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# Squid Game crypto token collapses in apparent scam

🕒 10 hours ago



**A digital token inspired by the popular South Korean Netflix series Squid Game has lost almost all of its value as it was revealed to be an apparent scam.**

Squid, which marketed itself as a "play-to-earn cryptocurrency", had seen its price soar in recent days - surging by thousands of per cent.

However, as **the BBC reported**, it was criticised for not allowing people to resell their tokens.

This kind of scam is commonly called a "rug pull" by crypto investors.

This happens when the promoter of a digital token draws in buyers, stops trading activity and makes off with the money raised from sales.

Squid's developers have made off with an estimated \$3.38m (£2.48m), according to technology website Gizmodo.

"Play-to-earn" cryptocurrency is where people buy tokens to use in online games and can earn more tokens which can later be exchanged for other cryptocurrencies or national currencies.

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Last Tuesday, Squid was trading at just 1 cent. In less than a week its price had jumped to over \$2,856.

Its value has now plummeted by 99.99%, said cryptocurrency data website CoinMarketCap.

Squid was billed as a token that could be used for a new online game inspired by the Netflix series - which tells the story of a group of people forced to play deadly children's games for money. The game was due to go live this month.

However, cryptocurrency experts had warned of several tell-tale signs that it was likely to be a scam.

Most telling was that people who bought Squid tokens were unable to sell them.

Critics also highlighted that its website contained many spelling mistakes and grammatical errors. The website is no longer online and social media accounts promoting the tokens have also vanished.

"It is one of many schemes by which naïve retail investors are drawn in and exploited by malevolent crypto promoters," Cornell University economist Eswar Prasad told the BBC.

Professor Prasad said buyers need to be aware when buying cryptocurrencies as there is almost no regulatory oversight.

"In fact, open pump and dump schemes are rampant in the crypto world, with investors often jumping in with eyes wide open, perhaps hoping that they can ride the wave and dump their holdings for a quick profit before prices

collapse," he said.

Squid was available for sale on decentralised crypto exchanges including PancakeSwap and DODO, which allows for buyers to connect directly to sellers, without a central authority.

"Nowadays new coins can be listed on decentralised exchanges on the first day they are created, without any regulation or due diligence," said Jinnan Ouyang from Singapore-based crypto company Openmining.

"So you could be buying coins from anyone with any agenda."

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