

What is a scam?

A scam is a deceptive scheme or fraudulent activity designed to trick people into providing money, valuable information, or goods under false pretences. They often use persuasive tactics to manipulate people into taking action to benefit the scammer, which results in a loss of money or valuables for the victim.



How do scammers contact people?

Scammers use various methods to contact people, often exploiting different communication channels to reach potential victims, such as:

1. **Phone calls:** Scammers call individuals directly, claiming to be from trusted sources or even pretending to be a relative in distress. They may use pressure tactics to offer too-good-to-be-true deals to deceive victims. Some scammers set up 'robocalls' (automated phone calls) and the pre-recorded message asks the victim to take action to provide personal information
2. **Text messages:** Scammers send fraudulent text messages pretending to be from trusted sources. These messages often contain urgent requests for personal information or click on malicious links with malware
3. **Emails:** Email is commonly used for phishing scams. Scammers send deceptive emails that appear to be from trusted sources. These emails often contain links to malicious websites or malware attachments
4. **Social media:** Scammers use social media platforms to impersonate individuals or organisations and engage in fraudulent activities. They create fake profiles, send direct messages, or post misleading content to lure victims into scams such as romance scams, investment scams or fake giveaways
5. **Online ads:** Scammers create deceptive online advertisements offering fake products, services, or job opportunities. Clicking on these ads leads victims malicious websites or malware attachments
6. **In-person:** Some scammers operate in-person scams by approaching victims on the street, at their homes, or in public places. They use various tactics, such as pretending to be charity workers, offering fake services, or engaging in confidence tricks to deceive victims and obtain money or valuables.

What are some different types of scams?

Young people are often targeted by scammers who exploit their digital fluency, online activity and lack of experience with financial matters. Here are some scams, but keep in mind that new types appear often.

Gaming and virtual scams: Scammers offer fake game cheats, hacks or virtual goods for sale, tricking players into paying for items or services that are not as advertised.

Cryptocurrency scams: Scammers may promote fraudulent cryptocurrency investments, initial coin offerings or fake trading platforms, promising high returns with low risk.

Peer-to-peer payment scams: Peer-to-peer payment apps are popular for splitting bills, sending money to friends or making online purchases. Scammers exploit these platforms to trick users into sending money for fake goods or services, posing as friends, family members or sellers.

Romance scams: Romance scams occur when scammers pretend to be interested in a romantic connection with victims and develop online relationships.

Investment scams: Investment scams promise high returns with low risk, often targeting individuals looking to make quick profits. Scammers offer fake investment opportunities, Ponzi schemes, or fraudulent financial products.

Product and service scams: Scammers deceive people into purchasing fake or substandard products, services, or memberships. The deception can include counterfeit goods, fake merchandise, false advertising, or charging people for unnecessary or substandard services.

Threats and extortion scams: By using intimidation, coercion, or threats of harm, scammers manipulate victims by exploiting their concerns about their safety, reputation or privacy. This can include shaming people by spreading false or embarrassing information on social media.

Jobs and employment scams: Employment scams target job seekers with fake job offers or work-from-home opportunities that require upfront fees or personal information. These scams involve fake job postings, fraudulent recruitment agencies, or pyramid schemes disguised as legitimate employment opportunities.

Unexpected money/Lottery prize scams: These scams inform victims that they have won a lottery, sweepstakes, or prize draw, but they must pay fees or provide personal information to claim their winnings.

Finance facts: Scams



Did you know?

Scams are costing Australians millions of dollars. Scamwatch and the National Anti-Scam Centre monitor and report on scam activity in Australia. In 2023, they reported that:

- Australians lost more than \$476 million to scammers
- More than 300,000 people reported being scammed
- \$291 million was lost to investment scams
- \$34 million was lost to romance scams
- People aged over 65 lost \$120 million
- People aged 18–24 lost \$16 million
- More men than women lost money to scammers

How do I protect myself?

It can be very hard to spot a scam, but things to watch out for include:

- Too-good-to-be-true deals where you need to act quickly
- Heartbreaking stories followed by asking for money
- You're asked to pay in an unusual way, i.e. preloaded debit cards, iTunes cards or virtual currency, or you are asked to set up new accounts or PayIDs.



Remember: Never click on a link or attachment you receive via email or text. Find out the information yourself instead or independently contact the sender to confirm they sent the email or text message.

If something feels wrong, act quickly. Contact your bank if you notice unusual activity or if a scammer gets your money or information. Seek help and guidance from Scamwatch and the other links provided below.

Glossary

Malware

is short for malicious software. Malware is a file or code, typically delivered over a network, that infects, disrupts or gives unauthorised access to a computer system by an attacker.

Persuasive tactics

are techniques used to appeal to emotions, logic, social norms, or authority to influence or convince someone to take a particular action.

Pressure tactics

are techniques used to exert undue influence or create a sense of urgency or discomfort, which may include time pressure (act now), scarcity (selling fast), or aggressive tactics such as repeatedly asking for a decision and refusing to take no for an answer.

Ponzi scheme

is a fraudulent investment scam where returns are paid to earlier investors using the money from newer investors rather than from legitimate profits. Eventually, it collapses because there's not enough new money coming in to keep paying off the older investors.

Scammer

is someone who tries to trick people into giving them money or personal information dishonestly. They often use deceitful tactics, like pretending to be someone trustworthy or creating fake offers or opportunities to lure their victims. Scammers can operate through various channels such as phone calls, emails, text messages or social media.

Links

[Scamwatch](#)

[eSafety Commissioner—Identity theft](#)

[ASIC—Financial Scams](#)

[IDCARE](#)

[ReportCyber](#)

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About Talk Money with Ecstra Foundation

Talk Money with Ecstra Foundation is designed to help Australian students learn money lessons for life, to be confident talking about money and to make informed financial decisions. We offer facilitator led workshops for Years 5–10 students and additional resources to reinforce learnings. The program is provided at no cost to schools, enabling more students across Australia to access financial education at key life stages.

About Ecstra

Ecstra Foundation is an independent charitable foundation committed to building the financial wellbeing of Australians within a fair financial system. Ecstra launched Talk Money in February 2022.



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