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OBSI ISSUES LIST OF MOST COMMON FRAUD AND SCAM COMPLAINTS

The Ombudsman for Banking Services and Investments (OBSI) today issued a list of the fraud and scam-related complaints it most frequently sees in order to help Canadians spot the common traps set by criminals.

"OBSI investigates many consumer complaints related to fraud," said Ombudsman Doug Melville. "While individual circumstances differ, the crimes involved are often simply variations of the same old scams."

With Fraud Prevention Month – the month of March – coming to a close, OBSI reminds all Canadians to remain vigilant against criminals throughout the year.

"Criminals and scam artists are always on the lookout for ways to part you from your money," continued Melville. "To be forewarned is to be forearmed."

TOP SCAMS AND FRAUDS SEEN BY OBSI:

- **Debit and credit card fraud:** Most of us personally know someone whose debit or credit card was compromised. Keep your cards in a safe place, use different Personal Identification Numbers (PINs) for each card, don't share your card and PIN with anyone else, cover the PIN-pad with your hand to prevent others from seeing you enter your PIN, and don't ever write your PIN on the card or leave your written PIN in your wallet or purse.
- **Overpayment scams:** You advertise something for sale, and find a buyer. Success! But the buyer has written you a cheque for too much money. He asks you to return the overpayment by sending a wire. By the time the original cheque is discovered to be counterfeit, the "buyer" and your money have disappeared. Criminals also target landlords with this scam. Know that once funds are sent by wire to a fraudster, the money is usually not recoverable.
- **Debt consolidation scams:** This scam becomes more common during times of economic recession and personal financial trouble. Someone whose credit limit is stretched to the max and has multiple debts will pay a company a fee for debt consolidation at a lower rate. In return, this person receives a cheque to clear the original debts. The cheque is deposited to a bank account and existing debts are paid off from the proceeds. It is not until the consolidation cheque later turns out to be counterfeit that the scam is discovered. The unfortunate victim now has an even-bigger debt problem.
- **Identity theft:** Your personal and financial information is valuable, and criminals love to get their hands on it. When they do, they may be able to open bank accounts, get credit cards and borrow money – all in your name. Protect your personal information, safely store important financial documents, and shred those financial documents and statements you no longer need.
- **Sales scams:** This one can affect both buyers and sellers. Online transactions involve a degree of trust, and the bad guys can take advantage of this. Sometimes you sell something over the internet and don't receive payment, other times you pay for something you don't receive. Understand how online selling works before you try it and take steps to minimize your risks, whether you are a buyer or a seller.
- **Fraudulent investments:** If you're offered a special deal on an investment "for you only", or guaranteed high returns, watch out! As the saying goes, if it sounds too good to be true, it probably is. Buy your investments from licensed investment advisors working with regulated

firms. Then if something goes wrong, there may be somewhere to turn to (like the regulators or OBSI) for help.

OBSI is the national independent dispute resolution service for consumers and small businesses with a complaint they can't resolve with their banking services or investment firm. As a free alternative to the legal system, we work informally and confidentially to find fair outcomes to disputes about banking and investment products and services.

OBSI looks into complaints about most banking and investment matters including: debit and credit cards; mortgages; stocks, mutual funds, income trusts, bonds and GICs; loans and credit; fraud; investment advice; unauthorized trading; fees and rates; transaction errors; misrepresentation; and accounts sent to collections. Where a complaint has merit, OBSI may recommend compensation up to a maximum of \$350,000.

For further information:

Tyler Fleming
Director, Stakeholder Relations and Communications
416-218-4244