

SCAMS

Telephone scams

Bogus calls designed to convince you to hand over your credit card or bank details are a real problem. Be cautious.

If you are contacted by telephone and told that you have won a prize, think for a minute: did you enter any competitions?

Odds are you didn't.

The vast majority of the time, these calls are scams, originating from abroad and designed to convince you to give over personal details such as your bank account number or credit card information.

If this happens to you, just hang up the phone. If you ever do win, you will never be asked for personal details, nor would you ever have to pay anything in order to collect your winnings - that's a sure sign that something is wrong.

Many people have been taken in by these scams, and some have lost their entire life savings.

Don't be one of them.

- never give out personal details over the phone
- always ask for more information
- be sure you know who you're talking to
- keep your bank account details safe

Scams checklist

Scams come in different forms - letters, email, telephone calls and text messages.

Promotions of this kind are a dishonest attempt to trap you into parting with your money.

If you are approached and offered something that seems too good to be true, before you respond ask yourself these questions:

- Was the offer unsolicited?
- Does it look too good to be true?
- Do I have to respond 'at once' - what's the rush?
- Do I have to make a purchase to win a prize?
- Do I have to ring a premium rate telephone number?
- Do I have to give my bank or credit card details?
- Do I have to send the money to a PO Box number?
- Am I asked to keep it confidential?
- Can I afford to lose the money?

Before you part with any money, take legal or professional advice because the chances are, once you have sent it, you will never see it again.

Know who you're dealing with

You can reduce your chances of being swindled by knowing who it is you are dealing with.

- Ask for the name of the person you are speaking to and who they represent.
- Take notes of conversations, including dates, times, names and important points.
- Ask for an explanation of anything you don't understand.
- Read letters carefully and seek professional help (e.g. an accountant or a solicitor) if significant money, time or responsibilities are involved.
- If you want to check out the bona fides of a company, contact Companies House or the Financial Services Authority.
- Find out who you are dealing with. Independently verify any claims made by a sales person, investment adviser or advertisement.
- Make sure that any company you deal with complies with the applicable legislation (In the UK, all companies must be registered with Companies House).
- Only do business with companies you know and trust.
- Make sure you fully understand all the terms and conditions of any offer made to you
- Take your time before you make any decision.
- Don't provide any financial or other personal information before you establish whether the company is legitimate.
- Understand and monitor your investments, ask frequent questions, and map out your financial goals before you meet with a financial planner.
- Don't judge the credibility of a company or sales person by how 'professional' they or their promotional material or website seems.
- Don't fall for high-pressure sales tactics.
- Don't let embarrassment or fear keep you from reporting fraud or abuse to the appropriate authorities.
- Don't ever be afraid to ask questions. In fact, the more questions you ask the better.

Avoid spam scams

These tips can help you avoid spam scams:

- Protect your personal information. Share credit card or other personal information only when you're buying from a company you know and trust.
- Know who you're dealing with. Don't do business with any company that won't provide its name, street address, and telephone number.
- Take your time. Resist any urge to 'act now' despite the offer and the terms. Once you turn over your money, you may never get it back.
- Read the small print. Get all promises in writing and review them carefully before you make a payment or sign a contract.
- Never pay for a 'free' gift. Disregard any offer that asks you to pay for a gift or prize. If it's free or a gift, you shouldn't have to pay for it - free means free.

In all situations, the old maxim applies:

If it sounds too good to be true, it probably is.