



# Financial Literacy Curriculum

## Lesson 5: Consumer Fraud



# Agenda/Contents

## Let's get started

### 1. Getting Started

- Pre-assessment

### 2. Consumer Fraud

- Common types of fraud
- Discussion around types of fraud
- A real life example
- Tips on protecting yourself from scams

### 3. Wrap up and reflection

- Post-assessment

## Session overview

You will think about the ways in which you or someone you know could become victim to different types of consumer fraud. You will then discover ways to avoid these consumer fraud scams and stay protected.

## Objectives

You will be able to:

- Identify fraud and scam
- Understand what to look out for when trying to identify a scam.
- Describe steps that need to be taken to ensure that you can stay protected from identity theft.

# Getting Started - Consumer Fraud

Are any of you familiar with this term?

1. Complete the pre-assessment part of the handout (5 minutes)
2. Think about what you already know - this could be a story or a fraud incident that you have read or heard about. Write down your responses on a post-it and stick it on the wall.



# Common Types of Scams

“Is this a scam?”

**Scam:** a fraudulent scheme performed by a dishonest individual, group, or company in an attempt to obtain money or something else of value.

Look at each of the next few slides and determine whether or not it is a scam.

Things to think about:

1. Is it actually a scam that they are seeing?
2. What are the ‘giveaways’ that it was a scam or not?
3. What are the risks that they should be aware of?



# Is this a scam?

## 1 bedroom flat in Chelsea, SW3

£800pm King's Road, London

[Save](#) | [Get email alerts](#) | [Share](#) | [Report ad](#)

[Request details](#)

or (no number listed)

**Date available**  
Immediately

**Property type**  
Flat

**Number of beds**  
1

**Seller type**  
Individual

I am looking for a quick agreement on the rental of this flat as I am going on holiday next week and will not have access to the Internet. This is a newly decorated one bedroom conversion set on the first floor of this attractive Victorian house. Located on a popular, peaceful tree lined road, conveniently located close to major bus routes and local amenities. Please note that, due to a lot of timewasters, I will only show the flat to those who send me a deposit of £50, which will be returned after the viewing.

### Features:

- Reception Room(s): 1
- Garden :No
- Off Street Parking :No

Ad ref 1020874303 | Posted just now | Posting ads since June 2013

[See other ads from this advertiser](#)

[Images](#) [Map](#)



# Is this a scam?

The screenshot shows a Facebook profile page for a user named 'A Smith'. The profile picture is a blue placeholder image of a person's head. The name 'A Smith' is displayed at the top right. The profile is associated with 'Mathematics' and 'The Random Academy' (School year 1966 - Dulwich). The 'Relationship' section shows 'Mrs B Smith' (Married since 20 April 1975). The 'Basic Information' section is set to 'Public' and contains the following details:

Birthday	19 December 1955
Gender	Male
Interested in	Women
Relationship Status	Married to Mrs B Smith
Anniversary	20 April 2012
Languages	British English

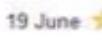
The 'Contact Information' section is also set to 'Public' and contains the following details:

Mobile Phone	07912 345 678
Address	Great Russell St, London WC1B 3DG
Website	<a href="http://www.asmithrandom.co.uk">www.asmithrandom.co.uk</a>
Email	<a href="mailto:a.smith@therandomacademy.co.uk">a.smith@therandomacademy.co.uk</a>
Networks	University of Dulwich
Facebook	<a href="http://facebook.com/therandomacademy">http://facebook.com/therandomacademy</a>

# Is this a scam?

URGENT: Suspension of your Bank of Seldonia account 

Bank of Seldonia <no\_reply@seldoniabnksupport.com>  
to me 

19 June 

**Notice reference: S4123-8AJ0**

Dear Customer,

The Bank of Seldonia has temporarily suspended your account for the following reason: unauthorised access.

To protect your account, the ability to send and receive money has been disabled. You also may not withdraw any money from the account until the matter is resolved.

In order to reactivate this account, we will need to confirm your identity by asking you some basic questions about your account. Please click the link below to access and complete this questionnaire.

<http://www.bankofseldonia.com/suspensionquestionnaire>

We apologise in advance for the inconvenience this may cause. Please remember we are committed to your security and protection.

Thank you in advance for your cooperation.

Copyright © 2013 Seldonia Banking Corporation plc

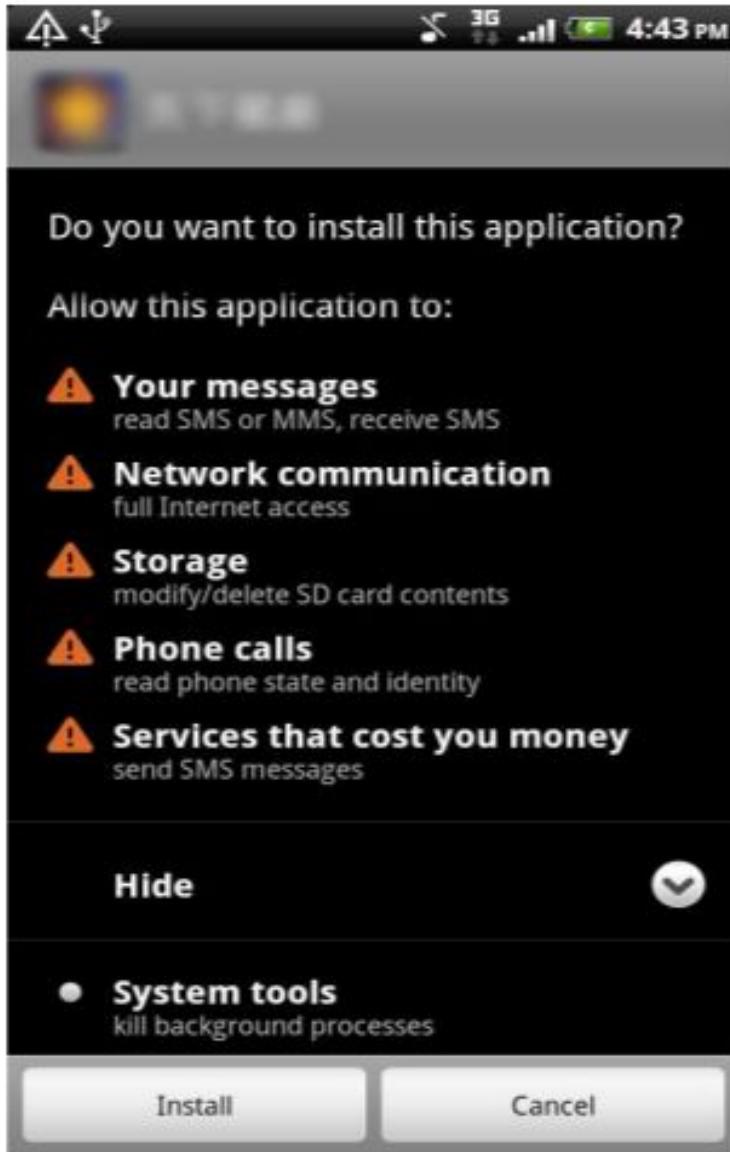
—

The contents of this email and any attachments are sent for the personal attention of the addressee(s) only and may be confidential. If you are not the intended addressee, any use, disclosure or copying of this email and any attachments is unauthorised - please notify the sender by return and delete the message. Any representations or commitments expressed in this email are subject to contract.

Task Bar

<seldoniabnksupport.com/adbvs4ybv>

# Is this a scam?



# Common Types of Consumer Fraud

How do these scams work?

- Phishing
- Identity Theft
- Telemarketing Fraud
- Job Scams
- Online shopping scams
- Subscription Traps
- Sweepstakes Scam



# Phishing

**Phishing** is the name given to the types of messages usually state that there is some form of urgent action through a link to a website.

Phishing messages or link usually aim to be **disguised** as something that a social media contact has sent you or even may appear as something official sent by a legitimate company such as a bank.

The links usually take you to a website which **requests personal and financial data**. They can also **infect** your computer with **malware**. Malware is used to steal information stored in your computer or mobile phone.



# Identity Theft

**Identity theft** occurs when one person **steals** the personal and financial details of another person to gain unauthorized access to **funds** or commit **crimes** in their name.

Criminals can steal your identity **online** or by physically **making copies** of your documents, or both. They can convince people to provide their personal information by an email, letter, and phone call or by making copies of your documents without your knowledge.

They may be able to get access to letters you throw away, steal items like your passport if you leave them unsecured, look over your shoulder at your computer, smartphone or your Pin at the ATM, even copy your card at the cash machine.



# Telemarketing Fraud



**Telemarketing fraud** is one of the most common and convincing ways for a fraudster to gain access to vast range of details.

These are phone calls that try to convince people to hand over financial or personal details by convincing people that they are genuine organizations (e.g. a charity). Some examples of common types of telemarketing fraud are:

1. **Lottery or Scholarship Scheme**: you may receive a phone call that will ask you pay an advance fees for them to release a scholarship or lottery payment in the future
2. **Pyramid Scheme**: Someone will try to recruit you to invest a sum of money to become a member in their scheme. Usually the items provided to you would be of low quality. The aim is for you to introduce the scheme to more people to gain a small portion of their profits. Some individuals may gain a small profit but the majority of the people who join will not as inevitably, they will run out of new recruits and the scheme collapses.
3. **Telephone banking**: You may receive a phone call that claims to be from your bank. They usually try to convince you that there is something not right with your account you need to urgently take action and they can only provide support after you confirm your details.

# Job Scams



These are scams that **offer you work** which is either not genuine or try to get you become part of illegal activities without your knowledge. This is best illustrated with the following examples.

1. **Advance fee to get training to start a lucrative job:** You can get a high paying job, but only if you complete a very quick and easy training program which has a substantial cost in the short term but an even larger payoff in the long run. They may even convince you to hand over your bank details on the phone, so they can pay your salary.
2. **Interview over a premium rate number:** You have been identified for a job you didn't apply for, and you are in, and you are required to complete an interview over the telephone which is premium rates,
3. **Money Laundering scams:** You are employed to earn from home and are asked to buy items you get asked to and ship them to a specific address, or cash cheques and send the money to a specified account. You assume this is a genuine job, but you are actually being used to 'clean' money that has been earned through illegal activities (i.e. launder money)

**Money Laundering** - Money laundering is the process of making large amounts of money generated by a criminal activity, such as drug trafficking or terrorist funding, appear to have come from a legitimate source.

# Common Types of Consumer Fraud

## How do these scams work?

- Phishing
- Identity Theft
- Telemarketing Fraud
- Job Scams
- Online shopping scams
- Subscription Traps
- Sweepstakes Scam



**In groups, discuss what the last three scams might be. As a group, think about who the Fraudster may target with these scams and how. (3 minutes)**

# Protecting yourself from scams

A real life story - <https://www.youtube.com/watch?v=GL-B4JXOaJI>



## Did you know...?

- In 2018, there are 190,000 reported cases of identity theft in the UK.
- In 2018, £1.2 billion was successfully stolen by criminals through fraud and scam.
- Less than 4% of Action Fraud crimes are solved.

# How to protect yourself from fraud



- **Never respond** to any form of messages inviting you to collect a reward for something you didn't enter. If you haven't entered a lottery then you can't have won it.
- **Official email addresses** don't end with @hotmail or @yahoo, and businesses don't use numbers starting with 07. These are easy and free to get hold of for scammers. .Never give away your bank details to earn a reward or pay fees in advance.
- Your bank will **never** ask for your PIN (either to say out loud, or tap into your phone. If you are asked to call a number you don't recognise, call the number that is on the bank's customer service page.
- Make sure the payment site is **secure**: there should be a lock symbol in the browser frame (not on the page) and the address should start with 'https://'. Don't pay directly into a bank account.
- Make sure you have **antivirus** and **antispyware** on your PC before browsing the internet.
- **Shred** documents with your personal details on (bank statements, HMRC letters etc).
- **Watch out** for people looking over your shoulder at the ATM or when you are on your phone or computer.
- **Don't click** on the links that you are not 100% sure are genuine.
- Offers that seem **too good** to be true – they probably are.

# Wrap up and Reflection



# What do you now know about Consumer Fraud?



Complete the post-assessment part of the handout to see what you now know about Consumer Fraud.  
(5 minutes)

# What employability skills have you developed in this session?



- |  |  |   |   |   |
|--|--|---|---|---|
| <ul style="list-style-type: none"><li>• Teamwork</li><li>• Problem solving</li><li>• Decision making</li></ul> | <ul style="list-style-type: none"><li>• Quality in everything you do</li><li>• Improvement</li><li>• Thinking commercially</li></ul> | <ul style="list-style-type: none"><li>• Your knowledge of potential jobs you could apply for</li><li>• What have you done you are proud of</li><li>• Ability to learn</li></ul> | <ul style="list-style-type: none"><li>• Seeking new perspectives</li><li>• Sharing ideas</li><li>• Coping with change</li><li>• Open minded</li></ul> | <ul style="list-style-type: none"><li>• Communication skills</li><li>• Building relationships</li><li>• Working with others</li></ul> |
|--|--|---|---|---|

# Thank you

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