

Scam reports rise over 100 per cent in 2010

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This year's National Consumer Fraud Week kicked off with figures being released that showed reports of cyber crime and scams to the ACCC had doubled from 2009.

Targeting scams: Report of the ACCC on scam activity in 2010, reported that in 2010 the ACCC received more than 41 000 reports of scams, more than double that in 2009.

'Consumer scams have become a serious form of economic crime, especially in the online arena,' Deputy Chair Peter Kell said.

'The tens of millions of dollars of losses reported to the ACCC are only a part of the overall cost to the Australian community, as many scams go unreported and indirect losses are also very significant,' he said.

A positive development in 2010 has been that more consumers are prepared to report scams, even if they have not lost money. This suggests that some consumers are becoming more aware of the dangers associated with such crimes. In this context the SCAMwatch website has become an important portal for consumers and businesses looking for information about how to avoid the risks or to report consumer scams and cybercrime.

However, it is worrying that the increase in reports also points to the growing involvement of sophisticated criminal networks in this activity.

Of the consumers that contacted the ACCC, 16 per cent had experienced a financial loss. These losses ranged from a few dollars to several million dollars and collectively represent more than \$63 million.

The most commonly reported scam in 2010 was advance fee scams. These scams can take many forms but often trick people into believing they have received a legitimate offer such as a government grant from a trustworthy source.

Consumers are often less cautious when judging the authenticity of the offer and may provide payments and personal details more readily as the scammers pose as a legitimate government department telling the person they have won a government grant or some type of payment but they must pay some associated fees (such as administration fees) in order to receive the grant.

Other common advance fee scams involve scammers posting fake classified advertisements for expensive consumer goods such as cars at seemingly very cheap prices. The buyer is asked to pay in full or for transportation costs and they never get the goods they have paid for.

Another common scam type for 2010 was computer hacking. In this scam people would get a call from a scammer who claimed to be a representative of Microsoft or another genuine service provider. They would falsely claim that the person's computer was infected with a virus and convince them to give the scammer remote access to their computer. They would then convince people to buy anti-virus software. Some of these scams even involved sending people to a link that would actually infect their computer with a virus.

'Every year there are reports of new ways scammers try to swindle people. In 2010 over a third of scams were delivered by phone, perhaps because of the growing popularity of free or cheap voice over internet services,' Mr Kell said.

'In 2010 the ACCC observed a marked increase in consumer reports indicating that many telephone scams were operating out of overseas call centres. Scammers take deliberate and elaborate steps to ensure they cannot be traced. The best form of protection for consumers is to be alert to the possibility of scams,' he said.

Some things to look out for include:

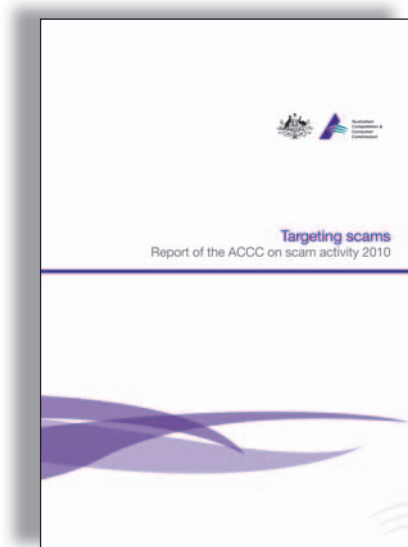
- › If it looks too good to be true—it probably is.
- › **ALWAYS** get independent advice if an offer involves significant money, time or commitment.
- › Remember there are no get-rich-quick schemes: the only people who make money are the scammers.
- › **NEVER** send money or give credit card or online account details to anyone you do not know and trust.
- › Never provide financial/credit card details via email.
- › Do not open suspicious or unsolicited emails (spam) even to unsubscribe: delete them.
- › Do not click on any links or attachments in a spam email.

National Consumer Fraud Week is an initiative of the Australasian Consumer Fraud Taskforce. The Taskforce, formed in 2006, comprises 22 government members across Australia and New Zealand working together to combat fraudulent activity. There are also state and territory members.

For more information regarding the Australasian Consumer Fraud Taskforce visit www.scamwatch.gov.au

People who wish to report scam activity can report scams to the ACCC via the report a scam page on SCAMwatch www.scamwatch.gov.au or by calling 1300 795 995. They can also contact their local or state or territory consumer protection agency. The contact details for each agency can be found at www.scamwatch.gov.au/content

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Targeting scams: Report of the ACCC on scam activity in 2010

Top 10 scam types complained about to the ACCC in 2010

Type	Total scams reported to ACCC in 2010	Per cent of total reports
Advanced fee/up-front payment	14 739	34.8
Online auction and shopping	5 527	13.0
Computer hacking	4 983	11.8
Lottery and sweepstakes	3 468	8.2
Unexpected prizes	2 813	6.6
False billing (including advertising, directory and domain name)	2 740	6.5
Banking and online account (including phishing)	2 692	6.4
Job and employment (including business opportunity)	1 322	3.1
Dating and romance (including adult services)	1 149	2.7
Computer prediction software (including betting)	604	1.4