

Scams on the rise

Lesley Parker

The Sydney Morning Herald

August 24, 2011



Mail order ... scammers use personal details to get money. *Illustration: Michael Fitzjames.*

Fraudsters are everywhere and they're getting craftier.

Scammers are using well-known company names such as Microsoft and the Yellow Pages and even posing as government departments, including state consumer protection bodies, in their attempts to deceive consumers.

During 2010-11, Consumer Affairs Victoria (CAV) received more than 6770 reports of scams, up from 4700 the year earlier and 2700 in 2007-08.

In NSW, more than 1800 scams were reported to Fair Trading in the first seven months of this calendar year.

Both CAV and Fair Trading NSW have had their identities used to lure potential victims.

Scammers often pose as legitimate institutions, pretending to be from companies such as Microsoft or Sensis or government agencies including the Australian Tax Office, the Australian Treasury and even Consumer Affairs Victoria, says the Minister for Consumer Affairs in Victoria, Michael O'Brien.

One of the most common scams reported to CAV in the past year was the "computer repair" or Microsoft ruse, which generated more than 1300 complaints, or about one in five of all the scam reports, in that state, O'Brien says.

The same deception is responsible for about 15 per cent of scam reports in NSW. In this scam, the victims are contacted out of the blue over the phone and told their computer is infected with a virus. The scammers tell the victims they need remote access to their computer to fix the virus and then use remote access to steal banking or other personal details.

In some cases, they may tell the victims they have "fixed" their computer and charge them a fee for the service.

A twist to have emerged recently is that the callers claim to be from Telstra or its internet arm, BigPond.

The Australian Competition and Consumer Commission's SCAMwatch website (scamwatch.gov.au) is also warning about a ploy whereby the scammer will ask for your bank account details so you can supposedly be paid

federal government carbon tax compensation directly. So-called reclaim scams generated more than 2000 reports in Victoria. Here, victims are contacted by phone, mail or email and told they're owed money by a reputable agency or organisation such as a government department. The scammers tell the victims that to receive the money they're owed, they need to pay a processing or other fee for the service.

In NSW, the Fair Trading Commissioner, Rod Stowe, recently issued a warning to residents on the central coast to avoid a scam whereby telephone callers claiming to be from Fair Trading offer to reimburse overcharged bank fees.

"People should just hang up on these callers," Stowe says. "Under no circumstances [should they] provide any personal or financial details or make any payment.

"Legitimate banks and government organisations will not contact you asking for personal information."

Stowe says bank-refund scammers ask for account details, or confirmation of details, and appear to have a lot of personal information about the people they're calling, including dates of birth, who those people bank with and, in some cases, account types and some numbers.

Stowe says Fair Trading received 171 scam reports in July alone.

The top-three scams involve "get-rich-quick" schemes, involving overseas lotteries, supposed refunds for overcharged bank fees and computer-related cons.

In NSW, the average amount lost to scams this year is \$626, though the largest hit was \$9000.

About one in 10 consumers reporting scams to Fair Trading has lost money. O'Brien says anyone can fall victim to such a swindle.

"Victims are sometimes embarrassed about coming forward after they've fallen for a scam but we rely on this information to warn others," he says.

"Even if you haven't lost any money in a scam, we still encourage you to report it."

Contact your state consumer affairs body or SCAMwatch.

Key points

- Scammers are after bank-account details.
- No bank would ask for them by email or phone.
- Scammers trade on fear by using topical events.
- Always report attempted scams.

Read more: <http://www.smh.com.au/money/planning/scams-on-the-rise-20110823-1j77i.html#ixzz1VyzWqQup>