

2017 WA SCAMNET REVIEW



Government of **Western Australia**
Department of Mines, Industry Regulation and Safety
Consumer Protection

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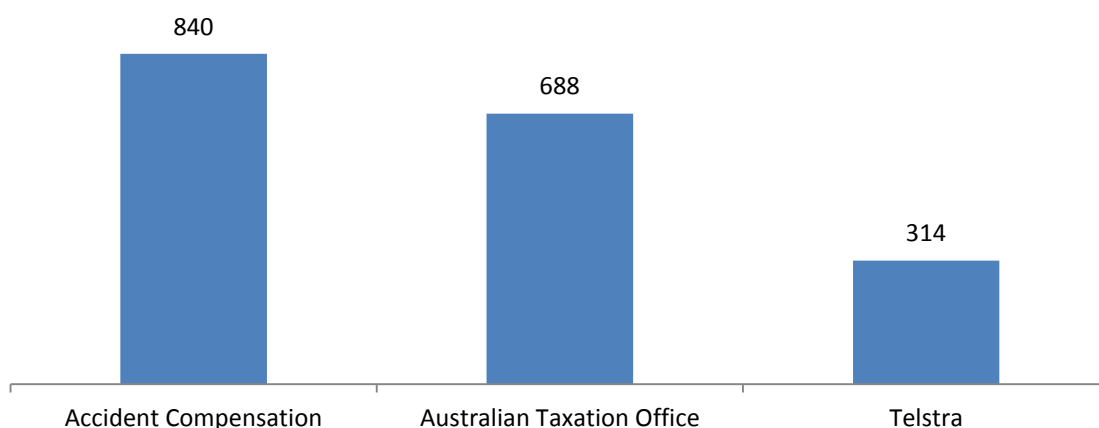
WA SCAMNET REVIEW

Each year the Department of Mines, Industry Regulation and Safety – Consumer Protection Division (Consumer Protection) receives a large number of enquiries concerning scam related problems. Many of these enquiries are lower-level concerns where consumers wish to advise Consumer Protection of an email, phone call or some form of interaction they have had with a potential scam. These types of enquiries are dealt with by Consumer Protection’s Contact Centre. Other more detailed enquiries are managed by Consumer Protection’s WA ScamNet team; these enquiries tend to be more detailed in nature often including situations where consumers have fallen victim to a scam.

CONTACT CENTRE

In 2017 Consumer Protection’s Contact Centre received over 6,500 calls and 25,000 emails regarding scam related matters. The top three subjects callers enquired about made up nearly one third of the total calls received; these were about: accident insurance; false outstanding tax debts or refunds; and scammers posing as Telstra (Figure 1).

Figure 1: Contact Centre Scam Enquiry Subjects



The most enquired about scam subject was in relation to accident compensation. Consumers typically report being cold called by scammers pretending to be from a crash investigation company acting on behalf of an insurance company. The caller attempts to obtain personal information such as name, date of birth, car registration, driver’s licence and bank details supposedly for referral to an injury claims or compensation service promising the call recipient financial gain. WA ScamNet believes this is a phishing scam with the potential for identity theft if the target provides the requested information.

The second most common matter presented by scam enquiries involved situations where the public are cold called by a scammer pretending to be from the Australian Tax Office (ATO). The scammer asks for payment of an outstanding tax debt and threatens arrest or legal action if the person does not comply. The intention of the scammer is to pressure people into handing over money without seeking any further assistance or information.

Telstra is another organisation scammers claim to be in their quest to obtain a person’s information or money. The scammer impersonates a Telstra technical support officer stating there are irregularities with a person’s internet connection or computer. The caller claims that they are able to fix the problem on the spot, however a fee for this service will need to be paid and the person will also need to download software that will allow the caller remote access to their computer. The scammer offers to provide a solution to the problem,

These three scam subjects are not limited to organisations such as the ATO or Telstra. Scammers similarly impersonate a variety of other government agencies and telecommunication providers.

SCAMNET

Overview

Enquiries that Consumer Protection's Contact Centre deems to require more specialist attention or where money has been lost are transferred to the WA ScamNet team. The ScamNet team also take direct enquiries through their dedicated email address. These calls are classified into scam types which have been set by the Australian Competition and Consumer Commission (ACCC).¹ In 2017 these types were changed which has resulted in differences between this and previous reports.

WA ScamNet received 911 contacts from Western Australians regarding losses incurred or concerns with scams in 2017. Of those 911 contacts, 398 (43%) reported suffering losses; losses ranged from small amounts under \$10 through to \$1 million.

As can be seen in Figure 2 below, the number of WA ScamNet contacts received in 2017 increased by 9.8% from 2016. While the total number of people reporting losses increased (7%), the overall proportion of contacts experiencing loss reduced slightly from 45% to 44%.

Figure 2: Number of ScamNet Contacts and Victims



Losses

There was an 11% decrease in loss amounts reported to Consumer Protection in 2017. Contacts noted combined losses of \$8,061,000, a fall from the \$9,037,000 reported in 2016.

Two main scam types incurred very high increases in the number of losses reported; an additional 50 people reported succumbing to *buying and selling scams* in 2017, an increase of 44%. Also, scams relating to *attempts to gain your personal information* affected an additional 17 (41%) people.

*Buying and selling scams*² are where scammers prey on consumers and businesses that are buying or selling products and services. This can be done by targeting areas such as online or print classifieds; online shopping or through secretly charging premium mobile services.

This year there was a significant spike in issues involving online shopping; 73 Western Australians (up from 21 last year) noted losses ordering products online that were never delivered; five people lost \$10,000 or more. Around a third of victims lost money to online barbecuing and outdoors supplies websites.

¹ <https://www.scamwatch.gov.au/types-of-scams>

² http://scamnet.wa.gov.au/scamnet/Scam_types-Buying_or_selling.htm

*Attempts to gain your personal information*³ refers to ways scammers steal personal information in order to use a person's identity to commit fraud. Scammers may cold call and impersonate a technician or service consultant from a well-known telecommunications company or government agency seeking access to a computer or personal details such as bank account numbers, passwords and credit card numbers.

The number of people who notified the Department about phishing scams, a sub-group of *Attempts to gain your personal information* scams and a method used by scammers to obtain a person's information, increased by over 200%, from 58 people in 2016 to 119 people in 2017. Despite this increase, the overall value of lost money was down by \$95,000 in 2017.

The list of scam categories and numbers of people reporting falling victim to these areas is presented in Table 1 below:

Table 1: Scam Types and Number of Victims

	2016	2017	Variance#
Buying and selling	114	164	50
Attempts to gain your personal information	41	58	17
Dating and romance	65	51	(14)
Jobs and investment	64	51	(13)
Unexpected money	28	32	4
Threats and extortion	40	23	(17)
Unexpected winnings	19	15	(4)
Fake charities	1	4	3
TOTAL	372	398	26

In regards to the losses reported by Western Australians, money taken through *jobs and investment scams*⁴ accounted for the highest amount lost at \$3,289,911. Of this figure, \$3,198,457 was lost to bogus investment schemes where scammers claim to be a stock broker or portfolio manager offering advice on low-risk and fast high returns, or encourage you to invest in overseas companies. Money can also be lost through legitimate looking, but ultimately false, investment websites. These websites send false statements updating the person on the growth of their investments and encourage further investment.

In 2017, nine people lost between \$100,000 and \$1,000,000 and a further 14 people lost between \$10,000 and \$100,000. Table 2 below presents a break-down of scam categories and the respective losses noted against them.

Table 2: Scam Types and Value of Losses

	2016	2017	Variance #
Jobs and investment	\$1,738,461	\$3,289,911	\$1,551,450
Dating and romance	\$4,098,758	\$2,029,012	(\$2,069,746)
Attempts to gain your personal information	\$1,136,437	\$1,041,322	(\$95,115)
Buying and selling	\$394,791	\$948,676	\$553,885
Unexpected money	\$1,404,752	\$490,226	(\$914,526)
Fake charities	\$20	\$110,820	\$110,800
Unexpected winnings	\$49,445	\$101,673	\$52,228
Threats and extortion	\$214,489	\$49,258	(\$165,231)
TOTAL	\$9,037,153	\$8,060,899	(\$976,254)

³ http://scamnet.wa.gov.au/scamnet/Scam_types-Attempts_to_gain_your_personal_information.htm

⁴ http://scamnet.wa.gov.au/scamnet/Scam_types-Jobs_Investment.htm

**Department of Mines, Industry
Regulation and Safety**

Consumer Protection Division

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(for the cost of a local call statewide)

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