



**IS YOUR LOVED ONE BEING SCAMMED?
'WHAT ARE THE SIGNS AND
WHAT CAN YOU DO ABOUT IT?'**



Good with your Money Guide 5

1. INTRODUCTION – The growing menace of financial scams

Financial scams come in many forms and are increasing rapidly. Figures from the Office for National Statistics (ONS) show adults aged 16 and over experienced an estimated 5.4 million fraud and computer misuse incidents during 2016.

While scams can affect anyone, evidence suggests that older people are more likely to be targeted than other age groups.

There are several reasons for this. Older generations may be less tech savvy and so may fall prey to increasingly sophisticated online scams designed to get people to hand over bank details or other personal details. In addition, social isolation and a lack of confidence can also lead to older people being targeted.

Figures from the ONS highlight growing incidences of fraud reported to the authorities. Between July 2013 and June 2014 there were roughly 548,000 cases of fraud reported, but three years later the figure had risen to around 653,000. Statistics for some key areas of fraud are shown below and while figures fluctuate over time there is a strong upwards trend.

Table 1. Reported cases of fraud (selected categories) 2013/14 to 2016/17

Fraud type	July 13 - June 14	July 14 - June 15	July 15 - June 16	July 16 - June 17
Banking	300,242	328,667	371,894	382,128
Non-investment	87,450	101,570	92,306	108,149
Computer Misuse	18,199	15,153	12,364	21,062
Pension Fraud	510	1,155	477	406

Source: <https://www.ons.gov.uk/peoplepopulationandcommunity/crimeandjustice/datasets/crimeinenglandandwalesbulletintables>

1. INTRODUCTION – The growing menace of financial scams

It can be hard to talk to someone who is in danger of being scammed. Fraudsters are incredibly persuasive and can convince even financially savvy people to hand over their money. Others build up a relationship with their victims and can seem extremely friendly. If someone is lonely they may welcome the interaction and it can be difficult to persuade them that their new friend's intentions are not good.

In the worst cases fraudsters have managed to brainwash their victims to the point that they have turned against their families and friends. Other fraudsters intimidate their victims so they are too frightened to speak out.

The after-effects of being targeted by scammers go far beyond the financial. Victims may lose confidence after such an experience and feel fearful for the future. Such experiences can also have a devastating impact on people's mental and physical health.

If you are concerned that a loved one is being targeted by scammers then it is important to approach the conversation in the right way so the potential victim

knows you are not judging them and you can help them access the support they need to move on from the incident.

It is common for people to feel embarrassed after falling victim to a scam and this can lead to people choosing not to report what has happened. However, there is no need for them to feel this way and they are certainly not alone. By reporting the crime, the victim will be giving police valuable information that can be used to catch the culprit.

This guide looks at what you can do if you think a family member or friend is being targeted by fraudsters. The guide outlines the types of scams currently in operation, the signs you should look out for and the support that is available. It will also tell you where to go if you want to report a suspected scam.

2. WHAT ARE THE SIGNS THAT SOMEONE MIGHT BE BEING SCAMMED?

Scams by their very nature are secretive and so it can be very hard to work out if your loved one is being scammed. However, there are some signs that are worth looking out for.

- **They receive large quantities of junk mail.** While we all receive junk mail from time to time victims of mail scams can receive hundreds of letters a week from scammers. There are stories of Trading Standards having to remove hundreds of thousands of pieces of mail from people's homes. As a result, be wary if you see piles of junk mail in people's home or bags of such mail hidden away in cupboards.

- **They have a lot of phone calls.** Once a potential victim's details have been passed around a scammer's network they are likely to get a lot of phone calls as well as a lot of mail. Scammers often spend a lot of time gaining their victim's trust and so the telephone calls may appear to be perfectly cordial. However, beware if money is mentioned.
- **You find large quantities of goods in someone's home.** Again, scammers often induce victims to pay for goods in a bid to qualify for cash prizes.
- **They are anxious about missing postal deliveries.** The victim may become increasingly reluctant to leave home or worry about being home to meet the post because they are waiting for the delivery of their winner's cheque.
- **They tell you about a new investment opportunity.** Many scammers reel their victims in with promises of investments delivering high, even guaranteed, returns. These investments are often in unusual assets and are often based abroad. This makes

it harder for the victim to verify whether they exist. The victim may tell you about this exciting opportunity, but the rule of thumb is that if something sounds like it is too good to be true then it usually is.

- **They become secretive about money.** You may notice changes in someone's spending habits – for instance they may struggle to keep up with household bills or they may no longer be able to go out as much as they once did. Of course, there are many reasons why this might happen but it could be an indicator they have had money taken from them by a scammer and they don't want you to know.
- **They become isolated from family and friends.** The victim may be embarrassed to tell you what has happened to them or they may have become depressed and anxious as a result of their experience. They could also be being intimidated by a scammer and be too frightened to come forward.

3. CASE STUDY – A real-life example¹

It was purely by chance that David found out that his 83 year-old mother Elsie was being targeted by postal scammers. Since his discovery David and his family have been working hard to put safeguards in place to protect his mother from further contact with fraudsters. However, he admits it has not been easy.

David has power of attorney over his mother's affairs as she suffers from mixed dementia. He had taken on board management of his mother's bank statements as he had concerns about her potential vulnerability and how she was spending her money.

"I noticed there were regular small amounts, about £50 per week going out of her bank account, in addition to her larger monthly amount for food and bits," he says. "I thought it was strange because when she goes to the shops she tends to buy the same things every week so we wondered what this money was being used for."

They discovered the reason by sheer chance during

a family visit when David's sister saw her mother wrapping money in silver foil and placing it carefully into an envelope.

Postal scams

The family found that Elsie was the victim of multiple postal scams and was receiving up to 50 letters a month from about ten organisations. These letters typically said she was a listed beneficiary and entitled to claim a significant money prize but could only do so by urgently responding to the letter, filling in the counterfoil in the document and sending cash or supplying credit card details. They all originated internationally, with the majority issued from post box addresses in Canada and the United States with some from France and Eastern Europe.

David found that his mother had been sending off money for at least 18 months and puts the amount lost at almost £4,000.

David says it was hard to broach the subject with his

mother who believed she was in some way obligated to respond to these letters.

"It has been really difficult talking to her about this," he says. "She sees these letters almost as official documents or bills that need to be paid. The letters do appear official and the language used reinforces this and so in her mind she acted correctly. At first glance these documents do look legitimate. It's only when you get beyond the first paragraph that you notice that the grammar is poor or that the prize to be claimed seems amazing. There is often no clear statement telling you you have won – merely that you have a chance of winning. If you respond you are then placed on a list which means you will receive many more letters."

David spoke to Royal Mail and immediately had his mother's mail redirected to him, choosing not to engage directly with the scammers and simply stopped responding to their letters. Since then the volume of letters has slowed considerably from around 50 a month to approximately four a month.

¹ Names have been changed but all other details are factually correct.

3. CASE STUDY – A real-life example

As David has power of attorney over his mother's financial affairs he was also able to talk to the bank to put a stop against Elsie removing more than £250 cash from her account.

What more can be done?

David believes there is much more that urgently needs to be done to help protect the Elsie's and other vulnerable people of all ages and communities from being scammed.

"I feel that the Royal Mail has a key role to play here in terms of helping to safeguard vulnerable people in society, yet when we spoke to them we were told there was nothing they could do to stop the mail being delivered because it originated from overseas." He says. "If the Royal Mail is seeing steady streams of these letters coming in from international companies and complaints from people like us, there should be something they can do to raise the issue to the authorities and thereby help stop this organised fraud happening."

"We spoke to the local trading standards department, they were aware of the scams but they weren't really able to help us to stop or report the scammers," he says. "The most frustrating thing was trying to find information on how to help people like my mother. We looked online, we emailed and spoke to Interpol and international embassies who all acknowledged the issue – but there's a huge gap here for people looking for advice and guidance on the subject of postal scams and how to prevent them happening."

He believes there is sadly only one option available to those looking to help carers deal with the postal scammers and that's getting your mail re-directed by Royal Mail for a monthly fee.

He adds: *"While Mum is absolutely convinced she can take care of herself and her affairs, we now know we need to put precautions in place to keep her safe. I just don't think it is fair how we treat vulnerable people in this position. These mailings amount to organised crime and the issue needs to be brought into the mainstream and escalated. It may amount to small individual*

amounts of money per week but in the grand scheme of things it still means a lot to those people and adds up quickly to many thousands of pounds. It's sickening to see the most vulnerable people in our society being preyed upon in this way."

Tips for dealing with scammers

- In the event of a suspected mail scam you need to set up a mail redirect, this will require the resident's consent or a power of attorney and means paying the Royal Mail a fee for a set period – typically six monthly. While it is tempting to respond to the scammers to tell them to stop it is best just not to reply at all and they will eventually remove the target from their mailing lists.
- Have a look at what other threats there are where your loved one lives. Are there people going door to door for instance offering to do repairs that they either don't do or overcharge for? If your loved one is vulnerable at one level then they are likely to be vulnerable at others too.

4. HOW TO TALK TO SOMEONE WHO YOU THINK IS BEING SCAMMED

It can be difficult to talk to someone who is being scammed. They may feel they have genuinely chosen a great investment opportunity or they may have struck up a rapport with the scammer and believe they are friends. Alternatively, they may feel embarrassed about what has happened and not want to admit they have been taken in.

Even if you have strong evidence to suggest someone is being scammed you may find they become defensive if you suggest they are being conned. The important thing is that you want the victim to trust you and feel that they aren't being judged.

- Forewarned is forearmed – Even if someone hasn't been scammed but you are concerned that they might be then it is worth trying to raise their awareness by talking to them about scams. You could point to a recent story in the news for instance and use it as an introduction to a conversation about scams and what they can do to protect themselves. By keeping the conversation light-hearted you might find the potential victim opens up more and may tell you that they have been approached.

- If they have been approached, there are actions they can take to protect themselves from further approaches. Tell them that contacting the Mail Preference Service could cut down on a lot of the junk mail while Trading Standards based within your local council can issue them with a telephone call blocker if needed. You can also assist the victim in contacting the bank to stop any suspect transfers that may be about to go through and have a chat about how to protect their account further.
- If you can get your loved one's permission you can ask Royal Mail to redirect their mail to you. This means they won't be tempted to keep responding.
- They aren't the only ones – Many people think they would never fall prey to a scam yet many do and it can be an isolating experience. Let them know they aren't the only person to go through such an experience. If you have been contacted by a potential scammer in the past then let the victim know. It is important they understand they aren't alone.
- Patience is a virtue – Your loved one may be reluctant to talk about their experience so you may not get the whole story at once. Try not to bombard them with questions as they may feel they are being interrogated. Try and keep the conversation informal and be aware you may need to return to the conversation at another date.
- Reporting the scam – It is important that scams are reported to prevent others from falling into the same trap. However, don't try and railroad the person into reporting it, it is better to give them appropriate options and let them come to their own decision. As well as telling authorities such as Trading Standards and Action Fraud it is also good to encourage them to tell their family or close friends what has happened to them to help them access the emotional support they need to recover from the experience. Action Fraud and Trading Standards can also provide support in terms of fitting call blockers, taking away nuisance mail and putting the victim in touch with appropriate support services.

5. DIFFERENT TYPES OF SCAMS

The way that fraudsters operate evolves quickly and there are many different types of scam in operation. Here's a run-down of some of the more common types of scam and how to prevent them.

Identity Fraud

Identity fraud is increasingly prevalent and can occur via phone, online, mail and in person and involves the fraudster trying to get hold of someone's personal information such as bank account numbers, dates of birth, address details etc. This information is then used to either access the victim's bank accounts or else obtain credit.

The consequences of being targeted in this way go much wider than the actual fraud activity itself and it can take a lot of time to deal with what has happened in terms of updating passwords, dealing with banks etc. It can prove difficult to work out how the fraudster got hold of the details so it is important that you talk to loved ones about how they can protect themselves in terms of dealing with the mail they receive and their online activity.

What can be done?

- If you or your loved ones live in a flat, then be careful of any mail left in communal areas. Always think

about who can access it and whether it can be stolen.

- If your loved one receives post for someone that doesn't live at their address help them to find out why this is.
- Dispose of any mail by shredding it rather than just putting it in the bin. Fraudsters will go through people's rubbish in the hope of obtaining personal details.
- Sign up to the Mail Preference Service to prevent unwanted marketing letters. They can also sign up to the Telephone Preference Service to prevent marketing calls.
- Tell your friend/family member not to disclose details such as account numbers or PINs to anyone they don't know or trust. Banks would never ask a customer to disclose their PIN over the phone or online.
- Check statements for suspicious transfers.

5. DIFFERENT TYPES OF SCAMS

- If your loved one shops online or uses online banking then ensure they have anti-virus software installed on their computer. It may be worth checking with their bank as it can often provide anti-virus software for free.
- Tell your loved ones not to reply to any suspicious/unsolicited emails or texts as they will likely receive more. Just delete them.

Online fraud

Online fraud has evolved quickly and takes many forms. It can be an email purporting to be from a bank or another trusted provider asking the user to input their password or account details. These emails look authentic but are operated by scammers who use the details to take money from the targeted person's bank account.

Your loved one may have received emails from someone they do not know offering to put money in their account if banking details are sent. Even if such emails do not explicitly ask for banking details they may

contain attachments which, if clicked on, will infect the computer with a virus that can make personal data available to fraudsters.

Another widespread fraud is for someone to receive an email supposedly from someone they know saying they need money urgently.

Other instances of online fraud may relate to bogus websites offering services/products. The purchaser hands over their bank details for services/products that don't arrive and the fraudster now has their bank details.

What can be done?

- Never disclose PIN numbers or passwords to someone they don't know or trust. Banks would never ask for such details online.
- Ask them not to respond to emails asking for money. The likelihood is that more will be sent. Just delete them.
- If your loved one tells you they have received an

email from someone they know asking for financial assistance then tell them not to respond to the email but to call that person instead to see if they really did send the email.

- Make sure your loved one has anti-virus software installed on their computer.
- Encourage them to check their bank statements regularly to see if there have been any suspicious transfers.

Pension Scams

People have contributed to their pensions over many years and will often have built up a considerable sum of money. As a result, pensions have proved to be fertile ground for scammers wanting to get their hands on people's retirement nest egg.

People targeted by such scams can not only find themselves losing their entire pension, but also having to pay a hefty tax bill from HMRC.

5. DIFFERENT TYPES OF SCAMS

The situation has become more complicated with the introduction of Freedom and Choice in April 2015 which allows people to withdraw their pensions as a lump sum as opposed to using it to generate an income in retirement.

The scams usually involve the transfer of money from the pension into a 'high returning' investment which is often based overseas. Having an investment based overseas works well for scammers as it is more difficult for would-be investors to prove that it exists.

Scammers will usually want the person they are targeting to transfer money to a single investment. This is not something that a regulated financial adviser or a pension provider is likely to do. Putting an entire pension pot into one investment can expose the saver to an unnecessary level of risk as if the investment performs badly they risk losing all their money. It is more usual to invest in several different types of investments to spread the risk and give the best chance to generate good returns over the long term.

Scammers will want to force a decision quickly and so may push someone to agree to invest there and then. They may say there is only a limited time to take up the offer in a bid to pile on the pressure. Again, alarm bells should ring here as no regulated financial adviser would expect a client to make a decision without giving it proper thought.

Scammers may attempt to further pile on the pressure by offering to send a courier to the victim's house with documents to sign, again, this is not something a regulated financial adviser would do.

Investment scams

These can operate in a very similar way to pension scams. Again, victims are contacted by someone offering an investment apparently generating high returns and often located overseas. As with pension scams the seller is likely to try and pressure someone into making a quick decision.

Unlike pension scams there is unlikely to be a pension

provider who will sound a warning if they feel that their customer has been targeted by a scammer. The money being handed over comes from another investment such as an ISA or even a bank account. This means it is probably much easier for it to be accessed so it will be of real interest to scammers.

As with pension scams it is important to be firm. The person your friend or family member is speaking to may come across as though they are doing them a favour by telling them about such investment schemes but that is no reason why they should feel pressured into making a quick decision or hand money over.

A properly regulated financial adviser would never expect someone to take large sums of money out of their bank to hand over to someone nor would they expect a client to make a decision without giving it due consideration so alarm bells should ring if your friend or family member says this is the case.

Encourage them to say they want time to think things through and to speak to someone they trust such as a

5. DIFFERENT TYPES OF SCAMS

financial adviser, friend or family member. All such incidents should be reported to Action Fraud ([see details at the back of this guide](#)).

What can be done?

- You should let loved ones know to beware of unsolicited contact from firms whether it be via letter, text, phone call or people coming to your friend/family member's door offering services such as free pension reviews. Regulated financial advisers or services such as Citizens Advice or Pensions Wise would not contact someone directly.
- Beware if your friend/family member tells you about an exciting new investment opportunity they have been offered. It could be based overseas, have "guaranteed" returns or else promise unusually high returns. It's important to bear in mind that if something sounds too good to be true then it usually is.
- If your friend/family member does decide to transfer their pension to invest in a new scheme they will

need to let their pension provider know. If the offer looks suspicious then the pension provider will ask questions and may even look to block the transfer. If your friend or family member tells you that this is happening then make them aware that while this may be frustrating providers see a lot of suspicious transfers and know what to look out for. They are not standing in their customer's way so they can keep their money, they are doing what they can to ensure the money is moving to a safe environment.

- No financial adviser would pressure their client into making an investment decision. If your loved one feels they are being pressured encourage them to put the phone down/ leave the meeting/ ask the person to leave. Many people do not want to appear rude but if they are being put under pressure they should terminate the conversation.

Mass marketing fraud

We have all received mail from agencies telling us we have won a prize in a draw that we don't remember

entering. All you need to do to claim said prize is to send in some money and the prize will be released. Another popular scam is to offer services or items which must be paid for upfront. However, these prizes, services or items never materialise, or else when delivered they are not of the promised quality.

These letters can look very authentic and many people decide to send in the money but their prize never arrives. What is worse is that once someone responds to one of these scams they can find themselves on so called "suckers lists" whereby other fraudsters can access their details leading to the victim being deluged with similar offers. Scammers can also start calling as well, particularly if their target has stopped responding to their letters.

These scams are particularly harrowing in terms of the effects the scammers can have on their victims. There are many instances of victims being effectively brainwashed into believing what the scammers tell them.

5. DIFFERENT TYPES OF SCAMS

There have been several stories in the national media in recent years about elderly people being contacted in this way. Some have died penniless after being persuaded to hand over hundreds of thousands of pounds of their money. Others have fallen out with their families. Some of these people have attempted and even committed suicide after falling into debt and being unable to keep up with the scammer's constant demands for more cash.

What to do?

- Warning signs that someone is being targeted in this way include finding large quantities of post in their home. You may also find your loved one become anxious about missing the post as they are waiting to see if their prize has been delivered.
- You can check with the Trading Standards team based in the local council whether your friend/family member has appeared on any so-called "suckers lists."
- If you are worried your loved one may still be

tempted to respond to scam mail then it is worth having a chat with them about having their mail redirected by Royal Mail.

- Trading Standards can also come to your loved one's home to remove any items of scam mail.

Property scams

This is a growing threat affecting the many buy-to-let landlords in the UK. These scams, known as property hijacking, involve scammers putting themselves forward as tenants so they can commit identity theft and try and sell the property from under the owner's nose.

The scammers will use fake IDs to act as tenants before changing their names by deed poll to match that of the owner. The scammer then uses fake documentation to put the property up for sale with a request for cash buyers. These potential buyers will then be pressurised into making a quick sale as this leaves less time for the scam to be discovered.

The owner is likely to find out what has happened when the buyer's solicitor attempts to register the change of ownership with the Land Registry. This is then the beginning of a long and complex process while the real owner attempts to unwind what has been done and get their property back. While this results in a great deal of inconvenience for the real owner the true detriment is experienced by the buyer who has by this point already paid the money to the fraudster who has promptly disappeared.

So far, the HM Land Registry counter fraud unit says it has stopped 254 fraudulent applications for property worth over £117 million since 2009.

What can be done?

- Landlords can register for a free alert service provided by the Land Registry which lets them know of any activity linked to one of their properties. This would include any attempt to change ownership details. Up to ten different properties can be monitored on one account. All you need

5. DIFFERENT TYPES OF SCAMS

is a valid email address and the full address/es of the properties owned. Go to <https://propertyalert.landregistry.gov.uk> to set up an account.

Courier fraud

Again, this type of fraud is growing rapidly. The victim is called by someone purporting to be from their bank or even a police officer to say they have noticed fraudulent activity on a bank account and need their assistance in finding the culprit.

The victim will then be asked to either disclose their PIN over the phone and the fraudster will then send a courier around to pick up the bank card to be used as evidence. Once in possession of the bank card then the fraudster can start to take money from the account.

Another popular bogus story is that the victim's bank card is about to expire and to save them the trouble of handing it in at their local branch the bank will send a courier to the person's house to collect it.

Alternatively, the victim may be asked to transfer money to the fraudster's account or even withdraw large sums of money to be picked up by a courier.

The courier despatched to pick up the items may have no idea they are involved in fraudulent activity.

What can be done?

- Just because a courier is on their way it doesn't mean they have to be let in. If in doubt your loved one should refuse to answer the door. All instances should be reported to Action Fraud but if they are feeling in any way intimidated or frightened then they should not hesitate to call the police.

6. WHO TO REPORT IT TO AND WHERE TO GET SUPPORT

- Scams should be reported to: Action Fraud:
www.actionfraud.police.uk
Tel: 0300 123 2040
 - The Trading Standards department at your local authority can provide support in terms of supplying call blockers or removing mail. They can also let you know if your loved one has been included on any so called “suckers lists” which means they are likely to get targeted by other fraudsters in the future.
 - You can sign up for the Telephone Preference Service here:
<http://www.tpsonline.org.uk/tps/index.html>
 - The Mail Preference Service can be used to reduce the amount of mail received:
<https://www.mpsonline.org.uk/>
 - Citizens Advice Consumer Service offer advice about scams:
www.adviceguide.org.uk
Tel: 03444 111 445
- The Pensions Advisory Service can offer guidance for those affected by pension scams:
<https://www.pensionsadvisoryservice.org.uk/>
Tel: 0800 011 3797
 - Charities such as Think Jessica offer valuable support for elderly people and their families who have been targeted by scam mails and calls:
<http://www.thinkjessica.com/>
 - Age UK can also offer support:
<http://www.ageuk.org.uk/>

For more information about Royal London
or this report please contact:

Helen Morrissey – Personal Finance Specialist
Email – helen.morrissey@royallondon.com

Meera Khanna – PR Manager
Email – meera.khanna@royallondon.com

All details in this guide were correct at the time of updating in April 2020



The Royal London Mutual Insurance Society Limited is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority. The firm is on the Financial Services Register, registration number 117672. Registered in England and Wales number 99064. Registered office: 55 Gracechurch Street, London, EC3V 0RL.