

- PERSONAL FINANCE
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Canada's top 10 fraud scams in 2016



Canadian Currency, The Canadian Press

By: The Canadian Press

The Competition Bureau, in conjunction with the Better Business Bureau, Quebec-based consumers group Option consommateurs and other fraud-prevention partners announced Wednesday the top 10 fraud scams targeting Canadians in 2016. In terms of the number of complaints received, the hit list is as follows:

THE HIT LIST



1. Employment Scams

\$5.3 million lost

The Scam:

The most reported scam to BBB Scam Tracker. Chances are you didn't apply for a job you can do from home, much less get an interview. A cheque-cashing scheme that is simply too good to be true.

Advice: Do research on any company before accepting a position; ignore a company that asks you to deposit a cheque.



2. Romance Scams

\$17 million lost

The Scam:

Canadians give away a lot of money as they give away their hearts to Catphishers. Catphishing is when a fraudster fakes an identity and tricks someone via dating sites into a phony emotional or romantic relationship for financial gain.

Advice: Do not wire money to someone you've never met



3. Identity Fraud

\$11 million lost

The Scam:

Scammers steal a person's identity to secure credit cards, bank loans and even rent property in that name.

Advice: Never carry your SIN with you; change online passwords regularly.



4. Advance Fee Loans

\$1.1 million lost

The Scam:

Paying an up-front fee to get a loan is illegal in Canada and the United States. These scammers prey on those who don't qualify for loans through reputable lenders.

Advice: Seek alternative finance options.



5. Online Purchase Scams

\$8.6 million lost

The Scam:

Scammers have new online avenues to take your money and trust. Counterfeit merchandise, goods that never show up, fake websites and free trial traps are everywhere.

Advice: Shop on legitimate websites; use third party payment portals such as PayPal.



6. Wire Fraud: "Spearphishing"

\$13 million lost

The Scam:

Spearphishing is a big problem for the business community. Millions are lost when scammers pose as company brass and demand money be wired to a fake company email.

Advice: Create payment redundancies in your organization; be vigilant on any incoming emails.



7. Binary Options Scams (Investment Fraud)

\$7.5 million lost

The Scam:

Big promises of low-risk, high returns, and full refunds entice Canadians to take a chance. It's really just an unregulated 50/50 bet and not investment at all. They delay any winnings...if you win at all.

Advice: Understand high risk is involved; seek professional investment advice.



8. Fake Lottery Winnings

\$3 million lost

The Scam:

If you didn't enter...you didn't win. Calls come in at all hours telling you you've won a big lottery. You just need to pay a tax or insurance fee before you get your millions. It's way too good to be true.

Advice: You do not have to pay to receive lottery winnings; contact the corporation directly



9. Canada Revenue Agency Scam

\$4.3 million lost

The Scam:

While the scam is still being reported, a crackdown on a call centre in India in 2016 has seen a dramatic decrease in the number of calls targeting Canadians.

Advice: The Canada Revenue Agency does not make threatening phone calls; the CRA does not request information by phone or by email.



10. Fake Online Endorsements and Sponsored Content

Amount of Money Lost Unknown

The Scam:

Consumers are often enticed to purchase a product or service based on reviews by social media influencers. Unfortunately, these reviews may not be genuine and the influencer may have been paid by a company to be used as a marketing tool.

Advice: Take everything you read online with a grain of salt