, inadequate understanding of investment legality and weak verification behavior have been identified as major determinants of susceptibility to illegal investments (Putra & Ardiansyah, 2022; Umar & Dalimunthe, 2024).

In rural and semi-rural contexts, such as villages with active small-medium enterprises (SMEs) and tourism sectors, the risk is further amplified. Micro-entrepreneurs and community members often face capital constraints, making them more receptive to promises of high and quick returns (Kusuma & Nurjanah, 2021; Wijayanti & Subroto, 2023). Studies on community-based financial behavior demonstrate that rural populations are disproportionately targeted by fraudulent investment promotions delivered via WhatsApp groups, Facebook pages, and personal networks (Budianto & Santoso, 2022; Okoli & Adebayo, 2023). Meanwhile, studies on digital financial literacy in Indonesia highlight that higher literacy levels are strongly associated with safer financial behavior and reduced susceptibility to investment fraud (Rahayu, et al, 2022; Hasan, 2023). Recent evidence from Indonesia also highlights that higher levels of digital financial literacy are strongly associated with safer financial behavior, better risk assessment, and reduced likelihood of investment fraud victimization (Rahayu et al., 2022; Hasan, 2023; Sari & Widodo, 2021).

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Consequently, regulatory institutions such as OJK emphasize preventive education and community engagement as key strategies in consumer protection (Otoritas Jasa Keuangan, 2022).

Given this background, implementing a structured, participatory, and community-based educational intervention becomes imperative. Participatory approaches not only improve cognitive understanding but also enhance practical skills in verifying investment legality and recognizing fraud red flags (Setiawan et al., 2021; Ningsih & Lestari, 2023). Therefore, this community service program aims to strengthen the financial resilience of Sanankerto Village residents by improving investment literacy, digital vigilance, and autonomous fraud-prevention capacity through participatory action education. The target locality, Sanankerto Village in Turen District, Malang Regency with its network of SMEs (culinary, crafts, tourism) and active social milieu represents a community at risk of aggressive fraudulent investment targeting. The community's economic dynamism and digital connection create both opportunity and vulnerability.

Therefore, this community service program aims to strengthen the investment literacy and protective capacity of Sanankerto residents against illegal investment practices. Specifically, the program seeks to improve residents' understanding of safe and legal investment principles, enhance their ability to recognize red-flags of fraudulent schemes, and build practical competence in verifying business and investment legality through official regulatory channels (OJK, Bappebti, and related authorities). By doing so, the program aspires to reduce the vulnerability of key groups such as SME actors, village officials, community leaders, housewives, and digitally active youth who often engage with or are targeted by investment offers. Moreover, to ensure sustainability, the initiative seeks to foster community-based capacity by forming digital financial literacy volunteers at neighborhood (RT/RW) and SME-community levels. The program also intends to produce a practical guideline on safe investment practices for autonomous use by village authorities and community members. Collectively, these efforts aim to contribute to strengthening the financial resilience of Sanankerto Village and support responsible, informed, and secure investment behavior at both household and community levels.

## 2. Method

This community service project employs Participatory Action Research (PAR) as the core methodology, emphasizing the importance of active community participation in addressing social challenges in the active participation of village residents through a learning-by-doing cycle that integrates awareness-building, mentoring, and hands-on practice. PAR emphasizes that the community is not merely a recipient of information but an active subject involved in identifying problems, articulating needs, and developing sustainable financial capacities (Jauhari & Taufiqurrohman, 2024). This approach is highly relevant for safe-investment education, as issues of investment literacy and vulnerability to financial fraud are closely connected to everyday economic behaviors patterns that can only be strengthened through participatory learning and experiential engagement.

The PAR model in this program is structured into four main stages. First, community need assessment, which involves mapping the village's baseline financial literacy and identifying the types of financial risks previously encountered by residents, as recommended in PAE-based community engagement studies conducted in rural settings (Setiawan et al, 2021). Second, participatory education, conducted through interactive sessions on safe-investment principles, recognition of fraud indicators, and practical exercises using official information sources such as the Financial Services Authority (OJK) and the Indonesia Stock Exchange. Third, mentoring and guided practice, which provides direct assistance in risk-analysis simulations, verification of investment platforms, and the development of personal financial plans an approach aligned with participatory mentoring practices proven to improve community financial skills (Ningsih & Lestari, 2023). Fourth, reflection and evaluation, involving evaluative discussions to assess changes in understanding and formulate follow-up actions that ensure program sustainability.

The use of the PAR model allows this community engagement initiative to go beyond one-way material delivery, focusing instead on strengthening the capacity of Sanankerto Village residents to independently protect themselves from investment fraud risks. This aligns with the principles of rural community empowerment that aim for long-term improvement in financial behavior. The stages of program implementation are illustrated in the following figure.

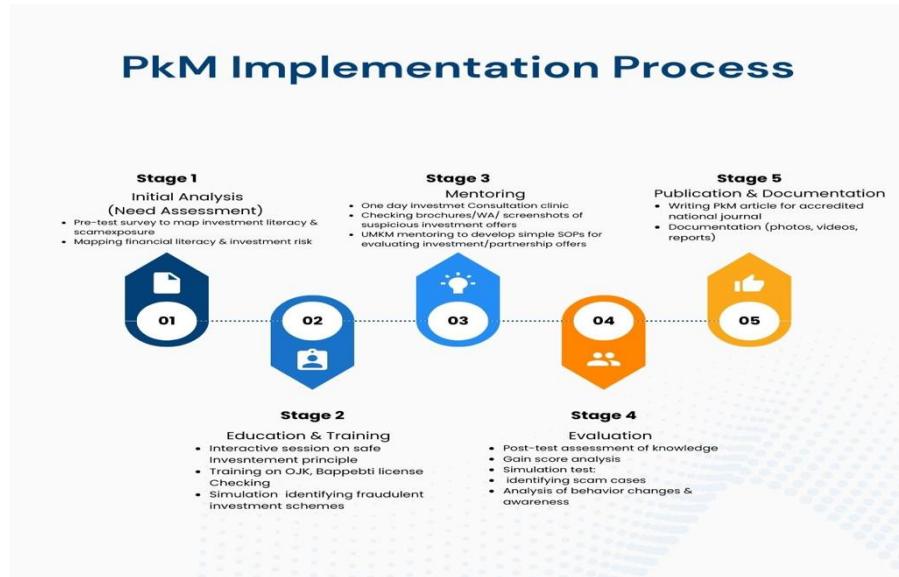


Figure 1: PkM Implementation Work Flow

### 3. Result and Discussion

The implementation of the Participatory Action Education (PAE)-based community service program in Sanankerto Village yielded significant improvements in financial literacy, fraud awareness, and practical skills for verifying investment legality. A total of 86 participants joined the full program, representing UMKM actors (41%), village administrators (17%), community leaders and homemakers (28%), and youth social media users (14%).



Figure 2: Activity Documentation

#### a. Increased Investment Literacy

Pre- and post-test assessments demonstrated substantial learning gains. The average pre-test score was 43.7%, indicating limited understanding of investment principles and a high level of vulnerability to fraudulent schemes. After the intervention, the average post-test score increased to 81.4%, with a mean gain score of 0.37, which falls within the "medium to high" category of learning improvement. 78% of participants correctly identified the difference between legal and illegal investment institutions after the training, compared to 22% before. 71% were able to list at least three red flags of investment fraud, up from 18% at baseline. The significant increase in post-test scores demonstrates that participatory financial education effectively improves community understanding of legal investment principles and fraud indicators. This finding aligns with previous studies showing that interactive and context-based financial

education yields stronger learning outcomes compared to conventional lecture-based methods (Iqbal, 2025; Wijayanti & Subroto, 2023). The improvement in participants' ability to identify investment fraud red flags supports findings by Ariani and Wicaksono (2021) and Putra and Ardiansyah (2022), who argue that financial literacy combined with fraud awareness significantly reduces susceptibility to deceptive investment offers. Furthermore, enhanced vigilance toward unrealistic return promises reflects improved risk perception, a key protective factor highlighted by Zhou and Wong (2022)

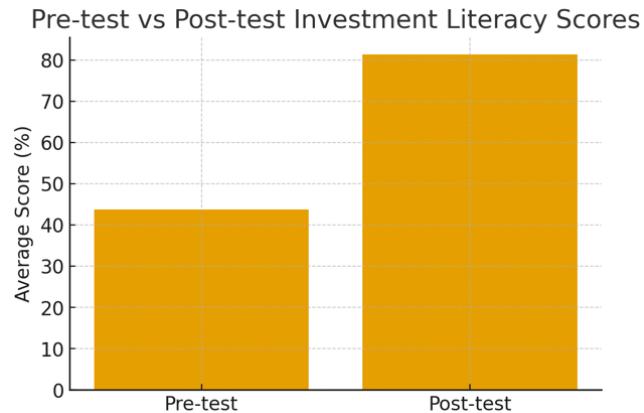


Figure 2: Pre-test dan Post-test Score

#### b. Improvement in Practical Verification Skills

Results from guided practice sessions further confirm the success of the program. Participants were tasked with verifying the legitimacy of six investment platforms using OJK and Bappebti databases. The correct verification rate increased from 29% (pre) to 87% (post). During the simulation exercises, 93% of participants were able to correctly classify real case examples from Malang and East Java as legal, unlicensed, or fraudulent. The sharp increase in correct verification performance after guided practice confirms the importance of hands-on digital literacy training. Consistent with Ningsih and Lestari (2023), practical mentoring enables participants to translate conceptual knowledge into actionable skills. This outcome also supports Park and Kim (2021), who emphasize that verification behavior—rather than knowledge alone—is crucial in preventing online investment fraud. Participants' ability to independently access OJK and Bappebti databases reflects improved digital competence, which is widely recognized as a critical safeguard against online financial crime (Sari & Widodo, 2021; Hasan, 2023). These findings further reinforce evidence from Lee and Teo (2023) that enhanced digital literacy mitigates vulnerability to emerging forms of digital investment scams, including cryptocurrency and robot trading fraud

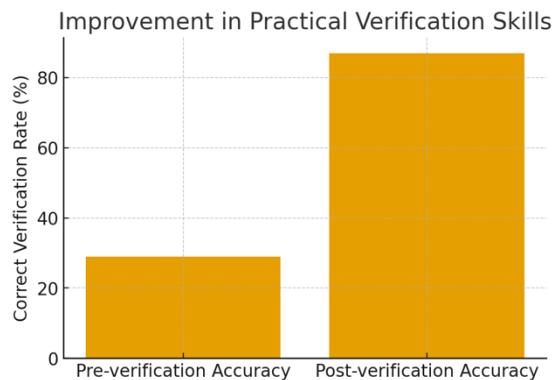


Figure 3: Improvement in Practical Verification Skills

#### c. Effectiveness of Mentoring and the Investment Consultation Clinic

The one-day Investment Consultation Clinic received strong engagement, with 47 consultation cases submitted, including brochures, WhatsApp messages, website screenshots, and invitations to profit-

sharing schemes. Of these, 39 cases (83%) were identified as suspicious or illegal, 6 cases (13%) were illegal robot-trading offers, 3 cases (6%) involved multi-level investments with unclear legality. Participants expressed increased confidence in making financial decisions: 88% reported feeling "much more confident" in rejecting unsolicited investment offers. 76% indicated they would consult official sources before making any financial commitment. These results demonstrate the value of participatory mentoring within PAR, which is consistent with Setiawan et al. (2021) regarding the effectiveness of community-based capacity-building in rural settings. The emergence of financial literacy volunteers indicates successful community empowerment, a core objective of Participatory Action Research (PAR). This outcome is consistent with Okoli and Adebayo (2023), who demonstrate that community-centered financial education fosters sustainable fraud-prevention mechanisms beyond program duration. The establishment of investment consultation clinics further validates the role of experiential learning in strengthening financial confidence. Increased willingness to reject unsolicited offers and consult official sources mirrors findings from Budianto and Santoso (2022), who report that confidence and verification intention are key mediators between financial literacy and safe financial behavior

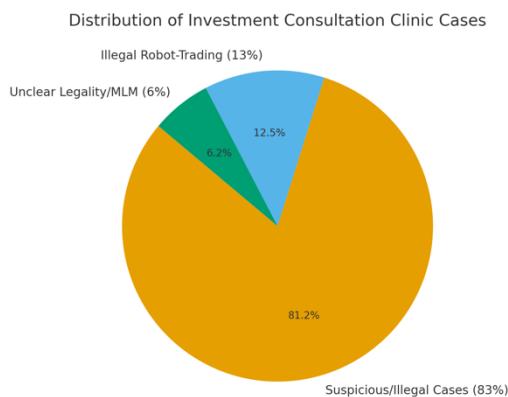


Figure 4: Distribution of Investment Clinic Case

#### d. Community Empowerment and Early Institutionalization

One of the most significant outcomes was the emergence of 11 volunteer financial literacy cadres from UMKM groups, youth communities, and RT/RW representatives. These volunteers committed to continuing awareness campaigns and assisting neighbors in verifying investment offers a key indicator of sustainability. Furthermore, the village government adopted the Safe Investment Education Guide and Anti-Fraud Posters to be displayed in public spaces and integrated into Boonpring tourism information centers. Overall, the program successfully strengthened the community's capacity to protect themselves from fraudulent schemes, aligning with PAR's core objective of sustainable behavioral transformation. The combination of education, hands-on training, mentoring, and evaluative reflection created a comprehensive empowerment cycle that addressed both knowledge gaps and practical skills. The substantial improvements in literacy scores, high engagement in clinic consultations, and willingness of community members to form financial literacy cadres collectively demonstrate the strong impact and sustainability potential of this community service initiative.

## 4. Conclusion

The Investment Consultation Clinic successfully enhanced participants' capacity to identify, question, and avoid fraudulent investment schemes. Of the 47 consultation cases analyzed, a substantial majority (83%) were confirmed as suspicious or illegal, demonstrating the relevance and urgency of the program in countering high-risk financial practices in the community. Participants also reported significant improvements in financial confidence: 88% felt "much more confident" in rejecting unsolicited offers, and 76% expressed willingness to verify information through official channels before investing. These outcomes affirm the effectiveness of participatory mentoring within the Participatory Action Research (PAR) model.

## Author Contributions

**Novy Karmelita Indrawati:** Conceptualization, Methodology, Software. **Nurtjahja juniarsa:** Tutor and data collection/curation, **Rosi Irianti** Writing- Original draft preparation. **Shochib Adianto:** Writing- Reviewing and Editing.

## Declaration of Conflicting Interests

Declarations of interest: none and no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

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