

How to recognize and prevent scams

Consumer Financial Protection Bureau
Office for Older Americans

The bottom of the slide features a decorative graphic consisting of several overlapping, semi-transparent green shapes. These shapes are primarily triangles and quadrilaterals, creating a layered, abstract effect. The colors range from a light, pale green to a vibrant, medium green. The shapes are positioned at the bottom of the slide, extending across the width of the page.

Disclaimer

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This document was used in support of a live discussion. As such, it does not necessarily express the entirety of that discussion nor the relative emphasis of topics therein.

CFPB's Office for Older Americans

CFPB's Office for Older Americans works to:

- Help older consumers make sound financial decisions as they age
- Identify and address emerging consumer protection risks
- Help older adults recognize warning signs of unfair, deceptive, or abusive practices and protect themselves from such practices
- Coordinate consumer protection efforts on behalf of older adults with other federal agencies and state regulators to promote consistent, effective, and efficient enforcement

Learn more at consumerfinance.gov/olderamericans

Scam statistics

5.2
MILLION
REPORTS

TOP THREE CATEGORIES

- 1 Identity Theft
- 2 Imposter Scams
- 3 Credit Bureaus, Info Furnishers and Report Users

2.4 million fraud reports

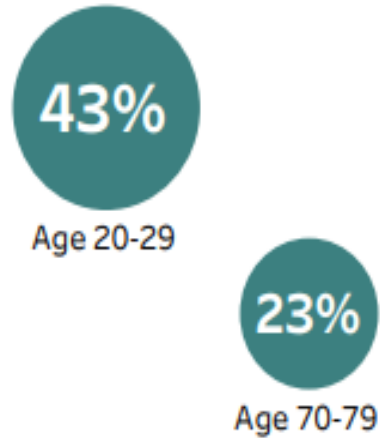
26% reported a loss

\$8.8 billion
total fraud losses

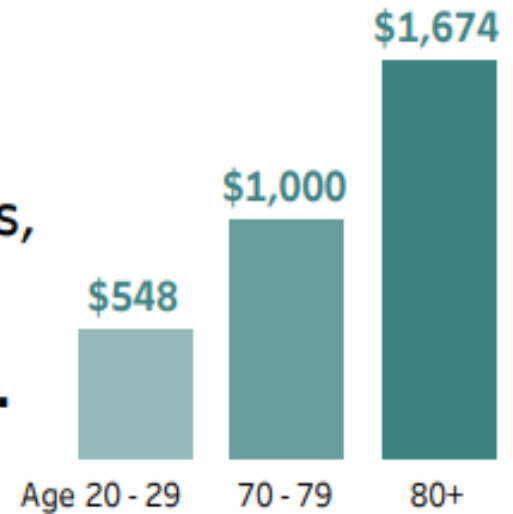
\$650
median loss

Older adults & scams (2022)

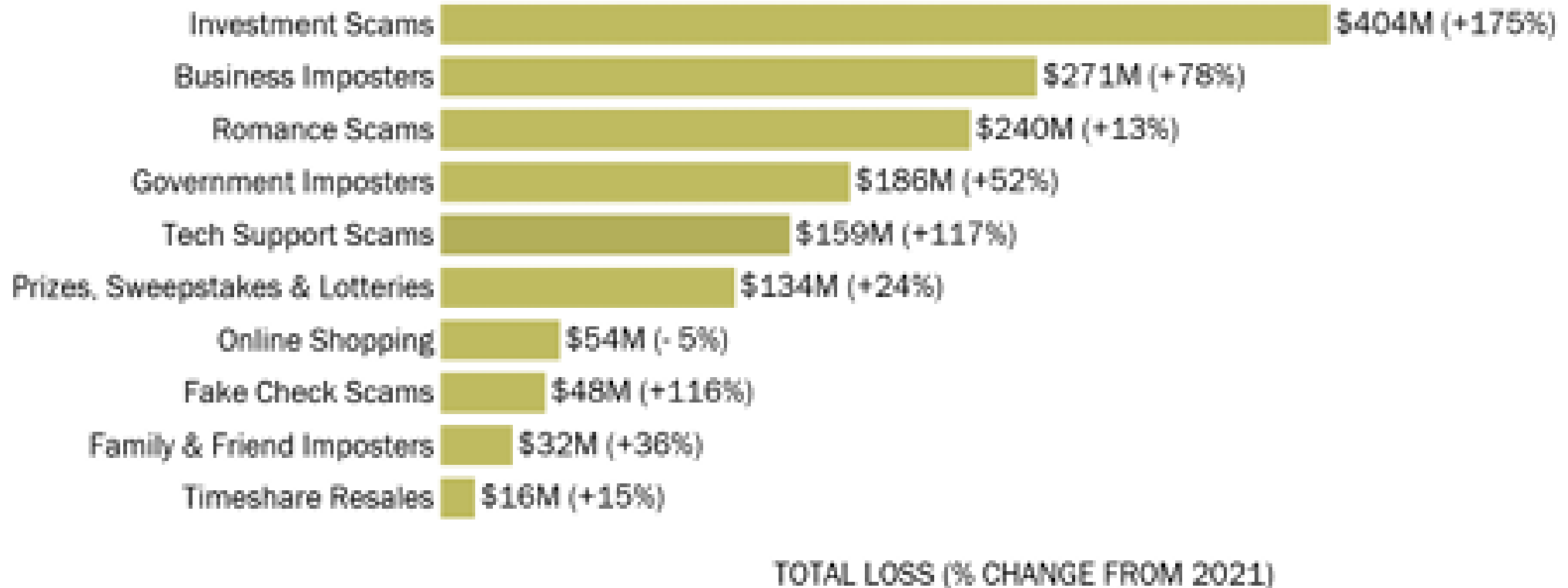
Younger people reported losing money to fraud **more often than older people.**



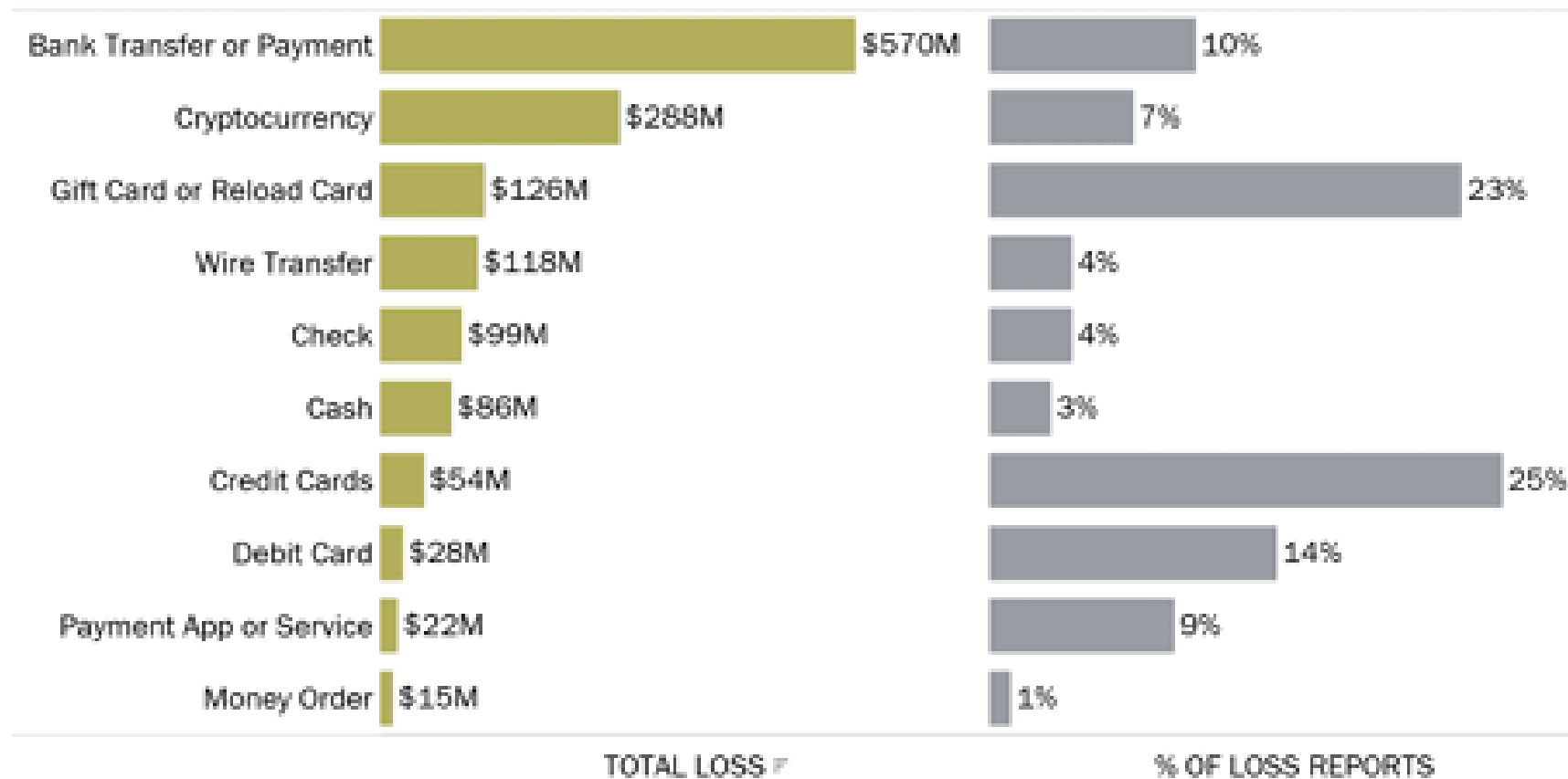
But when people aged 70+ had a loss, the median loss was much higher.



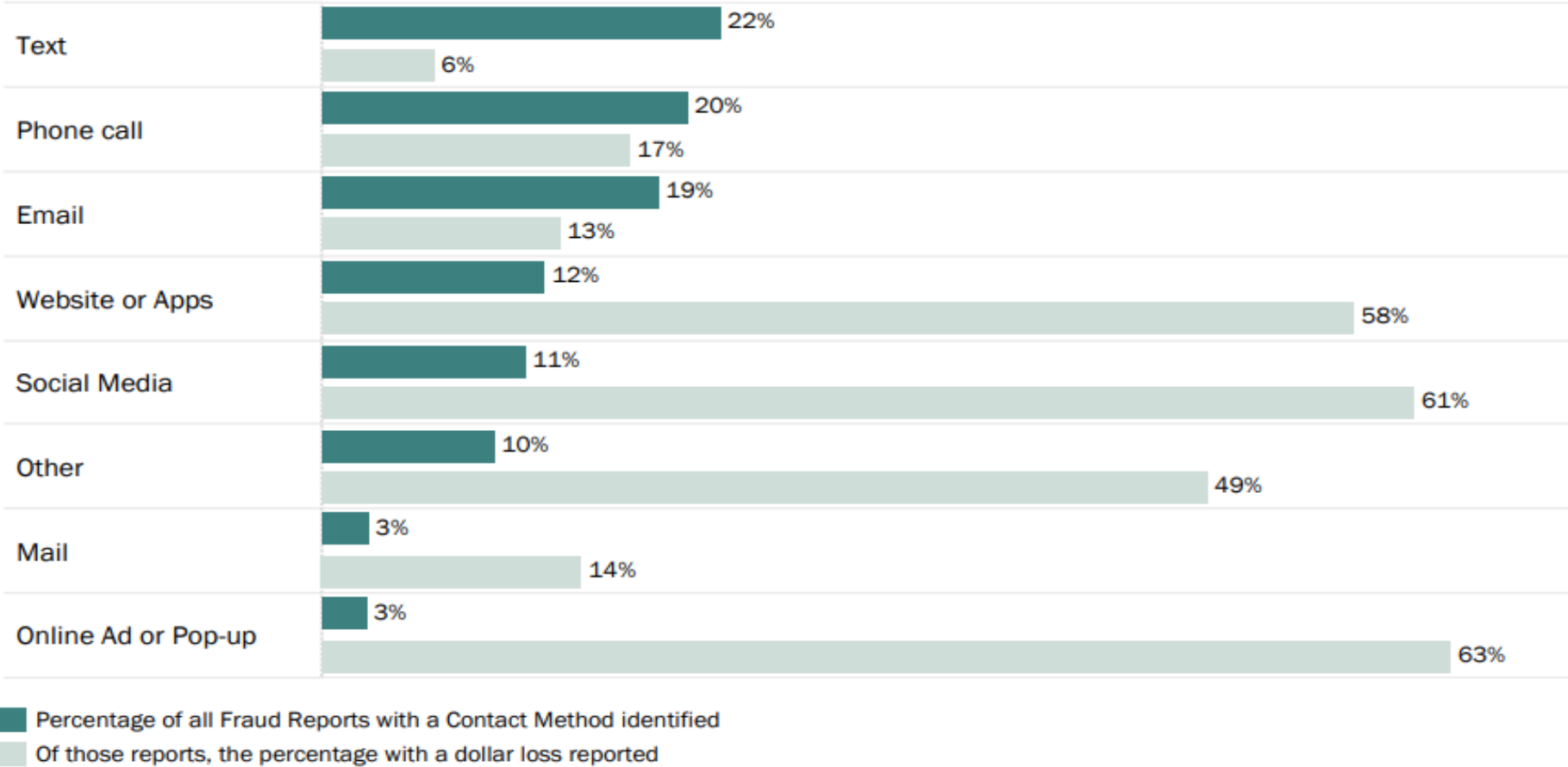
Top fraud loss types for ages 60+ (2022)



Loss reports by payment method for ages 60+ (2022)



Contact method & total paid (all ages, 2022)



Examples of scams

Examples of fraud and scams



Exploitation by an agent under a POA or person in another fiduciary relationship



Grandparent / imposter scams



Theft of money or property by family members, caregivers, or in-home helpers

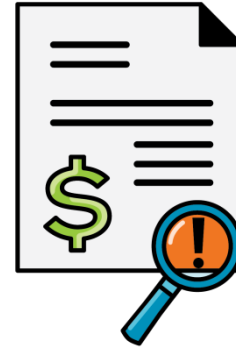


Lottery and sweepstakes scams

Examples of fraud and scams (cont.)



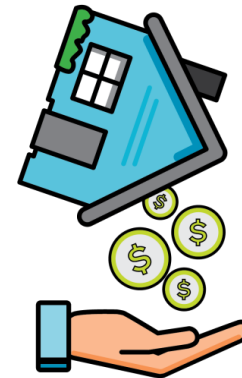
Telemarketer,
mail offer or
salesperson
scams



Tax and debt
collection
scams



Fake charity
scams

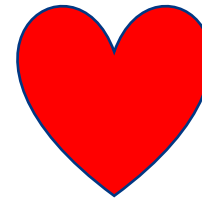


Reverse
mortgage
fraud

Scams we will cover today



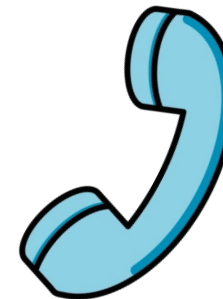
Tech support scams



Online dating
scams



Investment
scams



Family
emergency &
imposter scams

Online dating scams

Online dating scams

Red Flags



- New love asks you to wire money for “emergency”
- New love asks to access your bank or credit card accounts
- New sweetheart asks you to open joint account or co-sign a loan

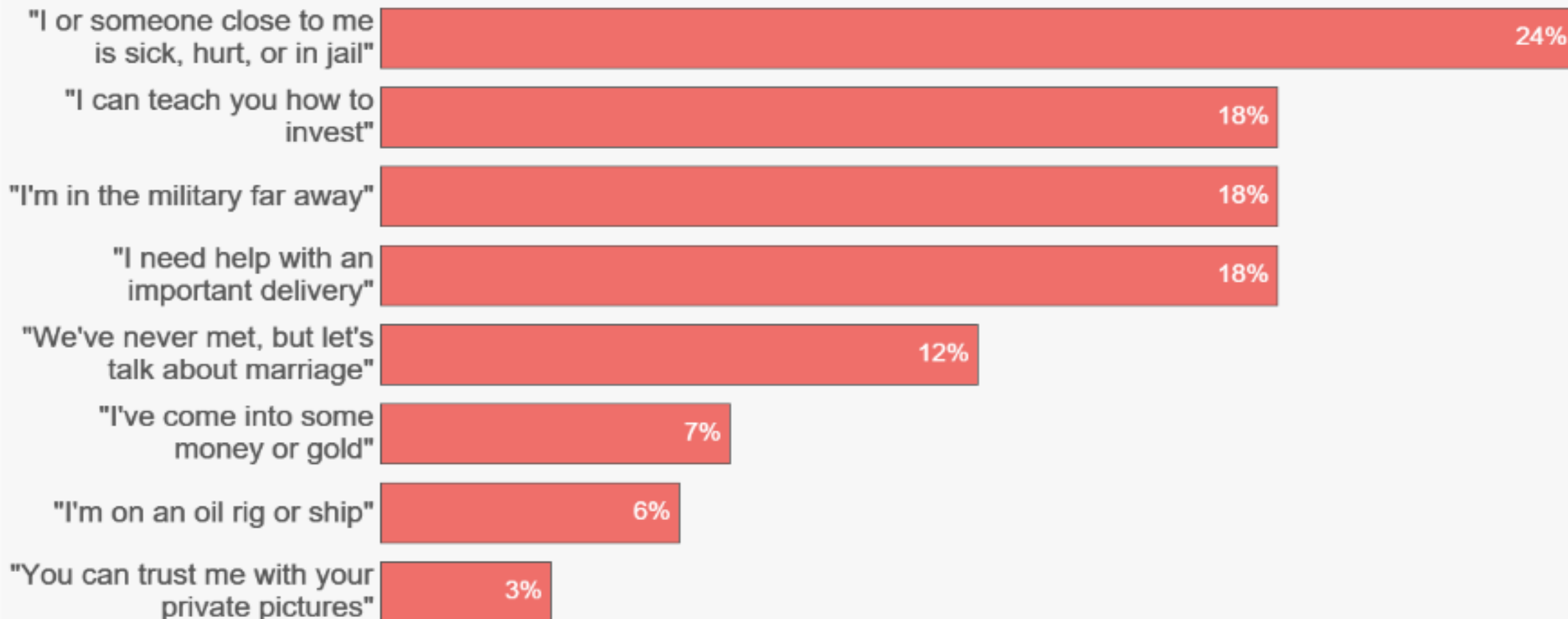
Safeguards



- Never send money or gifts to a sweetheart you haven't met in person
- Limit what personal information (like bank or credit card accounts, SSNs) you share with a new love.
- Limit what personal information you share online and on dating apps



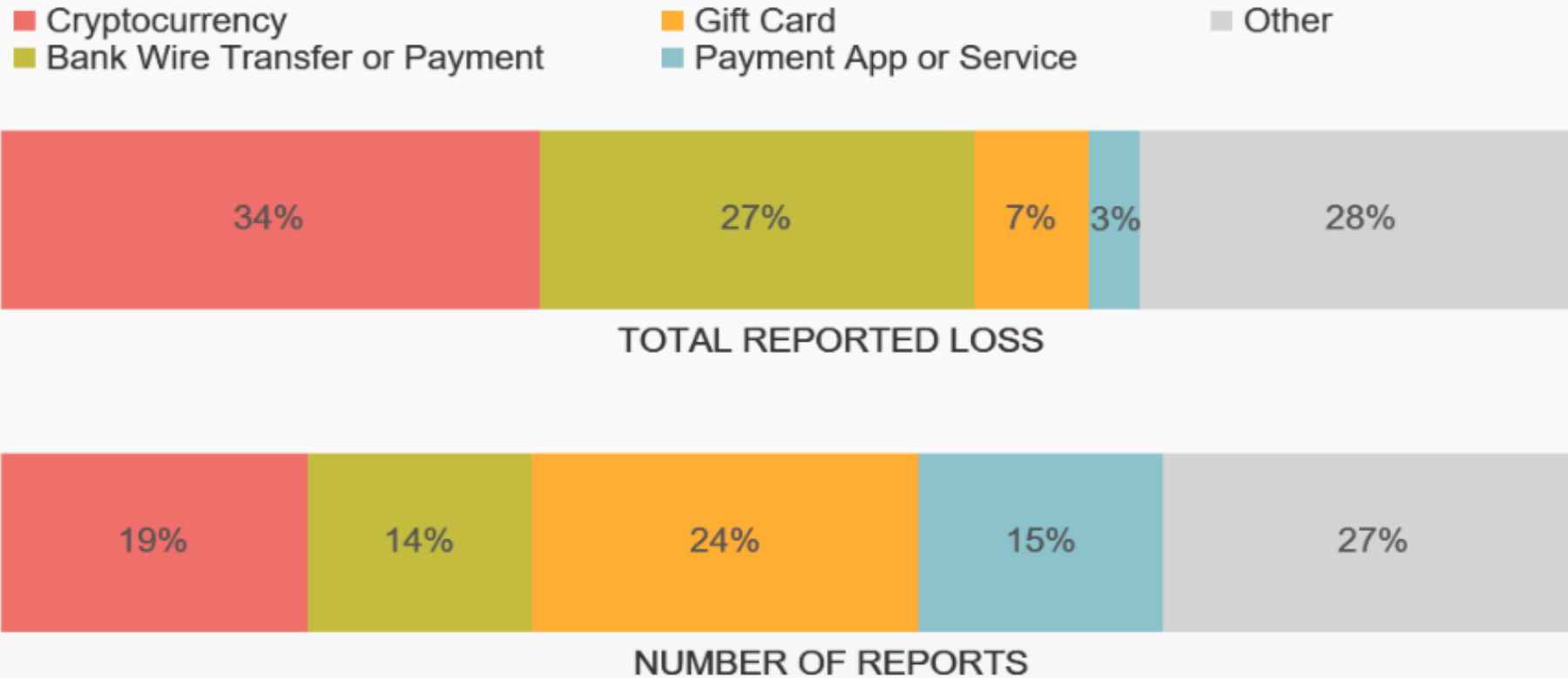
Romance Scammers: Their Favorite Lies by the Numbers



FTC Data Spotlight - Feb. 2023

Top payment methods on romance scams in 2022

The largest aggregate reported dollar losses were in cryptocurrency, but more people reported paying with gift cards than any other method.



Guard your wallet as well as your heart.

A romance scam is when a new love interest says they love you, but they really just love your money—and may not be who they say they are.



Be on the lookout for these warning signs of a romance scam:

- A new love who lives far away asks you to wire them money or share your credit card number with them—even if they say they'll pay you back.
- Your new romantic interest asks you to sign a document that would give them control of your finances or your house.
- Your new sweetheart asks you to open a new joint account or co-sign a loan with them.
- Your new darling asks for access to your bank or credit card accounts.

Report in-person romance scams to local law enforcement. Report online romance scams to [FTC.gov/complaint](https://www.ftc.gov/complaint).

Tech support scams

Tech support scams

Red Flags



- Unsolicited call from “tech support” says they found a problem on your computer & need to remote in
- Unknown pop-up appears with phone number to call for “tech support”
- Unsolicited email about suspended account, with link (which installs malware)

Safeguards



- Never give control of your computer to someone who calls you out of the blue.
- Don't click links in unsolicited pop-ups or emails.
- Keep anti-virus software up to date.



Play it safe online

Protect your personal information while you're online.

Being online lets you follow the news, connect with friends and family, shop, manage finances, and more. Consider these tips:

- Lock your devices just like you lock your front door. Use a passcode or fingerprint to lock your phone or tablet. If you have a computer, use a strong password that's at least 12 characters long.
- Know the red flags of scams. If someone contacts you and asks you to pay by wire transfer or gift card, be wary. It's probably a scam.
- Share with care. Limit how much personal information you share online. Set your social media profiles to private. If someone asks to connect with you on social media, only accept their request if you know them.

Report scams to [ftc.gov/complaint](https://www.ftc.gov/complaint) or 1-877-FTC-HELP. Visit [staysafeonline.org](https://www.staysafeonline.org) for more tips.



Investment scams

Investment scams

- Scammers may take advantage of your trust or inexperience
- It is important to be cautious if you are asked to invest your savings



Investment scams

Red Flags



- Asks you to “act now” or “before it’s too late”
- Promises guaranteed high interest rates or “no risk” investments
- Tells you to leave everything in his or her care
- Refuses to tell you how he or she is paid
- Asks you to put all your money in one type of investment

Safeguards



- Take your time and do your research before investing your money
- Check the background of a broker, brokerage firm, or an investment adviser at [FINRA.org](https://www.finra.org)
- Interview the broker or adviser. Ask questions such as:
 - Can I file a complaint if I have a problem?
 - How are you paid?



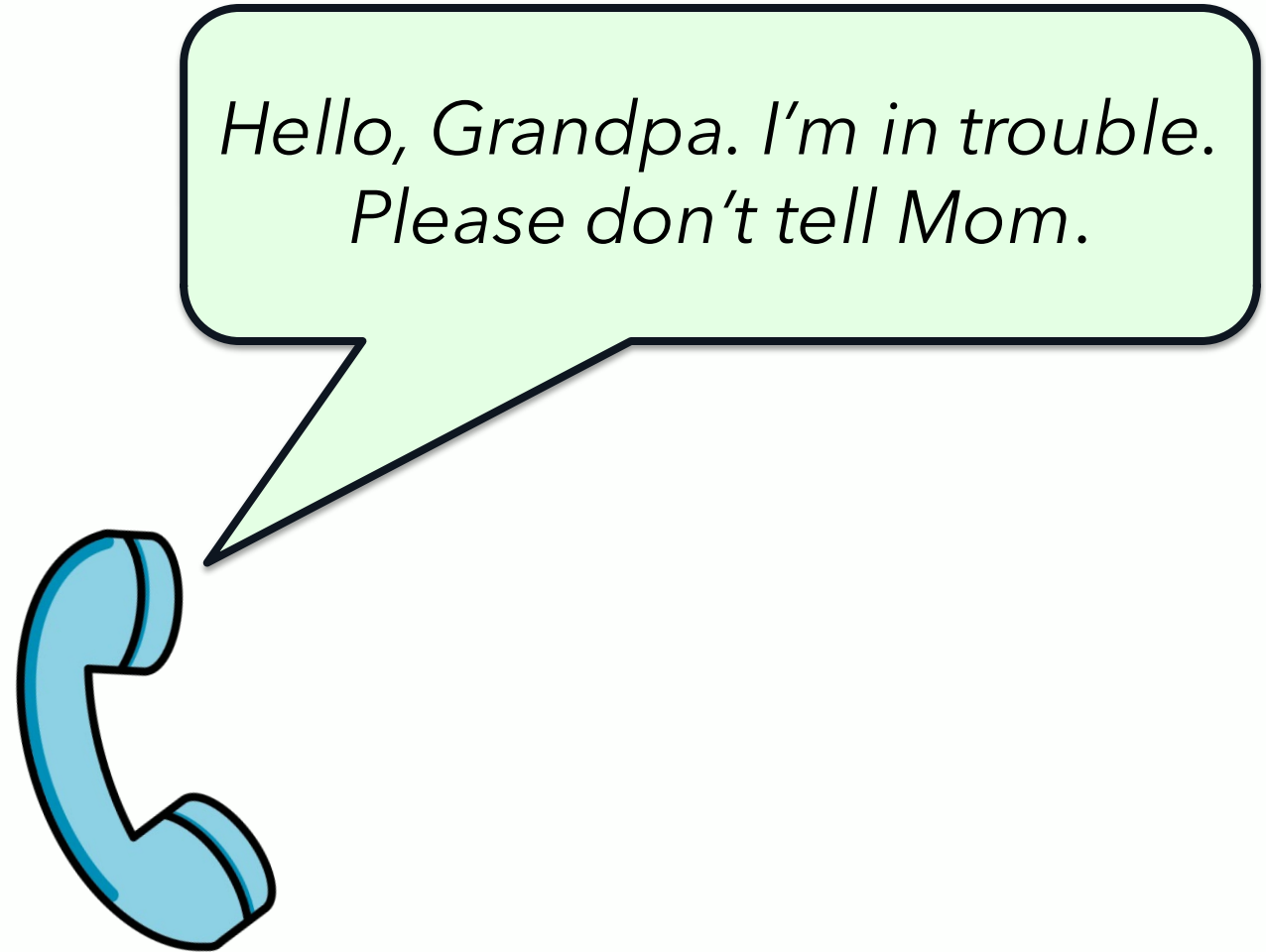
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Imposter scams

Family emergency scam

Scammers:

- May know grandchild's name
- Usually cry to disguise voice
- Plead for victim to wire money
- Ask not to tell family members

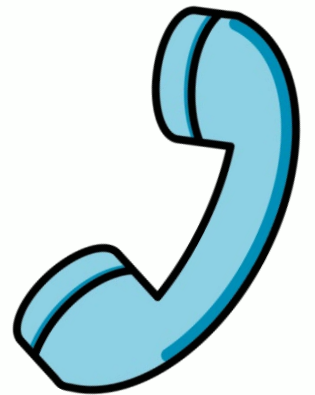


IRS imposter scam

Scammers:

- Say money is owed for taxes
- May “spoof” (falsely represent) IRS toll-free numbers
- Use common names and fake IRS badge numbers
- May threaten arrest or deportation

...calling from the IRS...



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Identity theft

Identity theft

Thieves steal your personal financial information and use your identity to commit fraud and other crimes.



- Social Security Number
- Birth date
- Credit card or account numbers
- PINs & passwords



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Preventing identity theft

- Protect your personal information
- Protect incoming and outgoing mail
- Sign up for direct deposit
- Use a shredder to destroy “financial trash”
- Monitor bank accounts and credit card bills
- Avoid come-ons for personal information
- Review your credit record annually and report any fraudulent activity



Report fraud and identity theft



FEDERAL TRADE COMMISSION
ReportFraud.ftc.gov

Report Now

The graphic features the FTC seal in the top left corner. Below it, the text 'FEDERAL TRADE COMMISSION' and 'ReportFraud.ftc.gov' is displayed in a dark blue font. A dark blue button with the text 'Report Now' in white is positioned to the right. The bottom half of the graphic shows a stylized illustration of a town with various buildings, trees, and a blue car on a road.



FEDERAL TRADE COMMISSION
IdentityTheft.gov

Report identity theft and get a recovery plan

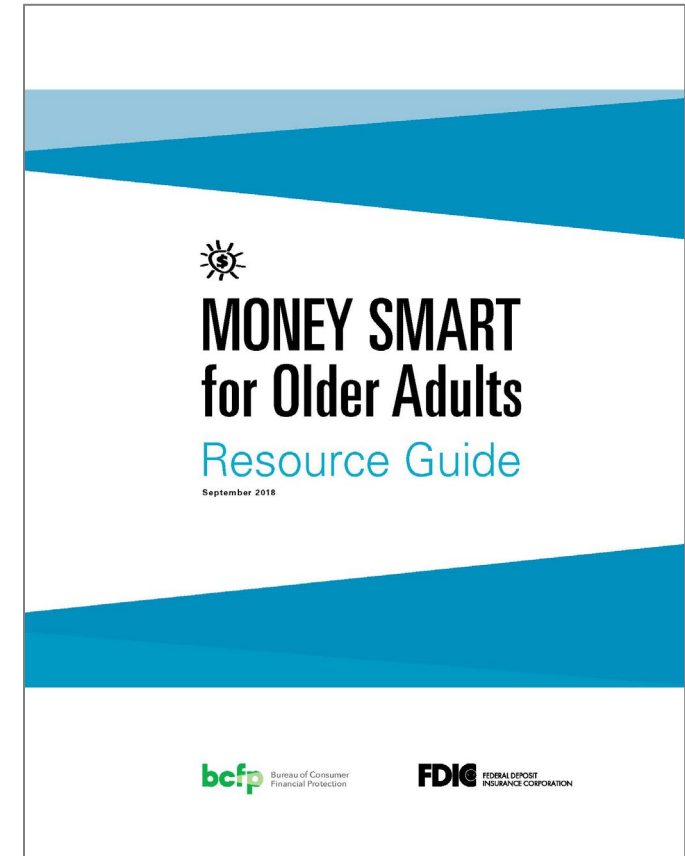
Get Started →

The graphic features the FTC seal in the top left corner. To its right, the text 'FEDERAL TRADE COMMISSION' and 'IdentityTheft.gov' is displayed. Below this, the text 'Report identity theft and get a recovery plan' is shown. At the bottom, a brown button with the text 'Get Started' and a white arrow pointing right is present.

More information and resources

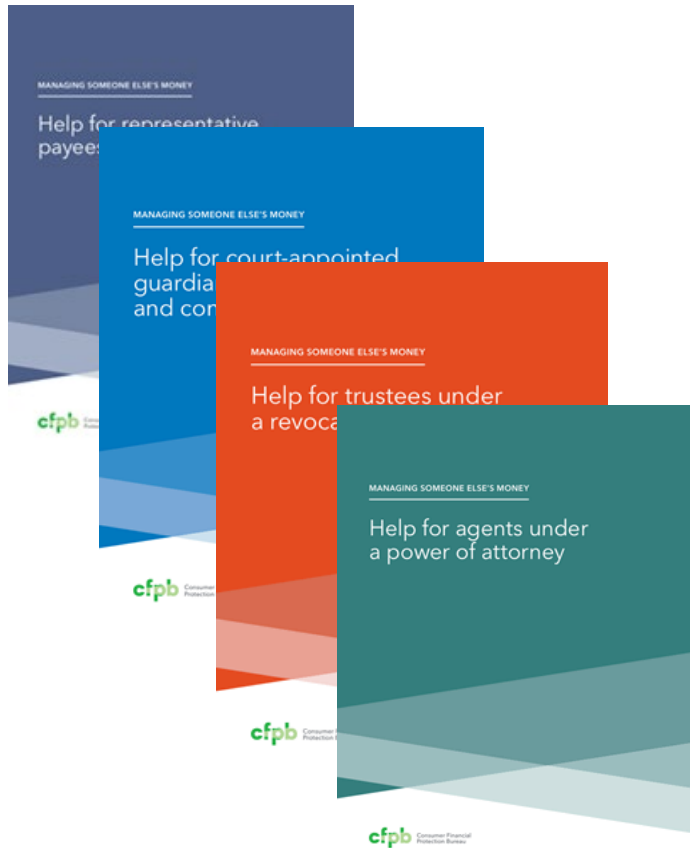
Money Smart for Older Adults

- An awareness program developed in collaboration with the FDIC
- Identify scams, fraud and other forms of exploitation
- Instructor guides available for download
- Resource guide available in bulk for free
- Available in English and Spanish



consumerfinance.gov/moneysmart

Managing Someone Else's Money



consumerfinance.gov/msem

- Help for financial caregivers handling the finances for a family member or friend who is incapacitated
- Guides for four common types of financial caregivers:
 - Agents under a Power of attorney
 - Guardians and conservators
 - Trustees
 - Social Security and Department of Veterans Affairs (VA) representatives
- Includes tips on protecting assets from fraud
- Available in English and Spanish

Considering a financial caregiver

MANAGING SOMEONE ELSE'S MONEY

Considering a financial caregiver? Know your options


Is a loved one having trouble managing their money because of health problems or memory issues? Or are you planning ahead in case you need help in the future?

Knowing your options will help you choose what works best for your situation. An informal caregiver helps on an as-needed basis. If you need more than occasional help, it might be time to name a formal caregiver.

TYPES OF INFORMAL FINANCIAL CAREGIVERS

Consider a....	What is this?	How does this work?
Conversation partner	This allows you to give a trusted relative, friend, or professional an overview of your finances (even if you don't want to share all the details).	Ask your broker or banker to send a copy of your statements to your daughter or accountant. Ask a trusted friend or relative to join when you visit your banker or financial adviser.
Trusted contact person	You can add a "trusted contact person" to your brokerage accounts. Some banks may offer this too. It allows your financial institution to contact the trusted person in certain circumstances, like if they believe you're getting scammed.	Trusted contacts don't have access to your money—they get notified if the financial institution sees signs of financial exploitation.
Convenience account	A "convenience account" or "agency account" lets you name someone to help you deposit or withdraw money and write checks. A convenience account is not the same as a joint account, where money is jointly owned and the joint account holder automatically gets the money when you die.	A convenience account does not change the ownership of the money in the account or give your helper the right to keep the money when you die. The money belongs only to you.

Next step: Speak to your broker or banker to see what informal caregiving options are available. Take this document with you.

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Learn more at consumerfinance.gov 1 of 4

- Informal caregivers
- Formal caregivers
- Choosing the right caregiver for your needs
- To download or order free copies in English and Spanish, visit consumerfinance.gov/order and type "financial caregiver" in the search field.

Planning for diminished capacity and illness

CONSUMER ADVISORY AND INVESTOR BULLETIN | JUNE 2015

Planning for diminished capacity and illness

“Diminished financial capacity” is a term used to describe a decline in a person’s ability to manage money and financial assets to serve his or her best interests, including the inability to understand the consequences of investment decisions.

While the inability to manage one’s money is clearly a problem in itself, when people of any age lose the capability to manage their finances, they may also become more vulnerable to investment fraud and other forms of financial abuse.

Preparing for your own financial future: Hope for the best, but plan for the worst

Losing the ability to manage your finances may be something you’d rather not think about. We often think about our financial capabilities, like our ability to drive, as an important measure of our independence. But planning ahead may help you

stay in control of your finances, even if diminished financial capacity becomes a serious problem. Taking the steps listed below now may help avoid or minimize problems for you and your family.

Organize your important documents

Organize and store important documents in a safe, easily accessible location. That way, they are readily available in an emergency. Give copies to trusted loved ones or let them know where to find the documents. Typically, the following documents will be most relevant to your finances:


- **Bank and brokerage statements and account information.** Make a list of your accounts with account numbers. *Keep a separate list of online bank and brokerage passwords and PINs and keep the lists in a safe place.* In addition, make a list of the locations of your safe-deposit boxes, including where the keys to the safe-deposit boxes are located. Also, keep your recent bank and brokerage statements available, as well as information about how to get those statements online if you access them electronically.
- **Mortgage and credit information.** Make a list of your debts and regular payments, with account numbers and names of the financial institutions that issued the loans or credit cards.

The SEC’s Office of Investor Education and Advocacy and the CFPB’s Office for Older Americans are issuing this bulletin to help investors and consumers understand the potential impact of diminished capacity on their ability to make financial decisions and to encourage investors and consumers to plan for possible diminished financial capacity well before it happens.






- CFPB and SEC consumer advisory, [Planning for diminished capacity](#)
- Planning ahead may help you stay in control of your finances
- Powers of Attorney and trusts are options that can help you plan for the future

Ask CFPB: find answers to your questions



Ask CFPB

We offer clear, impartial answers to hundreds of financial questions. Find the information you need to make more informed choices about your money.

-  **Auto loans**
 - What effect will shopping for an auto loan have on my credit? [Read answer](#)
 - I owe more on my current loan than my current vehicle is worth. What do I need to know if I buy a new vehicle? [Read answer](#)
-  **Bank accounts and services**
 - How quickly can I get money after I deposit a check? [Read answer](#)
 - I would like to be able to have my friend or family member help with my bill-paying and banking. What are my options? [Read answer](#)
-  **Credit cards**
 - What is a credit card interest rate? What does APR mean? [Read answer](#)
 - How do I dispute a charge on my credit card bill? [Read answer](#)

[See all credit cards questions](#)

consumerfinance.gov/askcfpb

Submitting a complaint to CFPB

- Mortgages
- Student loans
- Payday loans
- Auto loans or leases
- Checking and savings accounts
- Credit cards and prepaid cards
- Credit reporting
- Debt collection
- Money transfers
- Check cashing services

consumerfinance.gov/complaint

Contact Us

Consumer Financial Protection Bureau
Office for Older Americans

Website:

consumerfinance.gov/olderamericans

Email: olderamericans@cfpb.gov