

## SCAMS: HOW TO IDENTIFY AND AVOID - LIST OF THE MOST KNOWN ,INCLUDING EBAY SCAMS

Telephone lottery scams: These include the Canadian lottery scam and the El Gordo Spanish lottery scam, which deceptively uses the name of a genuine lottery. People respond to an unsolicited mailing or telephone call telling them they are being entered into a prize draw. They then receive a telephone call congratulating them on winning a big prize in a national lottery - but before they can claim their winnings, they must send money to pay for taxes and processing fees. The prize doesn't exist.

Prize draw, sweepstakes and foreign lottery mailings: many typical scams take the form of prize draws, lotteries or government payouts. Most appear to be notification of a prize in an overseas draw or lottery in return for administration or registration fees.

Premium rate telephone number scams: Notification by post of a win in a sweepstake or a holiday offer includes instructions to ring a premium rate 090 number to claim your prize.

Investment related scams: An unsolicited telephone call offering the opportunity to invest in shares, fine wine, gemstones or other soon-to-be rare commodities. These investments often carry very high risk and may be worth a lot less than you pay. The shares are not quoted on any stock exchange and you will not be able to sell them easily afterwards. 'Solid' valuable investments, such as gem stones, are often said to be stored in secretive Swiss bank vaults, so you can never see your investment.

Nigerian advance fee frauds: THE MOST KNOWN SCAM. An offer via letter, e-mail or fax to share a huge sum of money in return for using the recipient's bank account to permit the transfer of the money out of the country. The perpetrators will either use the information given to empty their victim's bank account; or convince him or her that money is needed up front for bribing officials. Pyramid schemes: offer a return on a financial investment based upon the number of new recruits to the scheme. Investors are misled about the likely returns as there are not enough people to support the scheme indefinitely - only the people who set up the scheme are able to make any money.

Matrix schemes: are promoted via web sites offering expensive hi-tech gadgets as free gifts in return for spending £20 or similar on a low-value product such as a mobile telephone signal booster. Consumers who buy the product join a waiting list to receive their free gift. The person at the top of the list gets their free gift only after a prescribed number - sometimes as high as 100 - of new members join up. In reality, the majority of those on the list will never receive the expensive item they expect.

Credit scams: another advance fee fraud, originating in Canada. Advertisements have appeared in local newspapers offering fast loans regardless of credit history. Consumers who respond are told their loans have been agreed but before the money can be released they must pay a fee to cover insurance. Once the advance fee is paid, the consumer never hears from the company again and the loan never appears.

Property investment schemes: would-be investors attend a free presentation and are persuaded to hand over thousands of pounds to sign up to a course promising to teach them how to make money dealing in property. Schemes may involve the opportunity to buy properties which have yet to be built at a discount. A variation is a buy-to-let scheme where companies offer to source, renovate and manage properties, claiming good returns from rental income. In practice, the properties are near-derelect and the tenants non-existent.

Work-at-home and business opportunity scams: often work by advertising paid work from home but which require money up-front to pay for materials; or by requiring investment in a business with little or no chance of success.

### Ebay Scams/ PaypalBank scams

1. You can receive an email from "your" bank or paypal asking you to log in in order to..(say verify something) the page you are redirected is actually a phishing page and all the information,including your account passwords will be stolen. DO NOT EVER trust any emails like this. If in doubt,call your bank or go directly to the website(eg. www.ebay.com) and inter your account details there.

2. EBay scams may involve people trying to buy goods from you with money order,where they pay you with fraudulent bill. You sent the goods,thinking your bank will clear this up,but it would not.... Always wait until the money are cleared by your bank,before sending stuff. Sometimes they use their own shipping company.

3. Ebay scam which is also popular involves stealing someone elses account(by the means of #1,etc). Then they post an item for sale for a price you can't resist. When you purchase it, they will ask you to pay,using money order or similar service. They can also set up a fake escrow service. Beware.

Use commone sense for every purchase. If it's too good to be true- IT IS. No free cheese in this world other than for your pets :)