

Overall Top Ten Scams

Rank	Scam	% of Total
1	Internet: Gen Merchandise	29.17%
2	Prizes/Sweepstakes/Free Gifts	17.07%
3	Fake Check Scams	16.21%
4	Recovery/Refund Companies	15.77%
5	Computers: Equipment/Software	4.64%
6	Advance Fee Loans, Credit Arrangers	4.27%
7	Phishing/Spoofing	3.15%
8	Scholarships/Grants	2.54%
9	Friendship & Sweetheart Swindles	1.03%
10	Charitable Solicitations	0.67%

Top Internet Scams

Rank	Scam	% of Total
1	Internet: Gen Merchandise	44.34%
2	Fake Check Scams	23.66%
3	Prizes/Sweepstakes/Free Gifts	6.94%
4	Advance Fee Loans, Credit Arrangers	5.66%
5	Recovery/Refund Companies	5.04%
6	Computers: Equipment/Software	3.63%
7	Friendship & Sweetheart Swindles	1.75%
8	Phishing/Spoofing	1.52%
9	Scholarships/Grants	0.93%
10	Investments	0.87%

Top Offline Scams

Rank	Scam	% of Total
1	Prizes/Sweepstakes/Free Gifts	29.63%
2	Recovery/Refund Companies	29.09%
3	Internet: Gen Merchandise	10.34%
4	Fake Check Scams	6.96%
5	Computers: Equipment/Software	5.91%
6	Phishing/Spoofing	5.17%
7	Scholarships/Grants	4.53%
8	Advance Fee Loans, Credit Arrangers	2.55%
9	Charitable Solicitations	0.80%
10	Office: Ad Space/Directory Listings	0.67%

MEET THE SCAMS

A look at the most reported frauds

Internet: General Merchandise Sales (not auctions)

Goods purchased are either never delivered or misrepresented

Prizes/Sweepstakes/Free Gifts

Requests for payment to claim fictitious prizes, lottery winnings, or gifts

Fake Check Scams

Consumers paid with phony checks for work or for items they're trying to sell, instructed to wire money back to buyer

Recovery/Refund Companies

Scammers contact victims and claim the consumers owes money on a fictitious debt or offers to recover money lost in a previous scam

Computers: Equipment and Software

Scammers claim to offer "technical support" for computer problems and charge a fee to fix a nonexistent problem

Advance Fee Loans, Credit Arrangers

False promises of business or personal loans, even if credit is bad, for a fee upfront

Phishing/Spoofing

Emails pretending to be from a well-known source ask consumers to enter or confirm personal information

Scholarships/Grants

For a fee, a "search company" offers to conduct customized search for scholarships or grants for students. Scammers take money and run or provide a worthless list

Friendship & Sweetheart Swindles

Con artist nurtures an online relationship, builds trust, and convinces victim to send money

Charitable Solicitations

Scammers claiming to represent charities or non-profit organizations ask for donations

Bogus Internet merchandise sales continue to bedevil consumers, top complaint list.

In 2016, for the fourth consecutive year, the National Consumers League's Fraud.org received more complaints about Internet merchandise scams than any other type of fraud, making up nearly one-third (29.17%) of complaints received, an increase of 7% from 2015. Internet merchandise scams are also becoming more expensive for their victims, with a median reported loss of \$450 (a 67.9% increase in 2016).

Internet merchandise scams come in many forms—often involving bogus sales of high-dollar goods such as electronics, designer clothing, and even pets. Many victims first encounter these scams via online ads promising deep discounts on popular merchandise. When they click on the ads, they are directed to a website to enter payment information or are instructed to contact a scammer directly. Unfortunately, once the money is paid, the merchandise never arrives. In many cases, buyers report being contacted again and instructed to send more money to cover fake “shipping” or “insurance” charges.

Fake check scams making a comeback

Complaints involving fake checks increased significantly in 2016, particularly in off-line schemes (victims contacted by phone, mail or in person—up 33.85% from 2015).

Scammers turning away from wire transfer, embracing gift cards as payment method

Wire transfers and credit and debit cards remain the payment method of choice for scammers, but gift cards as a new form of payment are on the rise. In 2016, Fraud.org saw a 30.86% increase in complaints where the payment method included gift cards, including numerous complaints where scammers asked for payment via iTunes gift cards. In such instances, the victim is instructed to load funds onto a gift card and then give the code and PIN number off the back of the card to the scammer, who then quickly deducts funds from the card, leaving the consumer with worthless plastic and little recourse to obtain a refund.

Median scam loss doubles

The cost of falling victim to a scam increased significantly in 2016. In complaints where a loss was reported, the median loss was \$600, double the \$300 median loss reported in 2015. The most expensive type of scam for victims continued to be Friendship and Sweetheart Swindles (also known as “romance scams”), with a median loss of \$2,000.

Method of Contact	% of Total
Phone	44.21%
Websites	32.03%
Email	11.71%
Postal mail	6.75%
Other (in person, tv/radio, print, fax, etc.)	5.30%

Consumer Age	% of Total
Under 18	0.66%
18-25	14.92%
26-35	22.09%
36-45	17.29%
46-55	17.05%
56-65	14.71%
Above 65	13.28%

Payment Method	% of Total
Wire transfer	37.93%
Credit card	29.62%
Bank debit card	12.01%
Bank account debit	5.26%
Other*	9.33%
Check	5.84%

* Includes payment via cash, cashier's check, money order, cash advance, trade, and telephone bill

Note: Fraud.org's Top Ten Scams report is compiled annually from complaints received directly from consumers. We do not attempt to verify the authenticity of these complaints, nor do they represent a scientific sample.

To get more information on these scams or report suspected fraud, please visit www.fraud.org.

NCL's Fraud.org is supported by your donations. Consumers can make a secure online pledge by [clicking here](#).



Fraud.org is a program of the National Consumers League