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Raising public awareness of consumer fraud in Australia

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As part of a global effort to fight mass-marketed consumer scams, each year consumer protection agencies in 33 western countries participate in a month of fraud prevention activities to raise awareness of the problem and to provide advice to consumers on how to avoid being victimised. In Australia and New Zealand, 19 government agencies comprise the Australasian Consumer Fraud Taskforce (ACFT), which conducted a campaign in March 2007 with the theme 'Scams target you – protect yourself'. This paper describes the activities undertaken by the ACFT and assesses the impact that the publicity had on official reporting of scams by consumers. The results of an online survey of 841 self-selected respondents are also presented. It is concluded that the campaign was highly effective in raising consumer awareness, with reporting rates increasing substantially throughout the period of the campaign.

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Director

Between 5 and 31 March 2007, members of the Australasian Consumer Fraud Taskforce (ACFT) participated in the month of fraud prevention awareness-raising activities undertaken annually by members of the International Consumer Protection and Enforcement Network. Each year members of the network select a theme to achieve the greatest impact on consumers living in their respective countries. For the 2007 campaign in Australia and New Zealand, the ACFT developed the theme 'Scams target you – protect yourself', with four targeted risk areas examined in each of the four weeks of the campaign: protect your money, protect your phone, protect your computer and protect your identity. These were considered the most likely avenues to defraud consumers. During each week of the campaign, members were asked to focus on one or more fraud prevention initiatives relevant to each risk area, with the following key pieces of advice to be delivered:

<p>1 Protect your money</p> <ul style="list-style-type: none"> • Never respond to an email asking for your PIN or password • Never send money to someone you don't know or trust • Only invest with licensed financial services providers 	<p>2 Protect your phone</p> <ul style="list-style-type: none"> • Be suspicious of unexpected calls and text messages • Hang up. Or text 'STOP' to unwanted messages • Don't give out your number to just anyone
<p>3 Protect your computer</p> <ul style="list-style-type: none"> • Keep your protection software up to date • Don't respond in any way to unsolicited emails • If in doubt, delete 	<p>4 Protect your identity</p> <ul style="list-style-type: none"> • Never give out your personal information to someone you don't know or trust • Don't just bin it – destroy it (old bills, records or expired cards) • Check your credit report at least once a year

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**AUSTRALASIAN
CONSUMER FRAUD
TASKFORCE**

AN INITIATIVE OF THE STATE, TERRITORY AND
AUSTRALIAN AND NEW ZEALAND GOVERNMENTS

During the campaign, a wide range of media was used to inform consumers. This included the dissemination of 2,600 printed posters and 282,000 single-page flyers posted by member agencies; the distribution of 100,000 identity fraud prevention kits prepared by the Attorney-General's Department; print and electronic media releases often involving government ministers or heads of member agencies; 75 radio and five television appearances by ACFT members; 82 print media references to the ACFT recorded in the Factiva database of major Australian newspapers; specially designed internet pages for ACFT members and partners; newspaper advertisements and magazine articles; and an online survey hosted by the AIC which could be completed by members of the public or agency call centre staff on behalf of consumers who had contacted them for information or to make complaints.

ACFT members that assisted with the dissemination of campaign messages included 21 private-sector organisations, including four major Australian banks, and 12 non-government organisations. These members adopted a range of initiatives that included placing the message 'Avoid scams. Visit www.scamwatch.gov.au' on ATM screens and customer receipts, as well as placing messages on staff intranets. Media releases were also issued with the statement 'Banks will never request customer account details through unsolicited emails'. All members also promoted the campaign message on their websites.

Prior research has shown that between one and five percent of consumers in western countries are victimised by scams (Smith 2007). In order to reach as many potential victims as possible, it is necessary to deliver fraud prevention information on an extensive scale. The use of a whole-of-government approach linked with private-sector involvement provided an effective means of

disseminating consumer protection information throughout the community. Making use of established agency and organisational resources also enabled information to be provided in a relatively inexpensive way with the overall burden shared among members.

Assessing the reach of the campaign requires evidence of the extent to which consumers were made aware of the campaign messages and, more importantly, whether they changed their behaviour as a result. Evidence of the extent to which any such changes in behaviour were maintained over time is also needed. Finally, it is important to know whether raising awareness of the risk of victimisation results in increased fear of crime that could have counter-productive consequences.

Answering such questions requires the use of quasi-experimental research designs that seek to assess the impact of an initiative prior to, and following, its implementation and a follow-up assessment after the completion of the initiative. Although the effectiveness of future ACFT campaigns may be formally evaluated in such ways, at present there are only some general indications of what was achieved.

This paper presents the findings from the 2007 campaign's online survey and other sources to provide an indication of how consumer fraud reporting behaviour, in particular, was affected by the extensive publicity during the campaign. Comparisons are also made with the campaign conducted in 2006, the details of which were previously reported by Smith (2007).

Campaign publicity

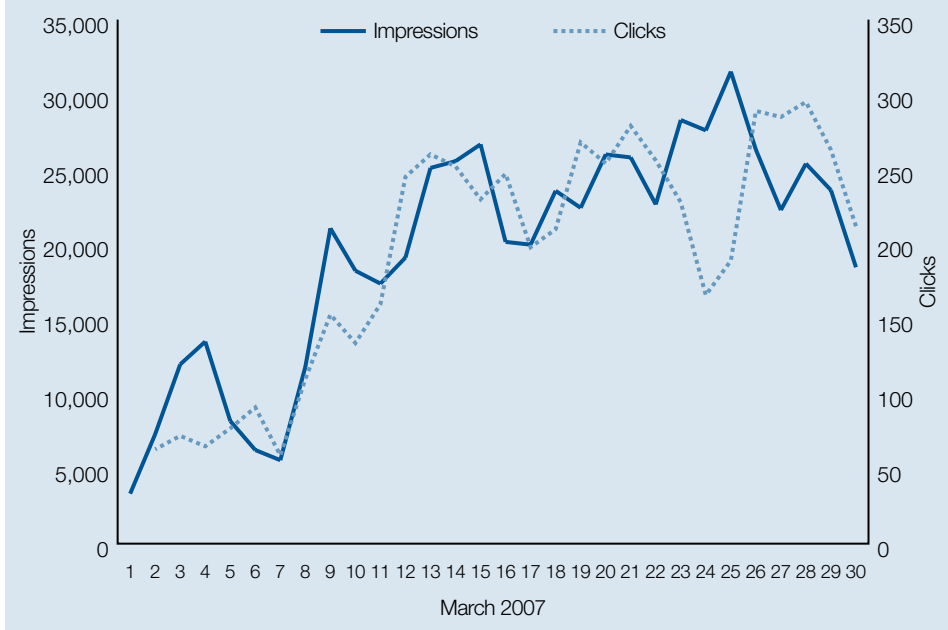
During the 2006 and 2007 campaigns, print media coverage of scams increased considerably. During non-campaign months, the mean number of media articles per month in which the words 'scam' or 'scams' appeared was 343 for all months of 2006, and 323 for the first

four months of 2007. During campaign months, the mean number of articles per month increased from 469 for the 2006 campaign, to 566 for the 2007 campaign. During the 2006 campaign, there were also 96 radio interviews that mentioned the ACFT, while in 2007 there were only 75 (ACCC unpublished data).

During the 2007 campaign, the Australian Communications and Media Authority (ACMA) arranged with internet search engine company, Google, to place a campaign advertisement on its search result pages relating to searches on scam-related keywords. The advertisement read: 'Scams target you. Recognise and protect yourself from scams' and included a link to the SCAMwatch website maintained by the Australian Competition and Consumer Commission (ACCC). During the first week of the campaign, the search keywords to which the advertisement was linked were refined, resulting in the number of times the advertisement appeared increasing considerably. Publicity generated during the campaign was also likely to have raised the profile of scam-related issues, which in turn generated more Google searches. Figure 1 shows the number of times the advertisement appeared (impressions) as a result of a Google keyword search, and the number of clicks undertaken (clicks) by users who, having seen the advertisement, clicked on the link to the SCAMwatch website. At the end of the campaign it was found that the advertisement appeared a total of 550,577 times as a result of a Google search. It was also found that there were 5,681 occasions where the user took the further step of seeking out the SCAMwatch material, with the number increasing as the campaign progressed.

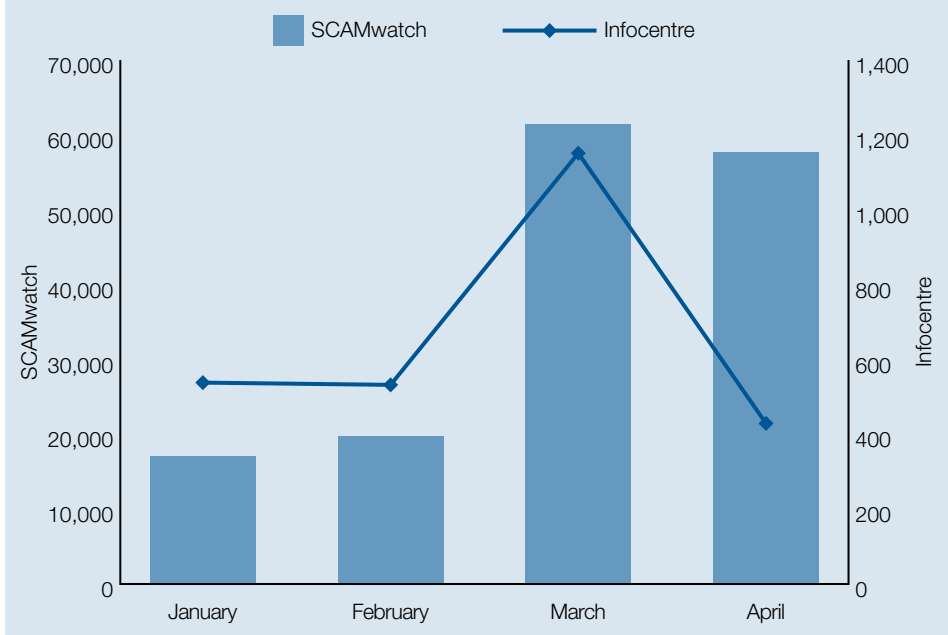
Overall, the 2007 campaign received significant media coverage, with levels of print media reportage very similar to those reported following the 2006 campaign. The 2007 campaign had a larger spread of radio messages and

Figure 1: Google searches per day, March 2007 (number)



Source: ACMA unpublished data

Figure 2: Visits to SCAMwatch website and Infocentre, January to April 2007 (number)



Source: ACCC unpublished data

distributed a greater number of campaign materials, particularly through the ACFT member network.

SCAMwatch and Infocentre

During the 2007 campaign, visits to the SCAMwatch website increased by over 200 percent compared with preceding

months, with an average daily unique visitor rate of 1,432 (compared with 944 per day during the 2006 campaign). Peak days for accessing the SCAMwatch website corresponded with days on which media releases were issued.

Calls to the complaints Infocentre maintained by the ACCC increased from an average of 535 in January and

February 2007 to 1,151 in March (an increase of approximately 115%). During the 2006 campaign, 429 calls were received by the Infocentre.

The total number of monthly website visits and call centre enquiries from January to April 2007 is shown in Figure 2.

Online survey

During the 2006 and 2007 campaigns, a survey was conducted of consumers in Australia (and in 2007, New Zealand). In addition to the exact dates of the campaigns differing, a slightly different methodology was employed, making the results not wholly comparable. For the 2006 campaign, 103 of the 121 callers (85%) to the ACCC's national hotline agreed to complete a questionnaire concerning their experiences of consumer scams during the preceding 12 months – from March 2005 to February 2006. The ACCC's Infocentre staff asked respondents the survey questions and recorded their responses.

In 2007, an online survey was hosted on the AIC's website. Baseline data were collected during February 2007 prior to formal data collection being undertaken throughout March 2007. As in 2006, respondents were asked to report their experience of scams during the preceding 12-month period. A total of 841 usable responses to the online survey were received in February and March 2007. Some 85 percent of respondents had found the survey themselves and completed it, unassisted, online. The remaining 15 percent had contacted an ACFT member agency by telephone and had their responses transcribed by an agency officer who completed the survey on their behalf. Both the 2006 and 2007 samples were all self-selected and, accordingly, the results are not indicative of general population consumer fraud trends. They are, nonetheless, of assistance in understanding respondents' current fraud experiences and how the campaign attracted people's attention.

Respondents to both the 2006 and 2007 surveys were equally distributed with respect to sex, while the proportion of young people who responded to the 2007 survey was disproportionate to their representation in the general population. Respondents indicated that they normally reside in the larger states or territories or New Zealand, with this distribution reflecting the impact of the media campaign rather than population size or incidence of scam victimisation generally. The exception in 2006 was the disproportionately large number of respondents from Tasmania and in 2007, the disproportionately large number of respondents from Western Australia. In 2007, some five percent of respondents indicated that they normally reside outside Australia or New Zealand,

while 15 percent normally resided in New Zealand (data on non-Australian residence were not gathered in 2006).

Those who completed the survey in 2007 were asked to indicate how they had heard about the ACFT survey. The largest number (22%) had heard about the survey after visiting ACFT member websites or being referred by agencies (11%). A high proportion had also read media reports (11%) or been alerted to the survey by word of mouth (9%). Very few reported having seen posters or pamphlets (0.6%). A further 10 percent had heard about the survey when visiting the SCAMwatch website, while 14 percent heard about the survey from other sources. Some 23 percent had not heard of SCAMwatch. These results, however, are only for those who

completed the survey, so they are not indicative of how the general population received information during the campaign. The results are, however, of interest in understanding how best to disseminate information to consumers through campaign activities. It appears that the use of online information provides the most cost-effective means of communication.

The survey asked respondents to indicate if they had received, or responded positively to, one or more of four principal types of scam. In 2007, respondents were most likely to respond positively to lottery scams (Table 1). The lowest proportion responded positively to phishing scams (in which people are asked to confirm personal or banking details on a false website). Considerably smaller proportions of people in 2007 responded to scams than those in 2006. This could arguably indicate that the 2006 campaign had been successful in persuading people not to respond to scams, although these differences may be due to the self-selected nature of the respondents and the small sample size in 2006.

Respondents were also asked if they had paid out money as a result of receiving a scam invitation. Overall, 59 respondents in 2007 paid out money during the preceding 12 months (8% of those who had received an invitation, or 50% of those who had responded positively to an invitation). In 2006, 15 respondents lost money as a result of a scam (29% of those who had received an invitation, and 35% of those who had responded to invitations). Again this may be indicative of the 2006 campaign's success.

In terms of the impact of the campaign on participation in the survey, the commencement of the campaign on 4 March 2007 had a noticeable impact on participation rates (Figure 3). Over the ensuing four weeks, participation was strong during week days, possibly due to participants completing the survey at work. Phishing scams were the most

Table 1: Receipt of scam invitations and positive responses, 2006 and 2007 campaigns (% of respondents)

Category	13 February – 15 March 2006		7 February – 3 March 2007		4 March – 1 April 2007	
	Receipt ^a	Response ^b	Receipt ^a	Response ^c	Receipt ^a	Response ^c
Notification of lottery win	39	25	23	42	23	30
International money transfer	20	25	23	15	21	16
Phishing	16	25	23	9	27	12
Supply of financial advice	13	25	14	12	15	17
Other	12	2	17	21	15	24
Total invitations/responses	100	102	100	99	101	99
Received/responded to one or more invitations	51	42	91	16	84	13
Did not receive/respond to invitations	50	58	9	84	16	87
Total respondents	100	100	100	100	100	100

a: The question asked in 2007 was 'Over the last 12 months, have you ever received a call, email, SMS or letter from someone you don't know in relation to a notification of: a) having won a lottery, b) a request for assistance to transfer money from another country (such as Nigeria or other African countries), c) a request by a business (such as a bank) to confirm your bank account or personal details, d) a request to supply you with financial advice, or e) other type of scam?'

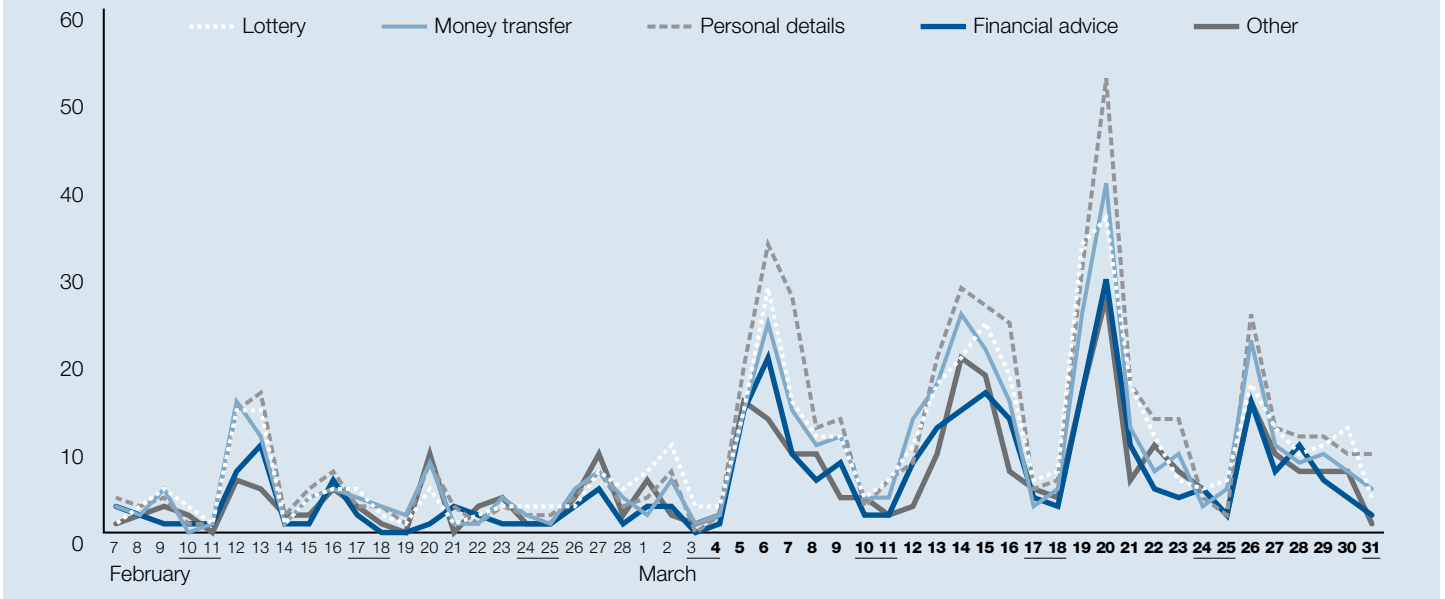
b: The 2006 response data refer to the number of respondents who had lost money as a result of the scam. Six respondents did not answer this question (n=103)

c: The question asked in 2007 was 'How many times over the last 12 months have you replied positively to each of the following types of unsolicited invitation?' (n=841)

Note: Many respondents reported more than one type of scam, making the scam type totals greater than the number of survey respondents. Percentages may not add to 100 due to rounding

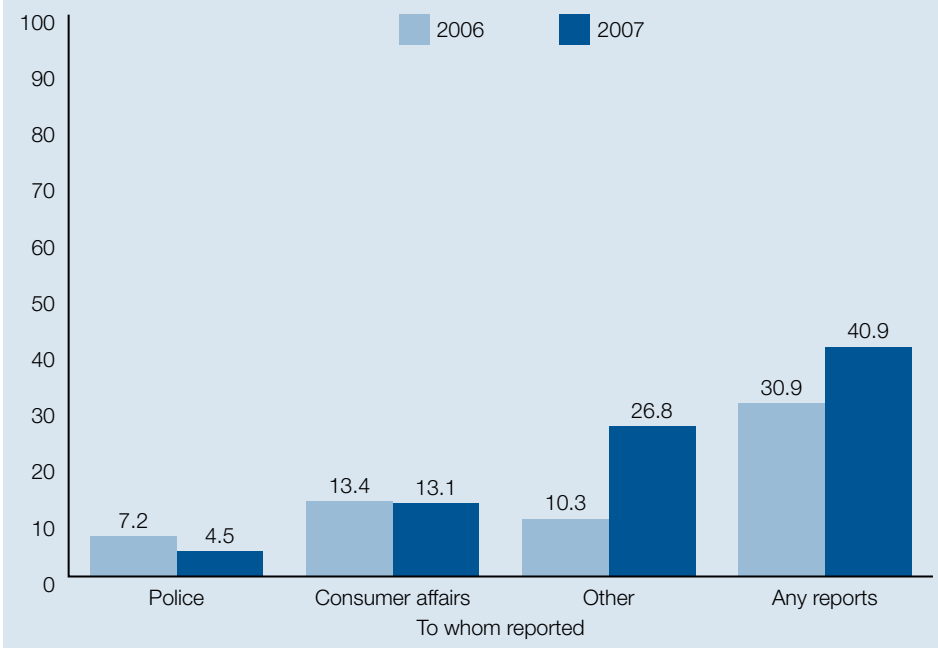
Source: ACFT unpublished data

Figure 3: Scam invitations received by type and date survey completed, 2007 (number)



Note: on x-axis, underlined type indicates weekends, bold type indicates campaign weeks
 Source: ACFT unpublished data

Figure 4: Reporting behaviour of respondents, 2006 and 2007 (% who received an invitation)



Note: Totals exceed 100 percent as respondents may have reported to multiple agencies. Only 97 callers completed this question in 2006
 Source: ACFT unpublished data

frequently experienced scam type throughout the campaign and increased greatly during Week 3 (protect your computer).

Experience of all scam types was reported more often during Week 3, while Week 4 (protect your identity)

had the lowest responses. The increase in Week 3 may have been due to the relevance and importance of computer-related scams or the cumulative impact of the campaign over the preceding weeks. The decline in Week 4 could have been due to the perceived lack

of relevance (or lack of understanding) of identity fraud or some fatigue with the message of the campaign in its final week. Clearly the campaign had a marked impact on the participation rate with the number of responses throughout February being less than half the number of responses received during March 2007.

When comparing the rates of scam invitations received with those positively responded to, it is apparent that progressively more respondents completed the survey over the campaign who had received invitations and had responded positively to them. This finding is illustrative of the effectiveness of the campaign in encouraging victims to report their experiences.

Finally, respondents were asked whether they had officially reported their experiences and if so, to whom. Overall reporting rates increased from approximately 30 percent in 2006 to 40 percent in 2007 (Figure 4). Reporting to police agencies declined between 2006 and 2007, while reporting to other agencies increased considerably. This may be due to the extensive publicity that alerted consumers to the wide variety of

agencies involved. Most reports in the 'other' category were made to the federal regulatory agencies of the ACCC, ACMA or the Australian Securities and Investments Commission.

These reporting rates are, overall, higher than the rate at which consumer fraud was reported in the national survey conducted in April 2000 as part of the International Crime Victimization Survey. Some 3,031 Australian households responded to that survey with one person 16 years or older selected from each household for a telephone interview. It was found that 35 percent of all victims of consumer fraud reported the last incident either to the police (13%) or another agency (22%).

The 2004 International Crime Victimization Survey of 7,001 Australian households found higher rates of reporting plastic card fraud not involving the internet (88% overall – to banks 72%, police 24%, and other agencies 8%), compared with households that reported plastic card fraud involving an internet purchase (50% overall – to banks 26%, other agencies 21%, and police 3%) (Krone & Johnson 2006). Another survey of consumers in Victoria who had used online auctions found that only six percent of respondents who had experienced problems with an online auction site had contacted police, and only two percent had contacted a consumer protection agency (Moustakas 2006). For 19 percent of respondents, nothing was done in relation to the problem.

In the present survey, the low rates of reporting to police may possibly be explained by the perceived insignificance of the fraud involved, and the fact that there are many other avenues of reporting available to consumers. The ACFT campaign may have had the effect of diffusing reporting among a range of agencies, although enhancing reporting overall. In future surveys, respondents could specifically be asked if they were aware of the preceding year's ACFT campaign and whether this affected their reporting behaviour.

Conclusions

On the basis of the evidence presented in this paper, it appears that the extensive publicity campaign conducted by government agencies at all levels in Australia and New Zealand, working in conjunction with private-sector organisations and non-government agencies, was effective in raising awareness of the risks of consumer fraud throughout the community and increasing the reporting of cases.

Consumer fraud prevention initiatives by government and business are carried out during the year. Many consumers are assisted by the information provided to help reduce the risks posed by the perpetrators of scams. Using a whole-of-government approach, linked with private and non-government sector endorsements, potentially provides an even more effective strategy, as has been demonstrated by the ACFT campaigns of recent years.

Many consumers, it seems, read and understand the information provided and are willing to contact agencies to report scams or to complete fraud victimisation surveys.

Hopefully, the continued use of awareness-raising activities, such as those employed during ACFT campaigns and other sources of information, will help to reduce the incidence of scam victimisation as consumers become more familiar with the types of risks that are present. As the results of national household surveys are collected regularly and reported, Australia and New Zealand may begin to see a reduction in the extent to which consumers lose money to mass-marketed scams.

Acknowledgements

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