

Media Release



Government of South Australia

Office of Consumer and
Business Affairs

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Pay now, lose later

Think carefully before responding to letters that ask for money upfront with the promise of a big financial gain later. It's probably a scam.

Commissioner for Consumer Affairs, Mark Bodycoat, said "Millions of dollars are lost worldwide to these scams. They come in all shapes and sizes, but are just variations of the same theme."

The Nigerian scam is the best-known form of "advance fee" fraud. Other examples include pyramid schemes and the more recent Princess Diana scam.

Mr Bodycoat said "These scams all have one thing in common. They con consumers into parting with their money or bank account details now, in the hope of receiving a big payout later."

People who report money losses from these scams come from all walks of life, including well-educated professionals and business people. One Adelaide businessman lost more than \$2.3 million. His real life story is a grim reminder of the danger of responding to scams.

"You need to realise you will never get any money by responding to these scams. Scam perpetrators aim to get their clutches on your money."

The Nigerian scam is one of the most reported scams to the Office of Consumer and Business Affairs (OCBA). Similar scams circulate by mail or email. They are personal, engaging and enticing, with their promises of unexpected wealth. Some also claim to help people in need.

Some of the tell-tale signs of advance fee fraud include:

- The contact comes unexpectedly, out of nowhere
- It sounds like an easy way to make a large amount of money
- You're told there's no risk
- You're asked to provide personal details right up front
- It sounds too good to be true

OCBA has joined with 17 other consumer protection agencies across Australia and New Zealand through the Australasian Consumer Fraud Taskforce to combat consumer fraud. The message from the Taskforce is **Delete it! Bin it!**

"If you get a letter or an email saying you've been left an unanticipated inheritance, or with a tragic tale from someone who needs your help to move their funds, **DON'T RESPOND.**"

To report a suspected scam contact OCBA on 8204 9777 (or 131 882 for regional callers). A list of scams is available at www.ocba.sa.gov.au or www.scamwatch.gov.au

Background

As part of a whole of Government approach to combat consumer fraud and scams targeted at consumers, the Australasian Consumer Fraud Taskforce was established in March 2005 and comprises 18 government regulatory agencies and departments in Australia and New Zealand.

Agencies participating in the Taskforce are:

Australian Government:

Attorney General's Department
Australian Bureau of Statistics
Australian Communications and Media Authority
Australian Competition & Consumer Commission
Australian Federal Police (represented by the Australian High Tech Crime Centre)
Australian Institute of Criminology
Australian Securities & Investment Commission
Department of Communications, Information Technology & the Arts

New Zealand Government:

NZ Commerce Commission
Ministry of Consumer Affairs

State and Territory Governments:

Australian Capital Territory – Office of Fair Trading
Consumer Affairs Victoria
New South Wales – Office of Fair Trading
Northern Territory – Department of Justice
Queensland – Department of Tourism, Fair Trading and Wine Industry Development
South Australia – Office of Consumer & Business Affairs
Tasmania – Office of Consumer Affairs & Fair Trading
Western Australia – Department of Consumer & Employment Protection.