

Are you scam savvy?

Common scams and tips to avoid them – Consumer Affairs Victoria



Not long after retirement, Roger received an email from a portfolio manager about an investment opportunity. It couldn't have come at a better time - he'd been thinking about smart ways to invest his hard-earned money. The manager promised Roger quick and high returns if he followed his advice. All he had to do was pay a fee and leave the rest up to the manager.

Martha was forced into early retirement due to a back injury. Money wasn't tight, but the medical expenses were piling up so when she got an email saying the government owed her \$5,000 in overpaid taxes, it was a dream come true. All she had to do was pay a 'reclaim fee' into a Western Union account and the money would be hers.

While Roger and Martha are fictional, unfortunately these types of scenarios are real, and a warning of how easy it can be to fall for a scam, according to Consumer Affairs Victoria.

Scammers are professional criminals, using sophisticated tricks to dupe thousands of Victorians every year. Scammers are also hard to find and prosecute, with many based overseas or working anonymously from behind a computer.

Telephone/rebate scam

Scammers pretending to be from a government, bank or other well-known institution will call, email or text you, saying that you are owed money. However, first you must pay an administration fee or similar to 'reclaim' the money.

Tip: Watch out for unsolicited emails, phone calls or letters saying you have unclaimed funds or are owed money.

Travelling con men scam

Travelling con men are dodgy tradesmen who knock on doors of homes and small businesses, offering to do maintenance work. They may ask for cash before starting work and frequently disappear as soon as you pay them. If they do any work, it is often unfinished or of a poor standard. They move quickly and usually only give a first name and mobile number – so contacting them afterwards is difficult.

Tip: If you suspect a travelling con man is knocking, do not answer. If you do speak to them, ask them to leave. If they refuse, they are breaking the law.

Investment scam

Scammers typically offer 'get rich quick' schemes and investments based on 'secret' information or special software. They claim to be able to predict the outcomes of sports or share trading. After you pay their expensive fees, you will discover that their claims of past performance and guarantees about future results are false.

Tip: Do not let anyone pressure you into making investment decisions, ask for written information and always get independent financial advice.

Online selling scam

Scammers pose as sellers and post fake advertisements offering non-existent products for low prices. These may appear on genuine websites, online classifieds and online auction sites

Tip: When buying items online, use secure payment options such as Paypal or credit card as you may be able to seek a chargeback from your bank or credit card provider if you lose money in a scam.

Romance scam

Scammers approach you on legitimate dating websites and build an online relationship with you, often over weeks, months or years. Once the relationship is established, they will start asking you for money.

Tip: Avoid sending money, personal or financial details to someone you have never met in person, especially if you are looking for love online.