

## 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.

## Young people and scams

With teens spending more time online and feeling confident with technology, they're increasingly vulnerable—Australians under 18 years of age lost over \$236,000 to scams in 2024 alone<sup>1</sup>. The top two types of scams for this age group are online shopping and threat-based (both real and fake sextortion scams).

And despite the increasing proliferation of scams and students' online spending activity, only 20% of students say they have learnt about scams at school and 27% report learning about online shopping<sup>2</sup>.

## How do scammers contact people?

Scammers use various methods to contact potential victims, exploiting different communication channels and often including links to malware, through:

1. **Phone calls:** Scammers call individuals directly, claiming to be from trusted sources or a relative in distress and use pressure tactics to offer too-good-to-be-true deals. Some scammers set up 'robocalls' (automated phone calls) with a pre-recorded message
2. **Text messages:** Scammers send fraudulent text messages pretending to be from trusted sources
3. **Emails:** Email is commonly used for phishing scams. Scammers send deceptive emails that appear to be from trusted sources
4. **Social media:** Scammers use social media platforms to impersonate individuals or organisations. They create fake profiles, send direct messages, or post misleading content
5. **Online ads:** Scammers create deceptive online advertisements offering fake products, services, or job opportunities
6. **In-person:** Some scammers operate in-person scams by approaching victims and using various tactics, to offer fake services to 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:** Scammers exploit peer-to-peer payment apps to trick users into sending money for fake goods or services by posing as friends, family members or sellers.

**Romance scams:** Scammers pretend to be interested in a romantic connection with victims and develop online relationships.

**Investment scams:** Scammers promise high returns with low risk, often targeting individuals looking to make quick profits, by offering 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:** Scammers use intimidation, coercion, or threats of harm to manipulate or exploit victims' concerns about safety, reputation, or privacy. This can include shaming people by spreading false or embarrassing information on social media.

**Jobs and employment scams:** Scammers 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:** Scammers inform victims that they have won a lottery, sweepstakes, or prize draw, and demand personal information or payment of fees to claim winnings.

<sup>1</sup> <https://www.scamwatch.gov.au/research-and-resources/scam-statistics>.

<sup>2</sup> Ecstra Foundation Financial education in schools survey 2025.

# Finance facts: Scams



## Did you know?

In their [2024 report](#), Scamwatch stated that:

- Australians lost more than \$2.03 billion to scams
- more than 494,000 people reported being scammed
- \$945 million was lost to investment scams
- over \$156 million was lost to romance scams
- people aged over 65 lost over \$74 million
- more men than women lost money to scammers.

## How do I spot a scam?

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

- too good to be true deals where you are pressured to act quickly
- heartbreaking stories followed by request for money
- being asked to pay in an unusual way, such as preloaded debit cards or virtual currency
- being asked to set up new accounts or PayIDs.

## How do I protect myself?

The National Anti-Scam Centre 'Stop. Check. Protect.' campaign aims to tackle the threat of scams by educating the community about scam tactics, and empowering victims to report scams to Scamwatch.



## Remember these steps:



**Stop:** Don't give money or personal information to anyone



**Check:** Ask yourself—could the message or person be fake?



**Protect:** Act quickly—contact the bank if a scammer gets your money and report scams to Scamwatch.

## Glossary

### Malware

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

### 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, and 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 where returns are paid to earlier investors using money from newer investors rather than from legitimate profits. Eventually, the scheme 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, to lure their victims.

## Related Talk Money fact sheets

- Identity theft

## Links

[Scamwatch](#)

[eSafety Commissioner—Identity theft](#)

[ASIC—Financial Scams](#)

[IDCARE](#)

[ReportCyber](#)

[Australian Centre to Counter Child Exploitation \(ACCCE\)](#)

### 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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