

Managing Your Money

These Behaviors Make You A Scam Target

(NAPS)—If you spend a lot of time on social media sites or looking for great online deals, you may wear a bullseye when it comes to scammers hunting for prey, according to groundbreaking fraud research from the FINRA Investor Education Foundation, BBB Institute for Marketplace Trust and the Stanford Center on Longevity.

Researchers surveyed more than 1,400 Americans and Canadians who were targeted by scammers and reported the fraud to the Better Business Bureau (BBB), which tracks scams. Nearly half of those surveyed did not engage with the fraudster. However, 30 percent engaged to some degree but ultimately did not lose money, while 23 percent engaged with the fraudster or offer and lost money.

What separates victims from non-victims?

“The path to victimization begins with engagement,” said FINRA Foundation President Gerri Walsh. “Social media and website scams are flourishing. Every time you respond to a friend request from someone you don’t know or click through to an unfamiliar website, you run the risk of being exposed to a scam.”

Your chance of falling victim to a scam varies by type—for instance, online purchase scams, tech support ploys, fake check or sweepstakes frauds—and by the method in which you are exposed to the offer. For those exposed to a scam through social media or a website, the numbers are chilling. When exposed to a scam on social media, 91 percent engaged and 53 percent lost money. The odds of losing money to website scams were only slightly lower: 81 percent of consumers in the study who were exposed to a fraud via a website said they engaged—and 50 percent lost money.

Other factors heighten the likelihood of falling for a fraud. Consumers were more likely to be victimized if they were isolated and didn’t have anyone to discuss the offer with, according to the study. Consequently, those who engaged scammers and lost money were less likely to be married and more likely to be widowed or divorced. “Sadly, lone-



A recent study found nearly half of America is likely to interact with fraudsters—but you can protect yourself.

liness and fraud victimization seem to go hand in hand,” noted Walsh.

You’re also more likely to engage and lose money if you’re feeling financial strain, or have low levels of financial literacy, the study found.

Protect Yourself

Take these steps to protect yourself from fraud:

- **Ask for input from others.** Scammers try to isolate their victims. Don’t be afraid to contact a friend, or a company or organization you trust for advice. It also helps to do additional research before sending any money. One easy action: Do an Internet search to see if the website or pitch has been flagged as fraudulent or potentially fraudulent by news organizations or members of the public.

- **Focus on your financial health and literacy.** Individuals under financial strain and those with lower levels of financial literacy may be more susceptible to scammers.

- **Knowledge is power.** Knowing about scams and scammer tactics can be your best defense in successfully reducing the effect of scams. Keep up with the latest frauds by subscribing to consumer newsletters and seeking out information on current scams.

One-third of consumers who were targeted by a scammer, but did not engage with the offer, already knew about the specific type of scam. In addition, consumers who understood the tactics and behaviors of scammers tended not to engage with fraudsters.

To learn more about how to protect your money, visit www.FINRA.org/LearnMore.