



## Briefing Paper No 09

### Bogus Callers and Scams

#### 1 Introduction

The purpose of this Briefing Paper is to discuss the increasing issue relating to bogus callers and scams and to highlight key statistics and prevention methods. This paper does not cover information on internet safety as this will be covered in a separate Briefing Paper.

The Office of Fair Trading (OFT) defines a scam as “misleading or deceptive business practices where a person receives an unsolicited or uninvited contact and false promises are made to con the person out of money”. There is no official definition for bogus callers but a typical incident is where the caller gives misleading or false details in order to gain entry to a property or obtain work with the aim of stealing or deceiving/confusing the occupant into parting with cash or property. Scammers and bogus callers play on their victims’ trust in authority and give the impression of an official institution or a reputable business.

Research from Citizens Advice Bureau’s across Scotland shows that scams are increasing in scope and spreading into all of the advice areas offered by bureaux including debt management, housing, training, employment and consumer issues. The National Fraud Authority estimate that scams and fraud cost the UK £30 billion every year.

Scams and bogus callers are often connected to wider serious organised crime operations including drugs, people trafficking and forced labour. It is important that enforcement organisations and the public understand the connections between these operations in order for them to recognise and tackle the serious nature of these crimes.

#### 2 Instances of Scams and Bogus Callers

A large number of different scams run simultaneously across the country, with new approaches evolving all the time. The many methods of cheap, untraceable mass communication may be one reason for this, with scams being distributed via email, post, phone calls and the internet. Remote scams can be described as ‘silent crimes’, as the scammer is very difficult to trace and is usually detached from the financial and emotional harm they have caused. Below are examples of some common scams.

- **419 scam** – This is a scam commonly associated with letters or emails which offer large payments from government officials, royalty or lawyers if participants aid in getting money out of a foreign country. Victims are either asked for their bank details and their account is raided or they will be asked to send an upfront fee.
- **Psychic or Clairvoyant Scam** – A letter promises to make life changing predictions but requires an upfront fee. Victims rarely get anything back and the mailings can be aggressive and threatening.
- **Investment opportunities** – Victims are offered the chance to invest in a variety of products e.g. shares, gemstones or fine wine, with the promise the

value will increase. In reality, the product is often over-priced, very risky and difficult to sell on. Additionally, the majority of these 'investments' are run from overseas and are not authorised by the UK's Financial Services Authority, therefore there is almost no chance of getting money back if things go wrong.

- **Lotteries** – Victims are contacted via letter, telephone, email or text alerting them to a huge win in a lottery, however, to claim the winnings a 'processing fee' needs to be paid. If victims pay the fee they do not receive anything back and risk been contacted again and losing even more money.

Other common scams include: miracle health cures, online dating scams, phishing, prize draws and sweepstakes, pyramid and chain gift selling schemes, work from home schemes, property rentals and racing tipsters.

Cold calling is largely regarded as providing the opportunity for bogus callers and associated crime to take place, and is seen as the common factor to all doorstep crime. Currently, legitimate companies still use cold calling (both at the door and on the phone) as a business practice and as such, it is difficult for people to distinguish between bogus and non-bogus callers. The instances of bogus callers appear to be on the increase in Scotland with examples of recent incidents relating to bogus callers including:

- People posing as carers or workmen to con their way into homes to steal cash and personal possessions.
- Bogus callers posing as bank officials and utilising personal information about the victim in order to convince them of their authenticity and then encouraging them to reveal confidential details including pin codes resulting in large sums of money being taken from the victims bank account.

Other bogus caller cons relate to rogue traders and involve them cold calling homes to offer services which are often unnecessary or unrequired. Once commissioned the work is sometimes not carried out at all, is of low quality or is extensively over charged. In other cases, people may receive bills for work they had not agreed to. In most case bogus sales people provide a false identity or contact information and as such this makes it almost impossible to identify or contact them.

### 3 Statistics and Demographics

Citizens Advice Scotland (CAS) published a paper in 2011 entitled Crimes of Persuasion – Scams and their Victims<sup>1</sup>. The report provides details of specific scams and statistics in relation to who may be affected and most likely to be a victim. The report suggests that while people assume they would not be 'gullible' or 'greedy' enough to fall for a scam or be a target, scams are designed to exploit people's vulnerabilities, making anyone susceptible. It is estimated that 48% of the UK adult population has been targeted by a scam, with 3.2 million people falling victim to them every year<sup>2</sup>.

The demographics of who is affected by scams and bogus callers are varied. It is a common perception that older members of the community are more likely to be a victim of scams. It has been found that 25% of people targeted are over 65, however, it is actually the 35-44 year age bracket that are more likely to fall victim to scams, with 26% being affected in comparison to 13% of consumers aged over 65<sup>ibid</sup>.

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<sup>1</sup> Citizens Advice Scotland, Crimes of Persuasion – Scams and their Victims, Published October 2011 - <http://www.cas.org.uk/Resources/CAS/Migrated%20Resources/Documents/Evidence%20reports/Crimes%20of%20Persuasion%20FINAL.doc.pdf>

<sup>2</sup> Office of Fair Trading, Research on Impact of Mass Marketed Scams. Published December 2006 - [http://www.offt.gov.uk/shared\\_offt/reports/consumer\\_protection/oft883.pdf](http://www.offt.gov.uk/shared_offt/reports/consumer_protection/oft883.pdf)

Although the over 65 year olds are not the most likely group to fall victim to a scam, it is more likely that they will become repeatedly targeted. These repeat victims are trapped in a cycle as the more letters they respond to the more they receive. It is common for lists of potential victims, known as 'suckers lists' to be sold to other scammers. As a result, it has been found that the over 55's lose more per scam than younger people<sup>lbid</sup>. Repeat targeting can create extremely difficult financial circumstances and can often lead to a decline in both physical and mental health.

It is estimated that less than five per cent of victims report their scam experience to the authorities<sup>3</sup> as they are often embarrassed to admit they have been conned or they do not feel it would be worth reporting. As such, the extent to which bogus callers and scams cannot be definitively measured. Additionally, the gathering of statistics for instances of scams and bogus callers can be difficult due to the ways in which they are defined as crimes by the police. Furthermore, in the cases of bogus callers, it can be unclear as to who's remit the issue falls under, the police or trading standards.

#### **4 Prevention**

There are a number of guidance documents relating to protecting consumers from becoming victims of scams. The OFT produced a brochure entitled Scambusters – Your Guide for Beating the Scammers<sup>4</sup> which provides advice on the types of scams out there, how to protect against scams and how to reduce junk mail. In addition the OFT have produced a toolkit<sup>5</sup> which aims to help practitioners support those people who have been repeat victims of scams.

One of the main ways in which the instances of scams and bogus callers can be reduced is through education and awareness raising of the public. Families and neighbours of people thought to be vulnerable should be aware of the risks and be alert to unusual behaviours. Furthermore, good doorstep habits should be publicised to ensure that everyone is safe from bogus callers.

In 2010 the 'Big Six' energy companies agreed to adhere to no cold calling zones in relation to doorstep selling, since then, five of the six have ceased doorstep selling. Furthermore, many utility companies have implemented a password scheme whereby legitimate callers give a designated password to the householder to identify themselves a genuine.

The development of projects and campaigns is important in both the education of potential victims and of the general public. The Think Jessica Campaign<sup>6</sup> was launched in 2007 and highlights the problem of scam mail and provides advice to victims and their family and friends. In relation to bogus callers, 'No Cold Caller Zones' have been rolled out in a number of areas. The scheme sees the posting of signs announcing that an area does not allow cold calling in the area. The scheme deters potential bogus callers and also empowers the local people to say no.

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<sup>3</sup> Citizens Advice Scotland, Crimes of Persuasion – Scams and their Victims, Published October 2011 - <http://www.cas.org.uk/Resources/CAS/Migrated%20Resources/Documents/Evidence%20reports/Crimes%20of%20Persuasion%20FINAL.doc.pdf>

<sup>4</sup> Office of Fair trading, Scambusters, Published April 2010 - [http://www.of.gov.uk/shared\\_of/consumer\\_leaflets/general/of831.pdf](http://www.of.gov.uk/shared_of/consumer_leaflets/general/of831.pdf)

<sup>5</sup> Office of Fair Trading, Helping People Affected by Scams – A Toolkit for Practitioners, published 2010 - [http://www.of.gov.uk/shared\\_of/reports/consumer\\_protection/400585\\_OFT\\_ScamsToolkit\\_ful1.pdf](http://www.of.gov.uk/shared_of/reports/consumer_protection/400585_OFT_ScamsToolkit_ful1.pdf)

<sup>6</sup> [www.thinkjessica.com](http://www.thinkjessica.com)

SCSN produce Practice Notes with the aim of promoting good practice. There are currently two Practice Note (See Off Scams<sup>7</sup> and Focus on Doorstep Crime<sup>8</sup>) which tackle bogus callers and scams.

## 5 Key Considerations

There is no standard definition for the term 'bogus callers'. Not all doorstep callers can be labelled as bogus as the majority will be genuine workmen or salesmen. The term bogus comes in to play when the caller purports to be someone else with the aim of deceiving the resident. However, there is a growing perception that all doorstep callers are bogus and this can lead to a situation where some individuals are afraid to open the door.

There is a breadth of guidance to the public in how to not be a victim of scams and bogus callers however, they are not all the same and often give mixed messages. Neighbourhood Watch Scotland are working with local authority trading standards, Police and other relevant bodies to look at how messages can be standardised and reinforced as a national message.

The ways in which scammers and bogus callers work means that they can be fast moving and virtually untraceable. It is therefore extremely important that police, local authorities, communities and individuals create strong communication links in order to try and prevent the spread.

## 6 Links

Below are links to websites relating to scams and bogus callers which may be of further use:

- Action Fraud - [www.actionfraud.org.uk](http://www.actionfraud.org.uk)
- Office of Fair Trading - [www.of.gov.uk](http://www.of.gov.uk)
- Citizens Advice Scotland - [www.cas.org.uk](http://www.cas.org.uk)
- Scottish Crime Business Centre - [www.sbcc.org.uk](http://www.sbcc.org.uk)
- Dealing with Cold Callers - [www.doorstepcallers.co.uk](http://www.doorstepcallers.co.uk)
- Knock, Knock - [www.doorstepcrime.net](http://www.doorstepcrime.net)

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<sup>7</sup> <http://safercommunitiesscotland.org/Documents/PN37%20-%20%20See%20Off%20Scams.pdf>

<sup>8</sup> <http://safercommunitiesscotland.org/Documents/PN38%20-%20Focus%20On%20Doorstep%20Crime.pdf>