

LET'S TALK ABOUT MONEY SERIES

Fraud prevention: Family information sharing to help fight fraud

Fraudsters target and victimize all generations. Here's how families can fight back by staying vigilant.



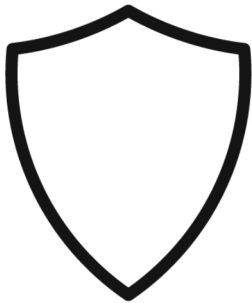
by Michelle Crouch - November 10, 2020

Whether it's robocalls, phony websites, or fake investment-opportunity information, scammers are relentless when it comes to finding new ways to take advantage of people. Increasingly, their targets are younger, too. According to the Federal Trade Commission (FTC), millennials are 25% more likely to report losing money to fraud than those ages 40 and older, but the loss amounts they report are much lower than what other age groups report.¹ There is also evidence that older fraud victims are often more reluctant to report their victimization.²

That's why it's important to have an ongoing open dialogue with family members of all ages about the different types of scams and the importance of being on guard. That's especially true now. The coronavirus pandemic has led to a surge in Internet use since more people are

working and shopping from home. This provides more opportunities for scammers, says Lauree Peterson-Sakai, senior vice president and aging risk strategy leader at Wells Fargo Advisors. The following tips and conversation-starters can be particularly useful.

Always proceed with caution



Do you and your children or grandchildren know how to research investments, businesses, and charitable organizations? “It’s important to empower each other and share websites where everyone can do their own research,” Peterson-Sakai says.

A simple place to start: Do an Internet search for the business, investment, or charity name along with the word “scam.” Reliable sources for validation include government sites, the Better Business Bureau, and news articles. To review the credentials of a charity or nonprofit, visit [GuideStar.org](https://www.guidestar.org).

Also, apply a healthy dose of skepticism when it comes to offers for free products, claims that you’ve won a contest you didn’t enter, or investment “opportunities” that promise spectacular profits with little or no risk.

“Listen to that skeptic on your shoulder that says, ‘Really?’” Peterson-Sakai says. “We all want things to be amazing and easy, but unfortunately, that’s not reality.”

Know how to recognize potential phishing scams

Everyone needs to be wary of fraudsters trying to use fake emails or text messages — known as phishing scams — to retrieve your valuable information, says Dr. Marti DeLiema, a professor at the University of Minnesota who researches fraud.



Be skeptical of unusual text messages, emails, or requests on social media such as “I’m in trouble” or “I need your help,” even if it looks like it’s from a friend or colleague. Remember to never click on links to “verify” your financial information or open attachments in response to an unsolicited email or text that appears to be from a bank, a government agency, or what seems to be a company you know. Scammers can also “spoof” caller IDs, disguising their identity by falsifying the phone number shown. Just because a call looks like it is coming from the local sheriff or Social Security office doesn’t mean it’s them calling.

“Everyone is busy and can be speeding through emails and miss a red flag,” DeLiema says. You can always inspect a link or email address to see if it’s legitimate: simply hover over it with the cursor to see where a link will actually direct you.

It can also be helpful to **review guidelines from Wells Fargo** concerning how to recognize and avoid phishing scams.

Be on the lookout for fake online shopping sites



Sites that appear to sell discounted items such as masks, sanitizer, and other health and safety items in high demand during the coronavirus pandemic could turn out to be bogus.

The Federal Trade Commission (FTC) recommends researching the company or product to see what others are saying about it. If the seller has brand-name items at steeply discounted prices, that should raise alarm bells as well.

The FTC also recommends paying with a credit card. This provides you with protections under federal law saving you from paying for merchandise you ordered but didn't receive. Riskier payment choices are debit cards, prepaid gift cards, direct transfers from your checking account, or using a person-to-person payment service.

Be wary of people you meet online

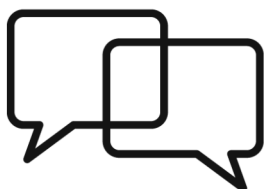
Social media and dating platforms can provide opportunities for a variety of frauds, including so-called romance scams.

Scammers typically start by building a relationship, and then ask for a small amount of money — their car broke down and they need \$100 to get it towed. As the relationship grows, the requests get bigger, Peterson-Sakai says.



She says some telltale signs someone is a scammer include confessing strong romantic feelings after just a short period, being hesitant about meeting in person, or describing personal woes they say can be solved with money. "They may say, *'I want to see you; I just need the money for a plane ticket,'*" Peterson-Sakai says. "Once they get the money, they're gone."

Keep communication open



It's important to have ongoing conversations about fraud with your family members, both Peterson-Sakai and DeLiema say.

"Encourage each other to share if something sounds suspect. Slow down, ask a question, ask another question," DeLiema says. "If it's a big decision, let them know that you are there for a second opinion. One

thing that we have found to be really protective against scams is running it by someone else before making a decision.”

¹“Millennials More likely to Report Losing Money to Fraud than Older Generations” *Federal Trade Commission*, Oct. 1, 2019.

²“AARP Foundation National Fraud Victim Study,” *AARP*, March 2011.

Michelle Crouch writes about consumer finance, parenting, and more from her home in Charlotte, North Carolina. Her work has appeared in Reader's Digest, Parents magazine, and The New York Times.

Additional Resources

Test your cybersecurity knowledge with **this quiz**.

What are three ways to help **arm yourself against financial fraud**?

The key to protecting yourself and your family from fraud could be staying vigilant by **following these tips**.

Investment and Insurance Products are:

- **NOT Insured by the FDIC or Any Federal Government Agency**
- **NOT a Deposit or Other Obligation of, or Guaranteed by, the Bank or Any Bank Affiliate**
- **Subject to Investment Risks, Including Possible Loss of the Principal Amount Invested**

Wells Fargo Advisors is a trade name used by Wells Fargo Clearing Services, LLC and Wells Fargo Advisors Financial Network, LLC, Members SIPC, separate registered broker-dealers and non-bank affiliates of Wells Fargo & Company.

Links to third-party websites are provided for your convenience and informational purposes only. Wells Fargo Advisors is not responsible for the information contained on third-party websites.

[Wells Fargo Advisors](#) | [Privacy](#) | [Security](#) | [Legal Disclosures](#) | [Contact Us](#)

© 2021 Wells Fargo Clearing Services, LLC. All rights reserved.

