

Scammers impersonating financial planning firms to con Aussies

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The Australian Competition and Consumer Commission (ACCC) has revealed that Australians lost a record \$3.1 billion to scams in 2022, an 80 per cent increase from 2021.

Specifically, investment scams hit Australians the hardest, with total losses surpassing \$1.5 billion. In turn, investment scams also appear to be increasing in proportion to total scams, making up more than 66 per cent of all financial losses reported to Scamwatch compared to 55 per cent in 2021, ACCC revealed.

Among the most prominent of these were imposter bond scams, wherein scammers impersonate financial services companies or banks to offer investment products, such as government bonds and fixed term loans, to unsuspecting consumers. According to the competition watchdog, these scams have become more sophisticated and can result in people losing money even when they do their own research.

In an example provided by the watchdog, it pointed to an Australian who received a phone call from someone claiming to be working for a well-known financial planning firm after she made an inquiry into Australian treasury bonds on a comparison website.

After weeks of background reading on the firm, which included confirming its account number with her big four bank, the consumer was scammed of \$50,000.

“As scammers become increasingly sophisticated in their tactics, it is clear a coordinated response across government, law enforcement, and the private sector is essential to combat scams more effectively,” ACCC deputy chair Catriona Lowe explained.

“Now more than ever, anyone can fall victim to a scam.”

According to Scamwatch data, the average investment scam victim is male, aged 65 or over and living in NSW.

Indigenous and culturally and linguistically diverse communities were also found to have suffered record losses, at \$2.5 million and \$29.7 million, respectively.

“We are very concerned that people experiencing vulnerability continue to be disproportionately impacted by scams,” Ms Lowe said.

Ultimately, Ms Lowe concluded that this trend urgently needs to be addressed by both government and industry with input from consumer advocacy groups.

“While this brought about unprecedented collaboration across government, law enforcement, and industry to share information and disrupt scams, there is still more work to be done.”

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