



## Be Alert for Scams

Fraud Awareness Week 13–19 November

Fraud Awareness Week is an annual international initiative held in November aimed at educating people on common forms of fraud and on ways of combating them.

'Everyday' fraud in New Zealand is often known as a 'scam'. A scam is an illegal scheme that persuades or entices people or a business to 'invest' in a project of some kind. Scammers will ask you to hand over money, purchase imaginary goods or services, or ask you to divulge personal information that is then used fraudulently.

Few Kiwis are immune from exposure to scams. We all receive junk emails, enticing online advertisements, letters offering a private purchase of shares for a low price, phone calls from people purporting to be people who they are not, and so on.

This e-Alert is to remind you about the dangers of scams, and provides some actions on how you can help keep yourself

safe and, most importantly, what to do if you think you've been scammed.

### How scams work

Scams can be operated online, through the post or over the phone. Online scams are becoming more frequent as they're quick and easy, and a scammer can hide behind all sorts of email addresses and fraudulent websites.

Scams can range from offering very high returns for an investment, having your name being entered into a 'prize draw', sometimes you're asked to click on a link, or you're asked for personal details such as a bank account number or a password.

### INSIDE:

How scams work

Who is vulnerable?

Business and financial scams

Keep yourself safe

Think you've been scammed?

### Who is vulnerable?

Scams can be aimed at anyone. Most scammers, however, target those who they think have money (aged 45+ years) and/or who have an active online presence. Sometimes, of course, scammers send random emails in the belief that someone will take their offering seriously.

Scammers pretend to be from a reputable company, bank or government agency and email you with what looks to be a perfectly reasonable request to contact them.

more >>

### DISCLAIMER

All the information published in *e-Alert* is true and accurate to the best of the author's knowledge however it should not be a substitute for professional advice. No liability is assumed by the authors or publisher for any losses suffered by any person relying directly or indirectly on this newsletter. Views expressed are the author's own. Material appearing in *e-Alert* may not be reproduced without prior approval from NZ CA Limited and credit being given to the source.

© NZ CA Limited. Published by NZ CA Limited. TEL 06 835 5299 E-MAIL [info@nzca.com](mailto:info@nzca.com) WEB [www.nzca.com](http://www.nzca.com)

If you do not  
want to receive  
this newsletter  
anymore, please

unsubscribe

Sometimes scammers have hacked into your email and use a friend's email address to persuade you, for example, to deposit funds in some offshore account or to click through to some fraudulent website.

No one is immune to being scammed. People from all walks of life, backgrounds and ages are all vulnerable. We must all be constantly alert for fraudulent contact.

### Business and financial scams

These scams encourage the private purchase of shares and/or property, participation in an investment scheme or a managed fund, investing in a particular business proposal or paying fraudulent invoices.

All these proposals and communications appear to be credible and, on the surface, perfectly viable – but of course they are designed to steal your money or to compromise you in some way.

Tax scams are also prevalent where you're contacted by someone (either online or on the phone) purporting to be from the Inland Revenue (IRD) or a tax specialist. The IRD will not contact you in this way, nor will any genuine tax specialist. Beware!

The Ministry of Business, Innovation and Employment has prepared a checklist that will help you avoid investing in such scams.

- » Invest using a registered New Zealand broker/financial advisor. Check the

### [Financial Markets Authority \(FMA\)](#)

register. Investments should have a registered prospectus

- » Hang up if you're cold-called about an investment opportunity
- » Visit the [Financial Service Providers](#) or the [FMA](#) website to make sure that any offer you receive is legitimate
- » The [FMA](#) publishes a list of firms that have tried to scam people in New Zealand. You can also phone the FMA Helpline on 0800 434 567
- » Check the scam alerts published on the Consumer Protection website [here](#)
- » Beware of service providers not based in New Zealand. The International Organization of Securities Commissions (IOSCO) gathers investor protection alerts and warnings from countries around the world. You can search [IOSCO Investor Alerts Portal](#)
- » Get independent financial advice before you make any investment decisions, and don't be pressured into making a quick decision
- » Avoid giving out personal details including financial information and identity documents such as a scan of your passport or driving licence, which can be used for future scams
- » Even if a company provides hospitality, flights and hotels, you are under no obligation to invest, and
- » Before signing up to any multi-level marketing scheme, question whether

it could be a pyramid-selling scam with its success based on the costs of being a member: for example, fees or training.

And we also recommend talking with us as we can help you ascertain whether a suspicious-looking business proposal offering very generous returns is worth considering – it probably isn't.

### Keep yourself safe

With the convenience and accessibility of the internet and smartphones, the downside is that it can give scammers the ability to access your emails, pinpoint your physical location, find your purchasing history as you buy goods and services online, and your activities (through social media).

There are a number of ways to help keep yourself safe from scams. These include:

- » Always keep your anti-virus software and your operating systems up-to-date
- » Ensure your passwords are a mixture of letters (upper and lower case), numerals and symbols, and we don't mean a password such as 'Abc123!'
- » Don't share passwords with anyone, including typing your password into an email


- » If you receive an email from someone you don't know or a business that sounds odd, delete it immediately. Don't click on links or open any files sent to you, and
- » Use your common sense; if an offer or deal seems to be too good to be true, it usually is.

### Think you've been scammed?

If you suspect you've been scammed, act immediately:

- » Stop all contact with the person or organisation
- » Block the email address
- » Notify your bank or credit card supplier if money has changed hands, and
- » Report the suspected scam to [Netsafe](#), email [queries@netsafe.org.nz](mailto:queries@netsafe.org.nz) or call 0508 638 723. You'll be directed to the appropriate organisation that deals with your specific situation.

For more detailed information on scams and keeping yourself safe, click [here](#).

*We are grateful to the Ministry of Business, Innovation and Employment (MBIE) which has helped provide some of this material.* 

If you would like more information about fraud and protecting yourself and your business, please don't hesitate to contact us – our details are on Page 1. Alternatively click [here](#) to go straight to our website.