Division/Agency: Australian Competition and Consumer Commission
Question No: 131
Topic: Romance Scams
Reference: Written
Senator: Ketter, Chris

Question:

Referring to the ACCC's social media campaign around so-called romance scams, particularly around Valentine's Day.
1) What data has the ACCC received about the prevalence of romance scams?
2) To what extent do these target those who the ACCC identifies as vulnerable consumers?
3) What is the ACCC doing to support victims of scams?

Answer:

1) In 2016, the ACCC's Scamwatch service received 4,109 reports about dating and romance scams. Of these, 1,017 Australians reported losing nearly $25.5 million. Scamwatch data indicates the group most affected by these scams are those aged between 55-64 ($4.7 million lost in 2016), with females losing 70 per cent more than males. Nearly one third of dating and romance scam victims reported coming into contact with their scammer on social media. Relative to other types of scams, a high proportion of people reporting the existence of dating and romance scams also report having lost money.

2) The ACCC's Scamwatch service allows people who are reporting data for dating and romance scams to identify as belonging to listed demographic groups. Some of these groups are associated with vulnerability. The table below provides the number of reports and losses reported by these people:

Possible vulnerability	Reports	Amount lost
Disability	286	$1,413,791
Elderly	667	$5,719,183
English as Second Language	224	$1,245,244
Financial Hardship	509	$6,242,954
Indigenous	101	$852,182
Remote Community	154	$789,767
Serious or Chronic Illness	94	$662,711
TTY (uses Telephone Typewriter)	172	$867,653
Youth	324	$323,007

3) The ACCC's Scamwatch service receives thousands of reports each year (over 150,000 in 2016). While the ACCC is unable to respond to or investigate each scam reported to us, the ACCC uses the information in those reports to help consumers recognise and avoid scams, and to alert them to those that are currently targeting the community. The ACCC also works with state and territory consumer protection agencies and other government agencies to promote awareness in the community about scams and to disrupt them.

The online and global nature of scams makes it very difficult to prosecute scammers and ultimately recover money lost to scams. For this reason, education and awareness raising is a key tool used by the ACCC to minimise the impact of scams.

The ACCC informs consumers who have lost money to a scam or given out personal details to a scammer that they are unlikely to get their money back. However, the ACCC also advises consumers that there are steps they can take straight away to limit the damage and protect from further loss, including contacting their bank or obtaining support and counselling services through other agencies such as iDcare and Beyond Blue. A list of these steps is available on the Scamwatch website at: http://www.scamwatch.gov.au/get-help/where-to-get-help .

The ACCC's scam disruption pilot project alerts at-risk individuals to the possibility of being a victim of fraud. The ACCC has sent more than 9066 letters to victims since the project began in August 2014, with over 2834 of these sent to potential scam victims in 2016. Seventy-four per cent of those who received a letter stopped sending money within six weeks. The ACCC is also working with intermediaries including banks, money remitters and social media platforms to help their scam prevention efforts.