

 **Outsmart the  
SCAMMERS**



[scamwatch.gov.au](http://scamwatch.gov.au)  
1 300 795 995

AUSTRALASIAN  
**CONSUMER FRAUD**  
TASKFORCE  
AN INITIATIVE OF THE STATE, TERRITORY AND  
AUSTRALIAN AND NEW ZEALAND GOVERNMENTS



**Australian Government**  
**Australian Institute of Criminology**

# Outsmarting scammers

## *Staying safe when shopping online*

***Online shopping scams: results of the 2012 survey***

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# The annual ACFT online consumer fraud survey

## Background

- Developed in 2005 by the AIC to inform Taskforce members about the current consumer fraud environment in Australia and New Zealand
- Online questionnaire with 25 questions covering:
  - receipt of scam invitations – scam type, and delivery medium
  - victim responses seeking further information
  - financial loss and loss of personal information
  - reporting behaviour and reasons for not reporting
  - perceptions of criminality
  - demographics – age, gender, residence, income
- More than 5,400 self-selected respondents between 2007 and 2012
- Recruited by ACFT publicity on SCAMwatch and other media
- Total losses estimated to be more than \$9.8m or \$1,800 per victim



# Survey respondents 2012

## Affiliation (n=1,576)

- Working members of the public (76%), retirees (15%), police (0.9%)
- Public sector employees (4.3%), ACFT members/partners (1.4%)

## Recruitment

- Campaign from 19-25 March; survey open 1 Jan – 31 March 2012
- From government websites (33.4%), from SCAMwatch (25.4%)
- From media (11.6%), word of mouth (6.9%), other means (6.4%)
- Responses: pre-campaign(121/week), during(187/week), post(61/week)

## Demographics

- Female (54.6%), Male (43.4%)
- Top age categories: 45-54 and 55-64; 10.5% under 25 years
- Top 3 states: NSW (29.6%), Vic (20.2%), Qld (17.4%) – same as pop'n
- Most frequent income categories: \$20,000 to \$80,000 (38.9%)



## Summary results 2007-12

Year	Responded n =	Received scams	Responded to scams	Lost money	Median loss	Total loss
2007	841	86%	13%	5%	\$577	\$380,000
2008	919	90%	18%	7%	\$1,500	\$853,000
2009	692	86%	17%	11%	\$1,050	\$545,000
2010	246	89%	29%	10%	\$1,065	\$136,000
2011	1,145	94%	29%	10%	\$700	\$7,000,000
2012	1,593	95%	22%	8%	\$500	\$846,000
Total	5,436					\$9,760,000
Mean	906	90%	21%	8%	\$900	\$1,627,000



# Types of scam invitations received 2012

## Specified scam categories

- Lotteries (63.4%)
- Computer support scams (56.2%)
- Phishing (47.6%)
- Advance fee frauds (45.2%)
- Work from home scams (41.5%)
- Inheritance scams (38.7%)
- Financial advice (24.2%)
- Dating scams (13.9%)

## Other scams

- Online shopping/auctions (22.6%)
- Vehicle sales (10.7%)
- Other sales and purchases (9.7%)
- Unspecified (2.2%)

Australasian Consumer Fraud Taskforce survey

### AUSTRALASIAN CONSUMER FRAUD TASKFORCE

AN INITIATIVE OF THE STATE, TERRITORY AND  
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1. Over the last 12 months, have you ever received a call, email, SMS or letter from someone you don't know in relation to a notification of a) having won a lottery b) a request for assistance to transfer money from another country (such as Nigeria or other African countries) c) a request by a business (such as a bank) to confirm your bank account or personal details (phishing scams) d) a request to supply you with financial advice, or e) some other scam request?

- Yes  
 No [Click on this link to go to question 8]

2. How were you contacted in relation to:

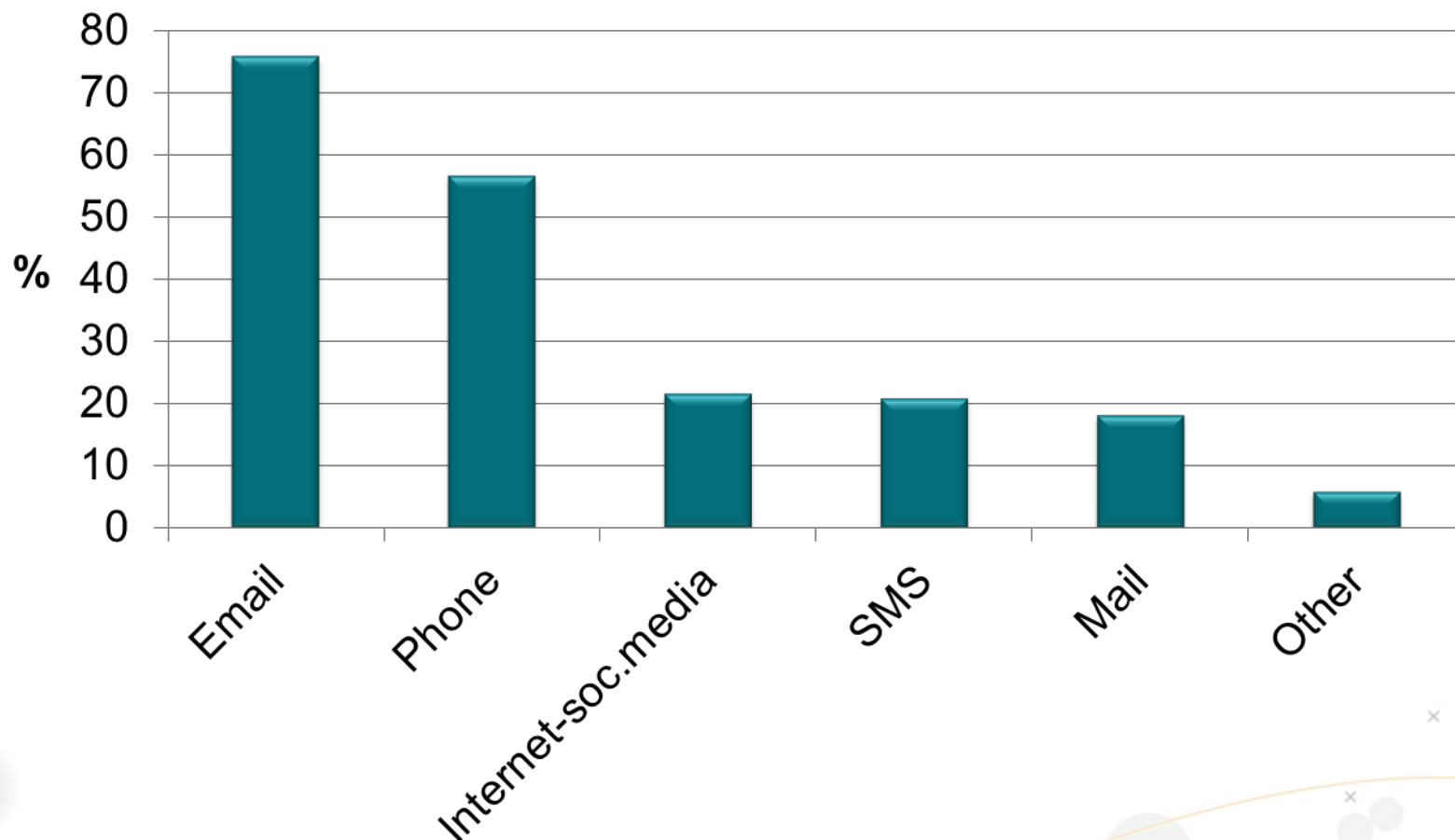
Type of scam	Mail	Email	Phone	SMS	Other
Notification of having won a lottery	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A request for assistance to transfer money from another country (such as Nigeria or other African countries)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A request by a business (such as a bank) to confirm your bank account or personal details	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
A request to supply you with financial advice	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Other type of scam	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If 'Other' type of scam please specify what the contact was about



# Scam delivery methods 2012

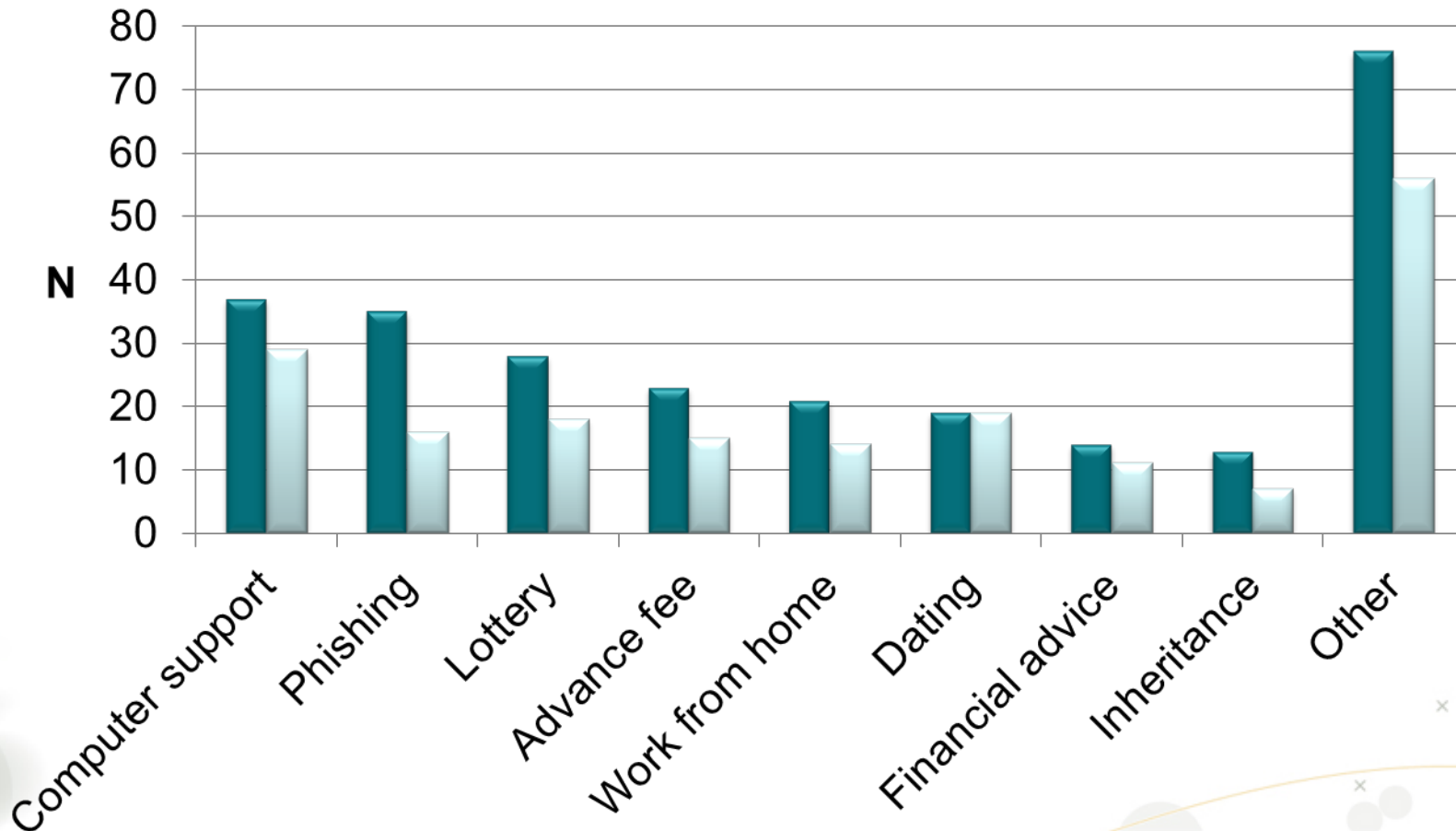
Percentage of those who had received a scam





# Scam impacts – number of respondents

■ Provided information    ■ Sent money





## Scam victims % who sent personal information or money (n=231)

### Age

- Top age categories: 35-44 and 45-54 (33%); <18 (14%); >65 (16%)

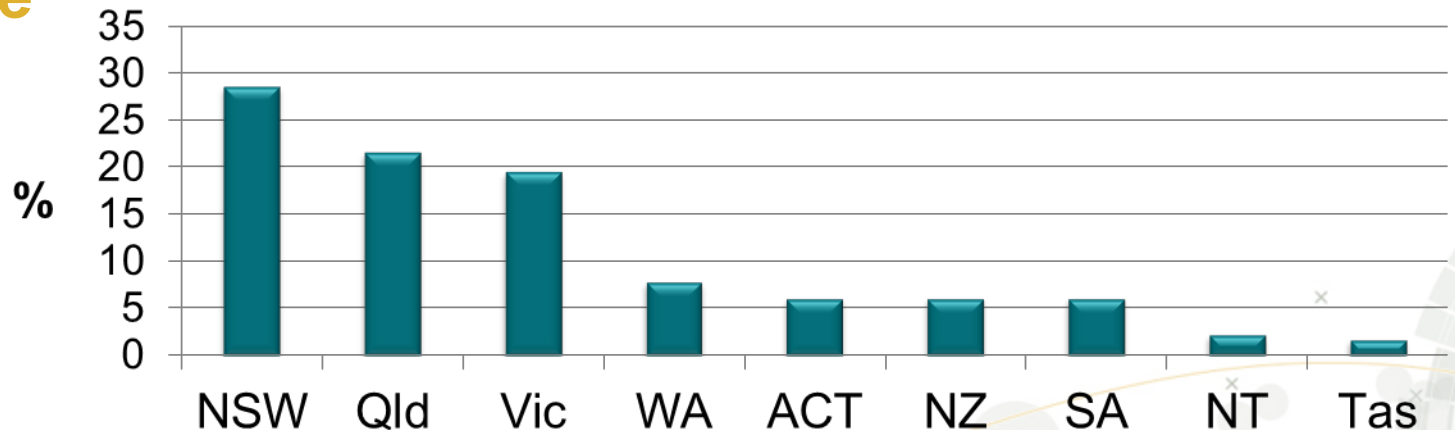
### Gender

- Female (61.5%), Male (36.8%), didn't answer (1.7%)

### Income

- Top income categories: <\$20,000 and \$20-39,000 (39%)

### Residence







## Reporting (n=1,094 – 74% who received a scam reported it in some way)

Reported to	Number	Percentage
Family / friends	683	45.8
No-one	443	29.7
SCAMwatch website	310	20.8
Business concerned – bank, online auction site etc.	272	18.3
Other	210	14.1
ACCC	122	8.2
Police	120	8.1
ISP	90	6.0
Unable to recall	18	1.2
Legal aid, lawyer, community legal service	11	0.7



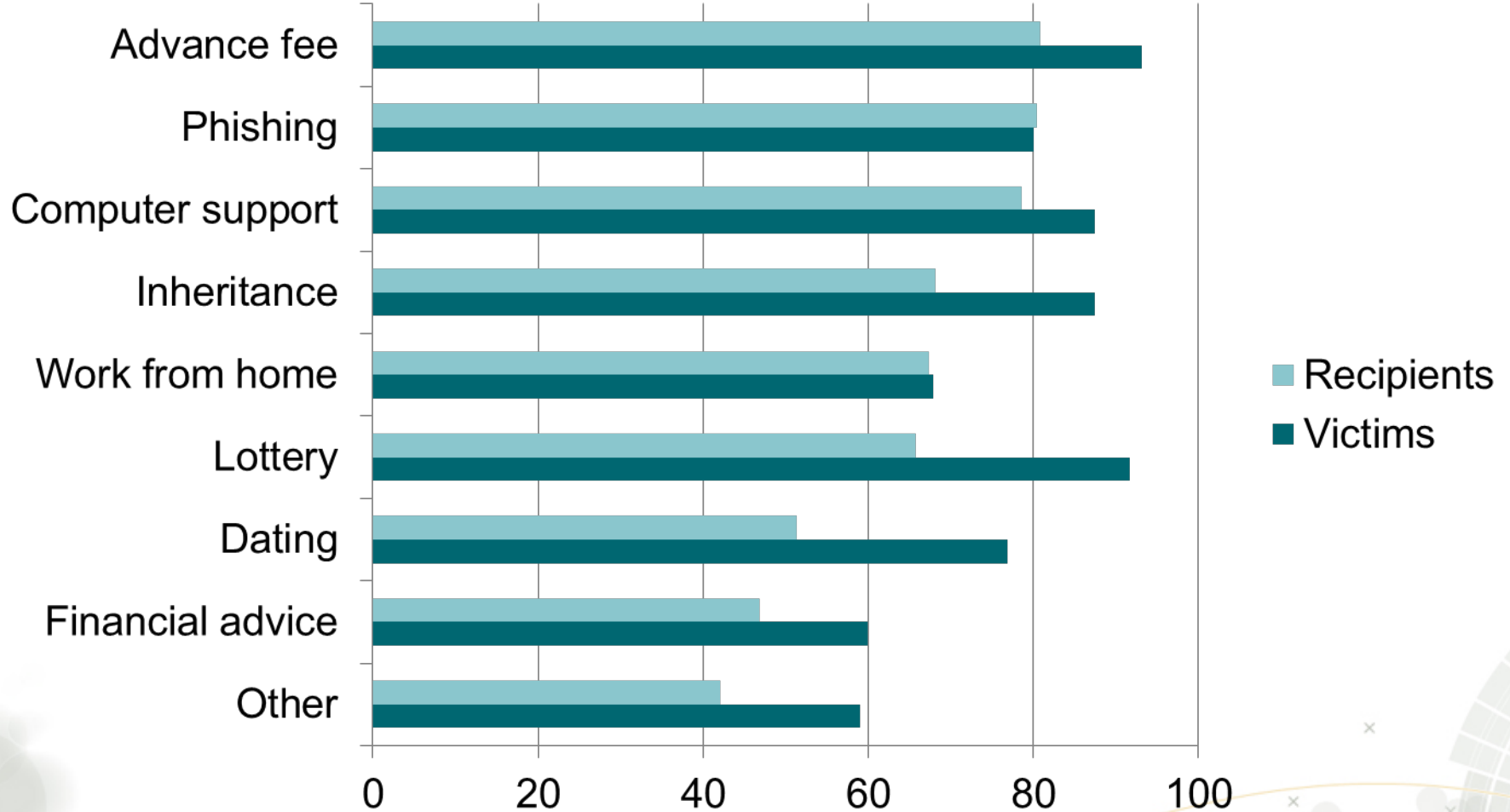
## Reasons for non-reporting (n=1,490 – 95% who received a scam)

Reason	Number	Percentage
Unsure which agency to contact	630	42.3
Didn't think anything would be done	507	34.0
No worth the effort	456	30.6
Received too many to report	409	27.4
Other reasons*	218	14.6
Didn't think it was illegal	65	4.4
Feared I would get into trouble	24	1.6

- \* Other e.g.
- Scams are already well-known
  - Feared that reporting email address might also be a scam
  - Nothing happened in the past when scams reported



## Perceptions of criminality of scams (% respondents)





# Online shopping and auction scams

## Prevalence

- 496 (33%) respondents reported 'other' types of scams
- 112 (23%) involved an online shopping or auction websites
- Phishing, financial advice and dating scams could also be relevant

## Types

- Selling motor vehicles, boats, motor cycles (53 respondents)
- Selling other merchandise (38 respondents)
- Purchasing merchandise online (10 respondents)
- Unspecified (11 respondents)

## Victimisation

- 8 victims lost \$4,508 in total (\$564 mean loss)
- 17 victims disclosed personal information

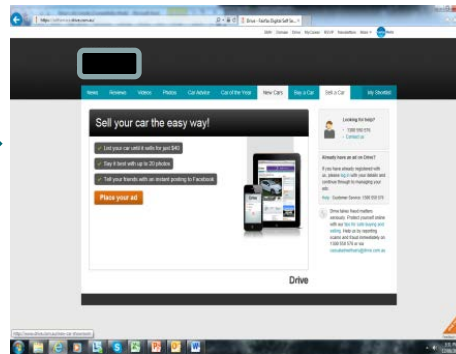


# Selling a vehicle online

Seller & car in Australia



Online ad placed for \$40



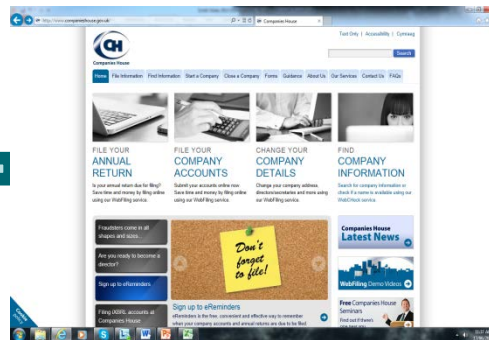
Immediate response from buyer in Cambridge UK



Street address of car yard in Cambridge?



Unregistered business in UK



Phone number in Nigeria  
+234-70-\*\*\*\*-\*\*\*\*





## Red flags for selling online

### Type of merchandise

- Motor vehicles, boats, motorcycles
- Furniture, wine, pets, computers

### Scam methodologies

- Money laundering – paying excess funds – balance to be refunded
- Advance fees – freight, processing fees, taxes, duties, legal fees

### Transaction details

- Overseas purchaser-scammer in high-risk countries
- Willingness to buy sight-unseen
- Offering a higher sum than sale price
- Payment via an agent (sometimes in a third country)
- Payment via remittance service rather than bank
- Fabricated remittance advice confirming funds transfer



# Red flags for purchasing online

## Type of merchandise

- High-value goods and services
- Holiday rentals, vehicles, art, antiques

## Scam methodologies

- Advance fees – processing fees, freight, taxes, duties, legal fees
- Counterfeit, defective, non-existent or not received merchandise

## Online sales

- Overseas seller in high-risk countries
- Inconsistency between phone, address, location
- Urgent sale – payment requested in advance of receipt of goods
- Offering an unusually low price
- Payment to an agent (sometimes in a third country)
- Payment via remittance service rather than bank



# Conclusions

## Trends

- Survey response rates increasing (over 1,500 in 2012)
- Responding to scams increased since 2009 (22% in 2012)
- Percentage losing money declining (but still 8% in 2012)
- Median loss declining since 2008 (\$500 median loss in 2012)
- Computer support scams increasing with highest victimisation rate
- Telephone & SMS increasingly used to deliver scam invitations
- Online *selling* scams more prevalent than online *purchasing*

## Responses

- Official reporting remains low (due to uncertainty about who to go to)
- Raising awareness of the risks of online shopping
- Changing perceptions of the criminality of scams and the role of victims
- Maintaining vigilance on older delivery mechanisms – phone, door sales



*Why not complete the survey now? Go to – [www.aic.gov.au](http://www.aic.gov.au)*



**Australian Government**  
**Australian Institute of Criminology**



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