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**18 NOVEMBER 2019**

## **Kiwis lose nearly \$23m to online scams in FY19**

**Online safety organisation Netsafe says scammers are becoming increasingly more sophisticated, and taking advantage of people throughout New Zealand.**

Kiwis reported a combined loss of nearly \$23 million dollars from online scams and fraud to Netsafe from 1 July 2018 to 20 June 2019. The largest single loss reported was approximately \$5 million and the average loss was \$9,801.

“Unfortunately the numbers reported to us represent only a small percentage of the total losses in New Zealand as many people still don’t know where to go for help with an online safety challenge,” said Martin Cocker, Netsafe CEO.

“It is clear from the reports we receive that scammers are taking the time to set people up often by using personal data available online”, says Cocker. “They are then using digital marketing techniques to create scams that appear authentic and are designed to mimic well-known organisations and processes that people trust.”

Online scams and fraud remain a pervasive issue for New Zealand. Auckland residents reported the highest loss by region at \$9.54 million, ahead of losses in Wellington of \$2.67 million and losses in Canterbury of \$1.81 million.

The scams most commonly reported to Netsafe are fake sextortion scams. Scammers pretend to have intimate recordings of a person in order to blackmail them into sending money.

Online scams and fraud are a difficult issue to police as many scams operate outside of New Zealand. This means that scam targets are very unlikely to recover any money they lose which is why more co-ordination and support is needed to protect Kiwis.

“As waves of scams continue to hit Aotearoa, it’s important organisations partner together to educate people on how to protect themselves and that co-ordinated national efforts to disrupt scams happen, and we’re working towards both of these outcomes.”

This news comes in Fraud Awareness Week, a cross-sector initiative led by Consumer Protection, to get people talking about scams.

“The simple message of 'If it seems too good to be true, it probably is' no longer reflects the reality of the online scam and fraud landscape. It would be more accurate to say 'Even if it seems like a reasonable deal, stop and think is this real or a scam,'” says Cocker.

People in New Zealand can report a scam or get help with an online challenge by visiting [www.netsafe.org.nz](http://www.netsafe.org.nz).

### Online scam and fraud losses reported to Netsafe by region

Aucklanders reported the highest financial loss, followed by Wellingtonians and people living in Canterbury. The table below provides a breakdown for each region in New Zealand.

Region	Losses
Auckland	\$ 9,547,118.88
Wellington	\$ 2,675,211.30
Canterbury	\$ 1,812,522.62
Bay of Plenty	\$ 423,777.39
Waikato	\$ 393,462.81
Nelson	\$ 301,543.17
Northland	\$ 266,715.68
Manawatu-Wanganui	\$ 230,367.50
Tasman	\$ 144,066.20
Otago	\$ 112,295.35
Taranaki	\$ 97,268.10
Hawke's Bay	\$ 71,698.13
Gisborne	\$ 33,879.17
Southland	\$ 9,198.45
Marlborough	\$ 8,691.06
West Coast	\$ 1206.18
Chatham Islands	\$ 0

These reports were made to Netsafe from 1 July 2018 to 30 June 2019

## Online scam and fraud losses reported to Netsafe by category

Netsafe receives reports about a variety of scam and fraud losses. The table below provides the results for the five biggest categories reported to Netsafe.

Category	Number of reports	Total losses	Average loss
Products and services fraud	1641	6,137,643.99	3,740.19
Prize and grant fraud	202	5,593,714.33	27,691.66
Relationship and trust fraud (romance scams)	184	4,120,905.03	22,396.22
Investment fraud	169	4,693,139.13	27,770.05
Identity fraud	38	59398.19	1,563.11

These reports were made to Netsafe from 1 July 2018 to 30 June 2019

### Netsafe's 10 tips to detecting whether you might be being scammed

1. **Contact that is out of the blue** – even if the person says they're from a legitimate organisation like the bank, an embassy or your internet provider
2. **Getting told there's a problem with your phone, laptop or internet connections** – often they will offer to fix your device or say they are from your phone or internet company
3. **Being asked for passwords** – legitimate organisations will never ask for the passwords to your online accounts
4. **Needing to verify your account or details** – don't respond or click on any links in the communication even if it looks like it's from a real organisation
5. **Trying to get you to move outside of an online trading or booking website or app** (like Air BnB) – don't pay outside of the normal website or app processes
6. **Offering money or a prize in exchange for something up front** – they might say that it's a processing fee or something similar
7. **Being asked for money by friends/partners you've met online** – this is a very common tactic, do not pay the money
8. **Unusual ways to pay for something** – scammers try to use payments that can't be traced such as pre-loaded debit cards, gift cards, bitcoins, iTunes cards or money transfer systems
9. **Asking for remote access to your device** – never do this unless you have actively sought out the service they are providing
10. **Pressuring you to decide quickly** – this could be to avoid something bad (e.g. account being closed, trouble with the IRD) or to take advantage of something good (a deal or investment)

**-Ends-**

### **About Netsafe**

Netsafe is an independent non-profit organisation with an unrelenting focus on online safety. We keep people of all ages safe online by providing free support, advice and education. Visit [netsafe.org.nz](https://www.netsafe.org.nz) for useful resources or call 0508 638 723 seven days a week for help with an online incident.

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