

Emerging scam: 'Free' trial offers

THE ACCC has seen an increasing number of complaints about 'free' trial offers.

Consumers are offered a 'free' trial where only postage and handling are payable.

However, without clear disclosure, consumers subsequently receive unwanted goods and/or services from the business, have their credit card information transferred directly to another business and/or have regular deductions made from their credit card by an entity not related to the company from which the initial purchase was made.

Consumers have complained that it is extremely difficult to cancel the memberships, as telephone support is not available.

Losses in relation to this type of conduct range from \$12 to \$1000 per affected consumer.

Derryn sent money via Western Union after booking online an apartment in the heart of Manhattan's cultural district. The apartment did exist, but the people with whom he exchanged emails were not legitimate.



Scams hit one in 20 Australians

AUSTRALIAN BUREAU OF STATISTICS figures suggest that around one in 20 Australians falls victim to some sort of consumer scam each year, with a direct cost to the community of about \$1 billion. In Britain, almost 10 per cent of adults—more than four million people—say they have responded to a scam, according to the Office of Fair Trading. The UK's National Fraud Authority has estimated the cost of fraud—including scams, online theft, insurance cheats and tax fraud—at £30 billion each year in the UK.

Derryn Hinch: I was a victim

Journalist and commentator Derryn Hinch was conned out of \$4000 after answering an online advertisement for an apartment in New York. Derryn wrote of his experiences in the *Sunday Herald Sun* (24 January 2010). Derryn said that he sent money via Western Union after booking online an apartment in the heart of Manhattan's cultural district. The apartment did exist, but the people with whom he exchanged emails were not legitimate.

Scams hit all age groups

The ACCC received scam complaints and inquiries from consumers across a broad age range during 2009; however, almost three-quarters of complainants who provided their age were between 25 and 54 years old. Thirty per cent of complainants were in the 35 to 44 year range, 23 per cent in the 25 to 34 year range, and 20 per cent in the 45 to 54 year range. Five per cent of complaints were received from people over 65. While the provision of age data is voluntary, the statistics provide a useful indication of the trends observed.