

Protecting Your Finances: Fraud and Scam Prevention

BSP Economic and Financial Learning Program
Hybrid Session for the Workforce
28 September 2023 | Cagayan de Oro City

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Economic and Financial Learning Office





Outline

What we'll learn today

01 | Common types of financial fraud and scams

02 | Safety measures to protect ourselves and avoid being victims

03 | What to do in case we experience fraud or a scam



Financial Fraud and Investment Scam

FRAUD

Fraud is suspicious activity on your account that you didn't know about and didn't authorize.

SCAMS

A scam involves you making or authorizing the payment yourself. You're persuaded to buy a fake item, hand over your security code, or transfer a sum of money, not realizing you're being conned by a criminal.



Identity Theft

Root cause of fraudulent financial transactions

THEFT → **FRAUD**

of victim's personal
and account
information

committed using stolen
information to access
victim's account

Keep account info confidential.
Protect your personal data.



Common Modes of Identity Theft



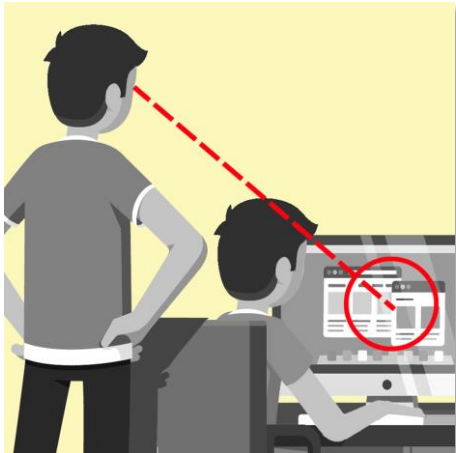
Phishing



Vishing



SMiShing



Shoulder Surfing



Dumpster Diving



Spoofing

Have you seen a phishing email?

From: xyzbank@yahoo.com → suspicious looking email address

Dear Internet Banking Customer, → generic greeting

We have detected an unauthorized transaction from your internit banking account. In order to ensure that your account is safe and secure please click here an update your account immediately.

Misspellings and sometimes bad grammar

link to spoofed website

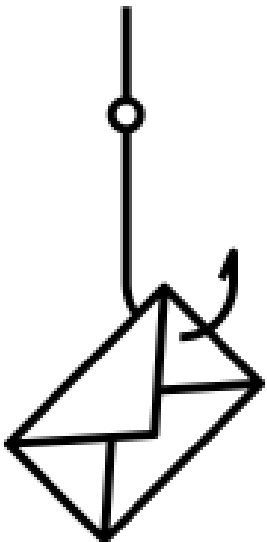
sense of urgency

We hope to serve you better.

Regards, → no contact information
XYZ Bank Internet Banking Help Desk



How about this email?



File Me
Ignore X
Junk Dele
Delete
A Ap
Yo
Billing_ 161 KB
Dear Valued
Recently, the
This is detail
- Location: 3
- IP Address:
- Time: Thurs
- Browser : U
- Platform : V

Apple <olfulss@xoyceoza.dfrj>
Your account has been locked [Document ID : 2Q0102C8]

Billing_Agreement_11102017.pdf
161 KB

Dear Valued Client,

Recently, there's been activity in your account that seems unusual compared to your normal account activites.

This is detail your activity:

- Location: 36 Paraduta Street, Carabobo, Spain
- IP Address: 74.77.65.54(74.77.65.54.net-uno.net)
- Time: Thursday, 12 October 2019, 02:37:05 AM
- Browser : UCWEB/2.0 (Linux; U; Opera Mini/7.1.32052/30.3697; en-US; Micromax Q334 Build/LMY471)
- Platform : Windows NT 6.1

* YOUR ACCOUNT HAS BEEN DISABLE TEMPORARY

To view the details of your case please download & read (Billing_Agreement_11102017.pdf) in attachment.

If you do not

Attachment.

Deactivation scare to prompt you to act quickly

Attachment that contains malware

Generic greeting

Is this a Phishing email?

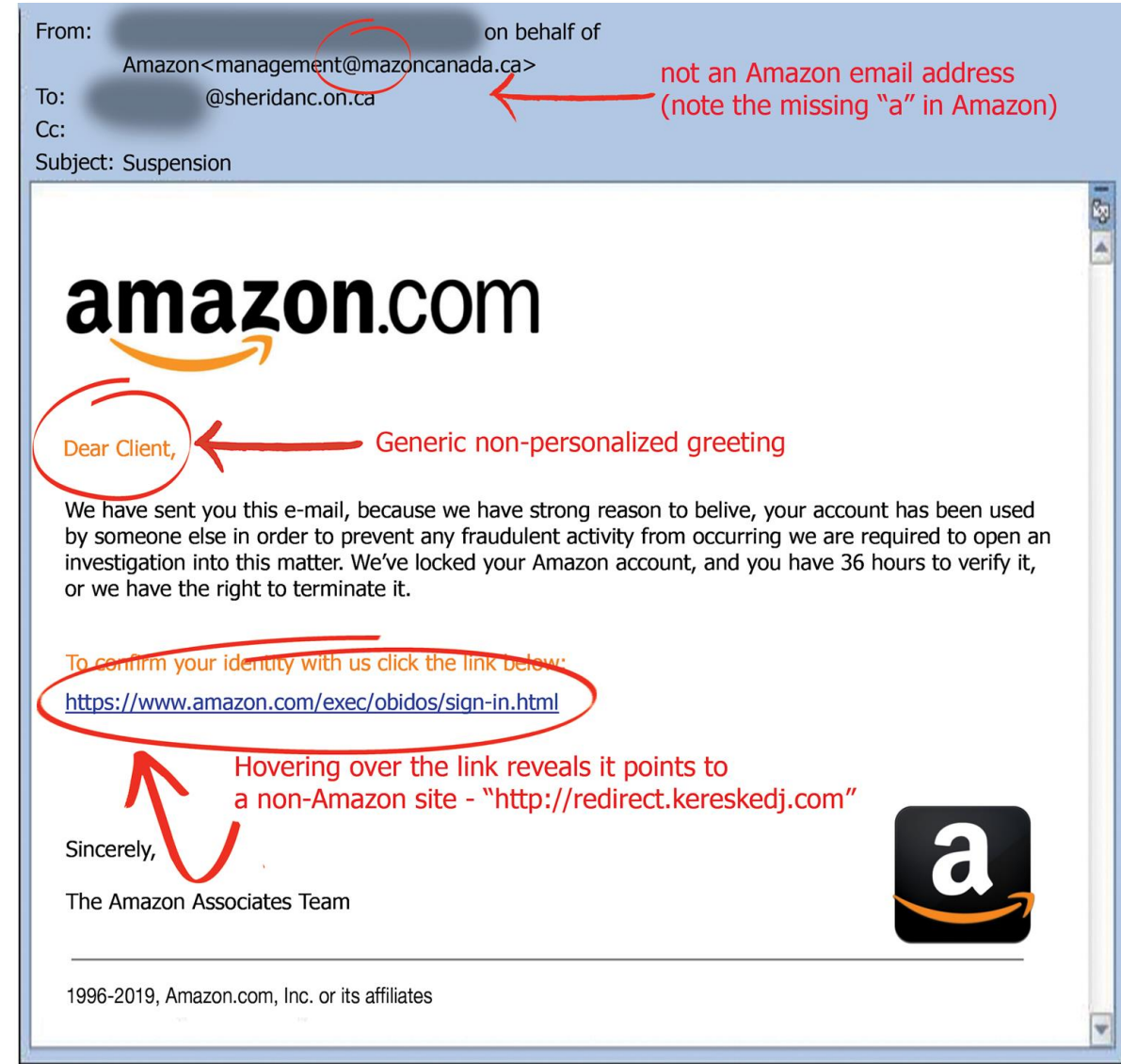


a. Yes

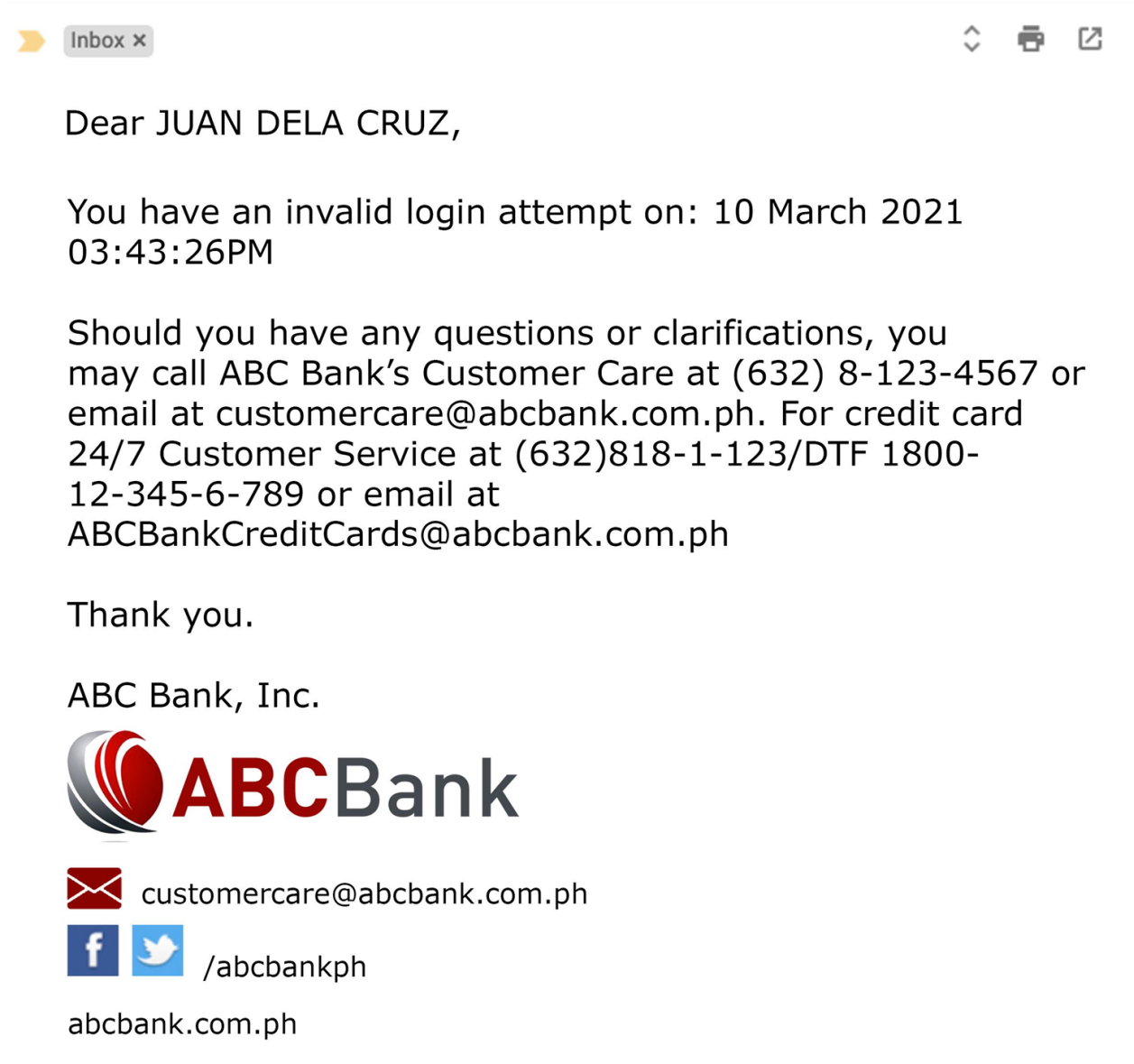
b. No

c. I don't know

Sample phishing email



Is this a Phishing email?



a. Yes

b. No

c. I don't know

Vishing



Caller claims to represent a financial institution



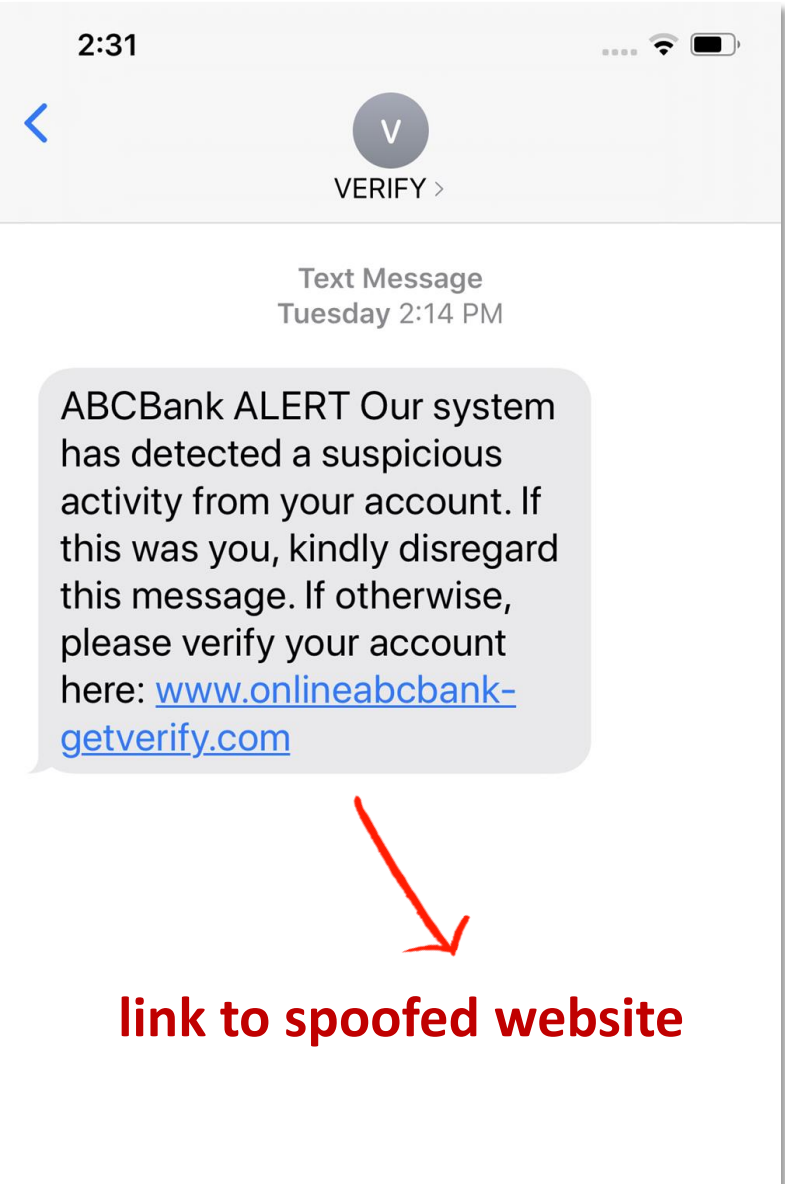
Caller creates a sense of urgency



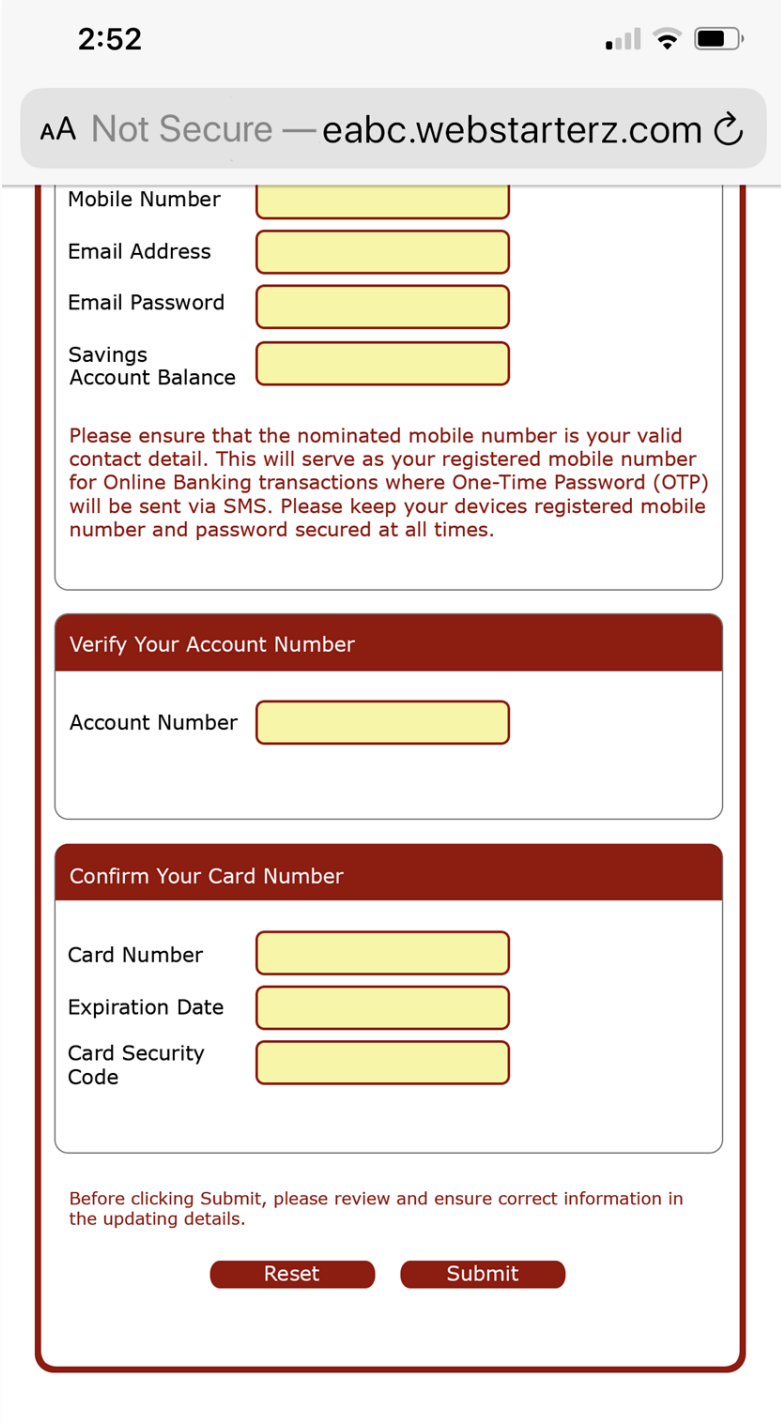
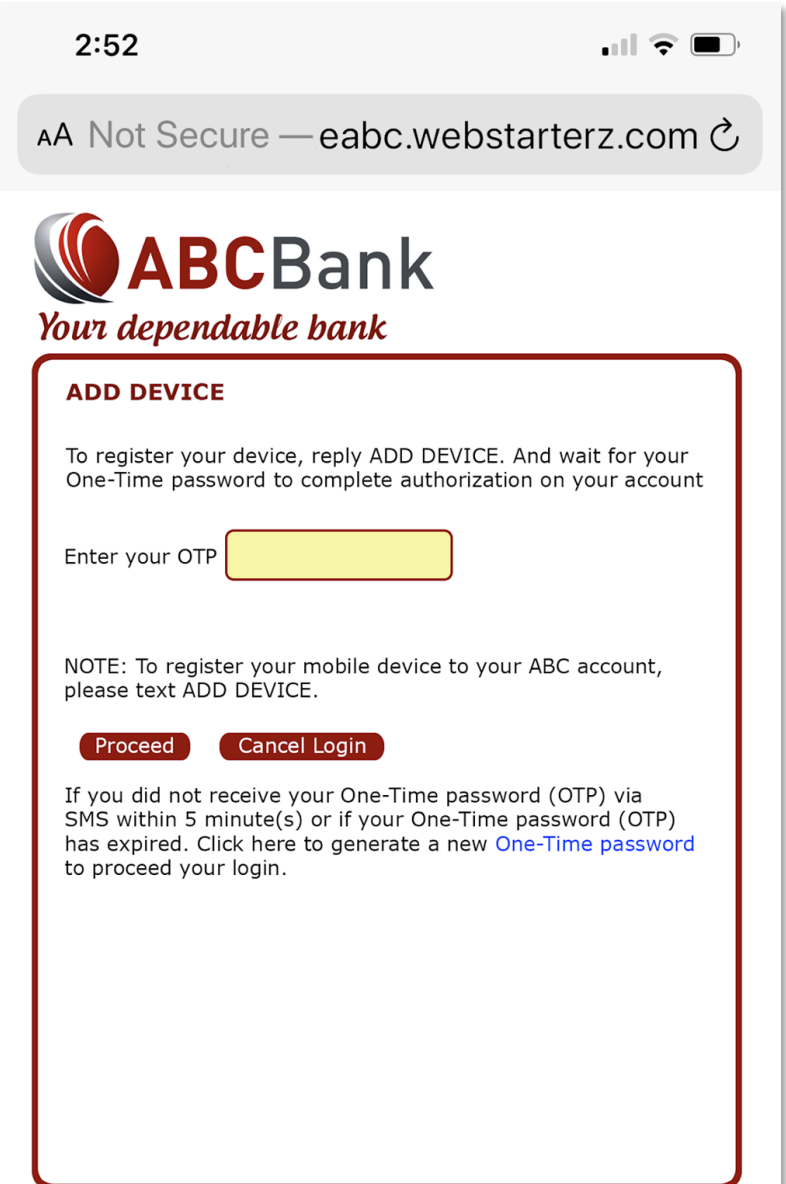
Caller asks for personal information



Sample of SMiShing



link to spoofed website



Is this SMiShing?

Text Message
Today 9:38 AM

someone who came in contact with you tested positive or has shown symptoms for COVID-19 & recommends you self-isolate/get tested. More at COVID-19anon.com/alert

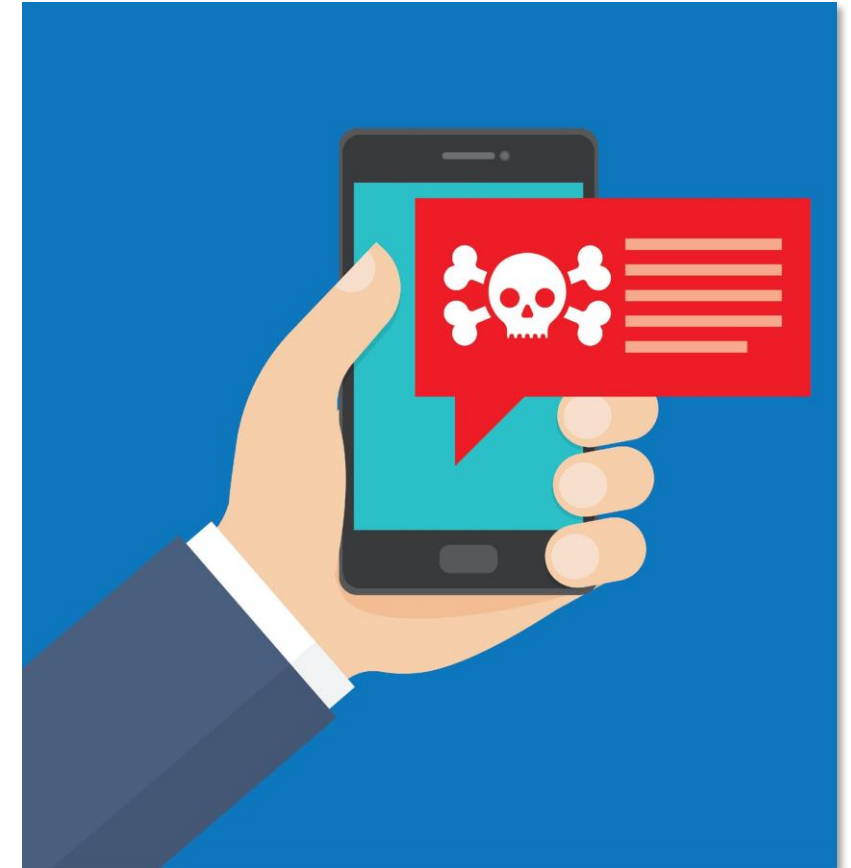
- a. Yes
- b. No
- c. I don't know



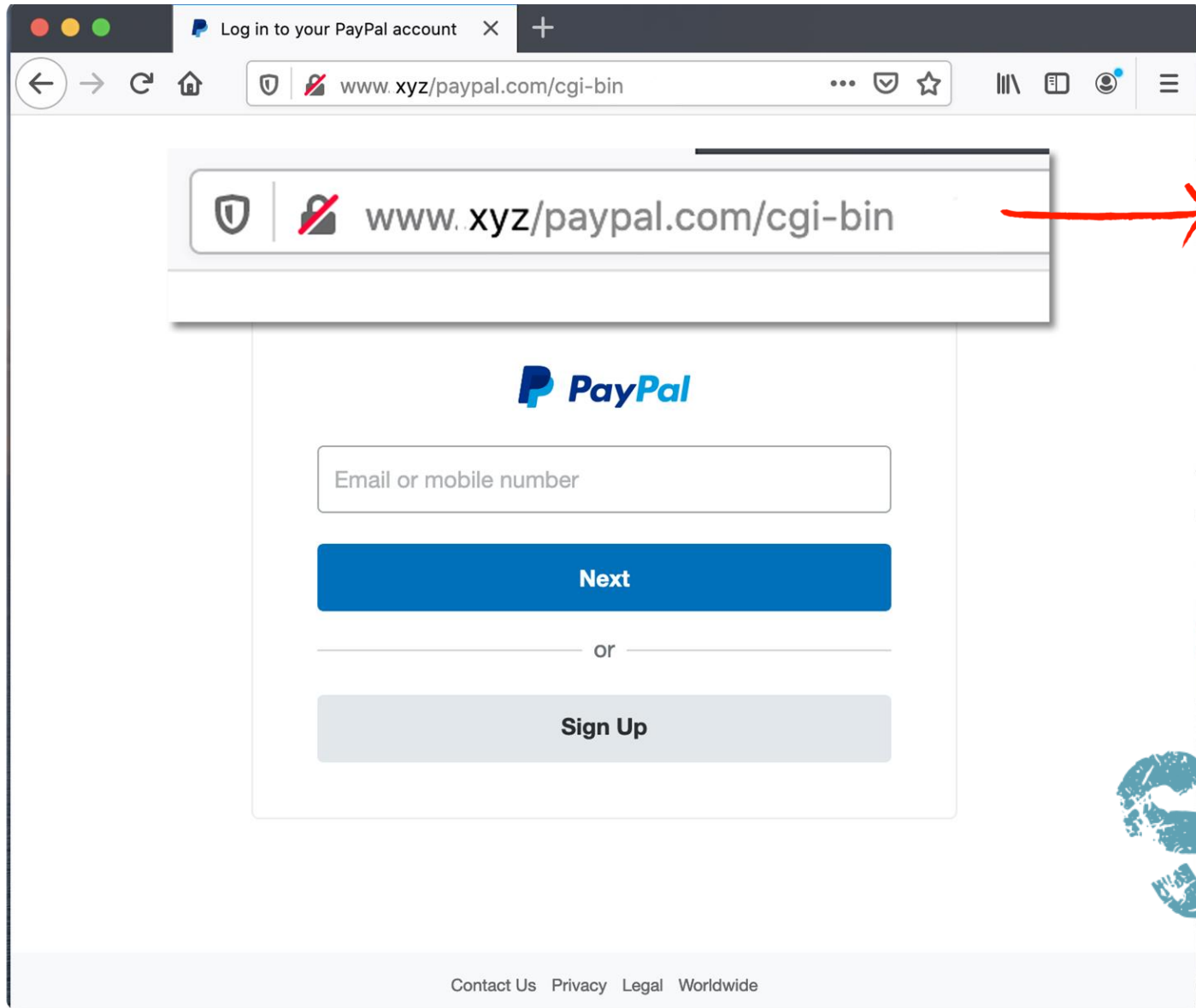
Sample of SMiShing

Text Message
Today 9:38 AM

someone who came in contact with you tested positive or has shown symptoms for COVID-19 & recommends you self-isolate/get tested. More at COVID-19anon.com/alert



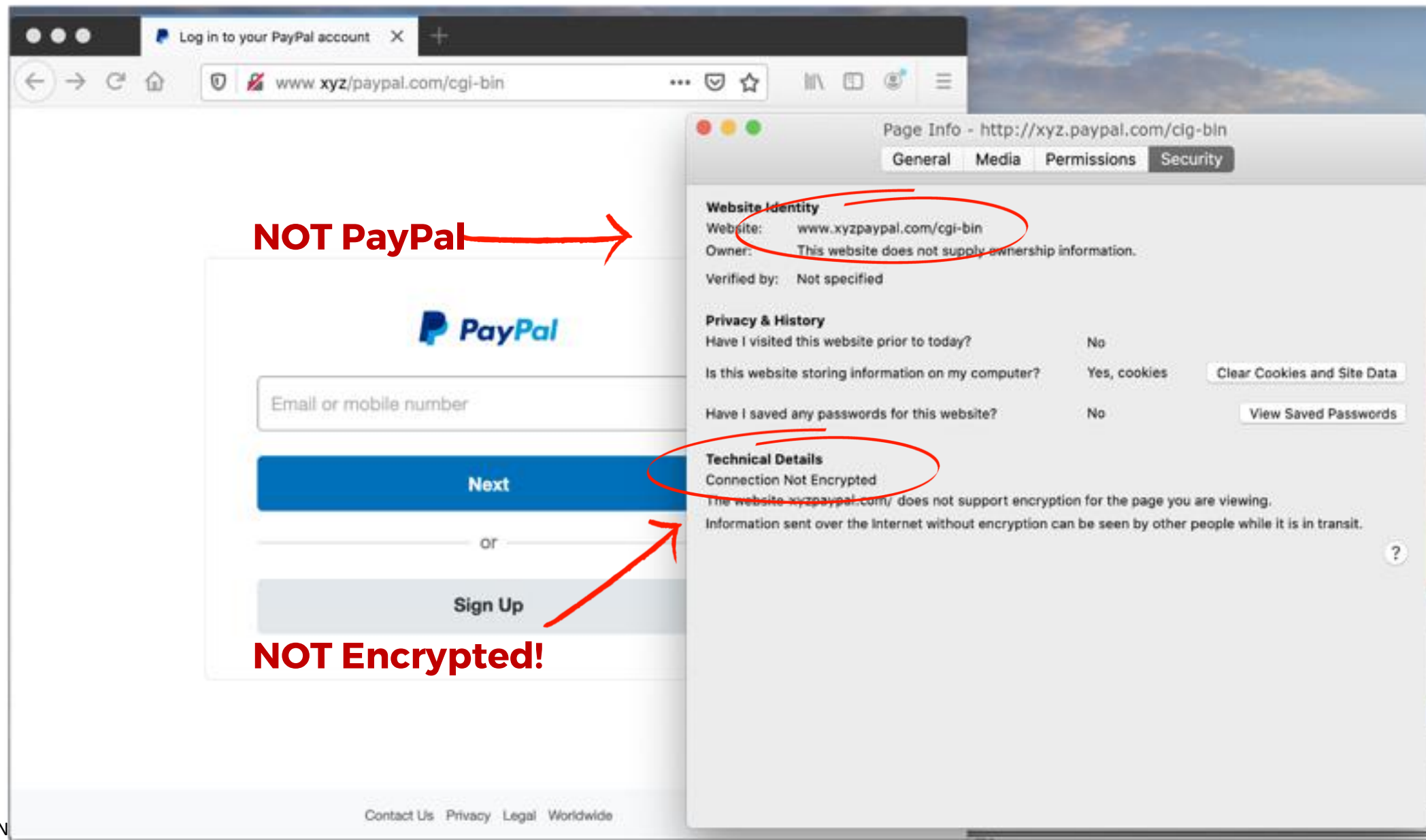
Have you seen a spoofed website?



The correct PayPal url or website address is:
<https://www.paypal.com>

SPOOFED

How to check if website is fake...



Protect yourself from phishing and spoofing!

Be wary of emails, calls, or text messages that...



Ask for your personal information



Have a generic greeting, misspelling or bad grammar



Are unexpected or not typically received



Link you to another website



Does not give you full contact details of the sender



XYZ Bank

As of 07/05/2020 08:59:24 PM UTC (Philippine Standard Time)

Customer Advisory: Updating of Depositors' Information in Compliance with BSP Circular No. 950

We are conducting a periodic updating of our depositors' information in compliance with BSP Circular No. 950 (Anti-Money Laundering Regulations), pertaining to the provisions on customer identification and record keeping.

Ensure That We To Have Your Current And Complete Information And Your Latest Specimen Signatures In Our Records, We Would Like to Request You To Please Verify All of Your Information By Clicking The "Confirm" Button Below.

VERIFY

Having your updated information and specimen signature will enable us to serve you better, so we hope that you will give this matter your preferential attention. Rest assured.

If you have questions about this request or concerns about your account, please do not hesitate to call or visit your Store of Account.

Thank you for your support and continued patronage of XYZ Bank.

XYZ Bank is supervised by the Bangko Sentral ng Pilipinas with contact number (02) 708-7087 and email address consumeraffairs@bsp.gov.ph

This email was sent by XYZ Bank

What will you do if you receive this email?

- Click the link to verify my account
- Verify with my bank by calling its hotline directly



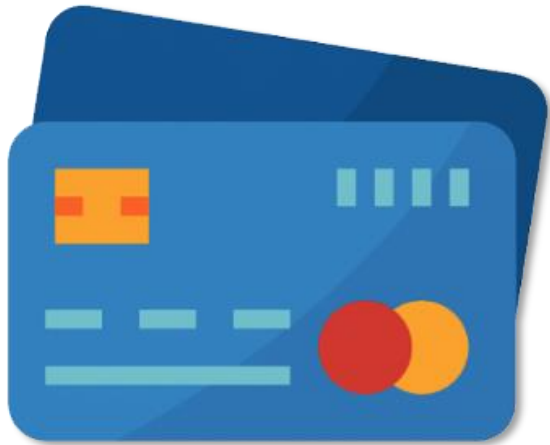
Question:

The best way to create a strong password is to use:

- a. Your initials, or birthday, or your mother's maiden name
- b. PassWord12345
- c. Capital and small letters, with numerals and symbols, in a combination that only you can remember
- d. Same passwords for all accounts, including email and social media
- e. A list of passwords written on a piece of paper

Common Types of **FRAUD**

Card replacement
Card cloning



ATM Skimming
ATM Jackpotting



Unauthorized financial transactions made on a victim's account

ATM Skimming, Jackpotting



Illegal installation of malicious hardware (e.g. camera, scanning device) and/or software in ATMs or POS devices



Scanning device copies card information to create counterfeit or clone cards



Camera captures PIN information, allowing access to accounts



Jackpotting software gives hackers control over ATM functions

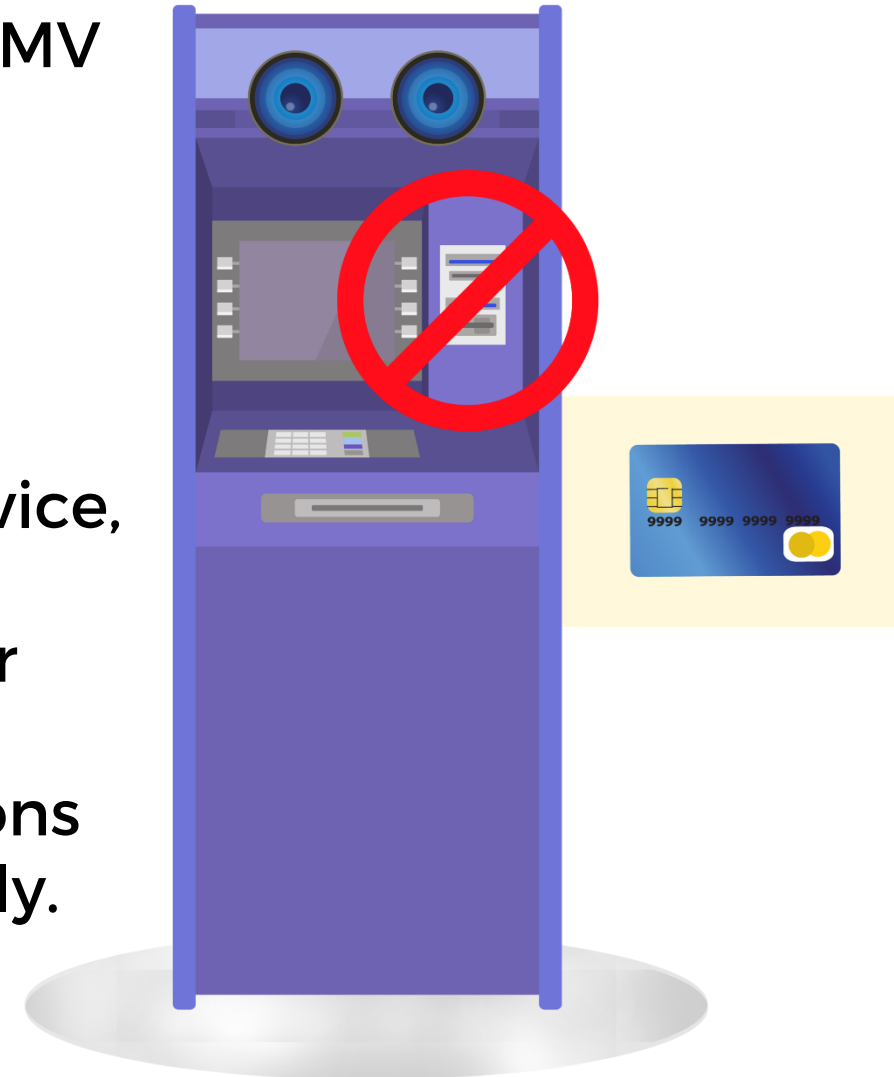


ATM Skimming Devices



Protect Yourself from Skimming

- ✓ Make sure that your ATM card, debit card and/or credit card is equipped with an EMV chip.
- ✓ Observe and remember the standard appearance of ATMs and POS devices.
- ✓ Withdraw only in trusted, well-lighted ATM locations.
- ✓ If transacting with merchant using a POS device, keep an eye on your card and the cashier.
- ✓ Regularly check your account balance and/or billing statements.
- ✓ Report unauthorized or suspicious transactions to your bank or credit card issuer immediately.



Common types of **SCAMS**



Text Scams



Unexpected Money Scam



Romance Scam



Threat, Extortion Scam



Donation, Charity Scam



Travel Troubles Scam



Job Offer Scam



Unexpected Prize Scam



SCAMS during the pandemic



**Money Mules
Scam**



**SIM Swap
Scam**



**Bogus Online
Seller/Agent**

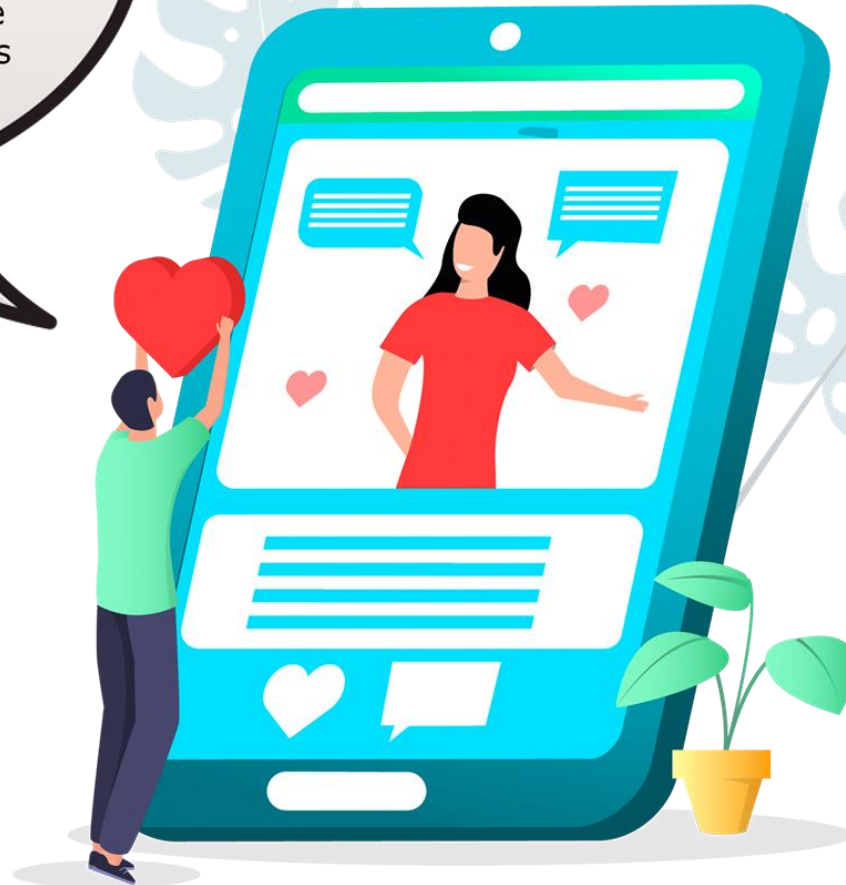


**Advance
Fee**



Is this a scam?

Hello my love! I really want to start a life together, I'm totally in love with you. Unfortunately, I was fired from my job yesterday. I really want to fly to meet you but I can't afford the flights right now. Please send \$1,500 so I can pay for flights. I really want to see you, once we're together things will be perfect!! I love you!



a. Yes

b. No

c. I don't know



Is this a scam?

Hello my love! I really want to start a life together, I'm totally in love with you. Unfortunately, I was fired from my job yesterday. I really want to fly to meet you but I can't afford the flights right now. Please send \$1,500 so I can pay for flights. I really want to see you, once we're together things will be perfect!! I love you!



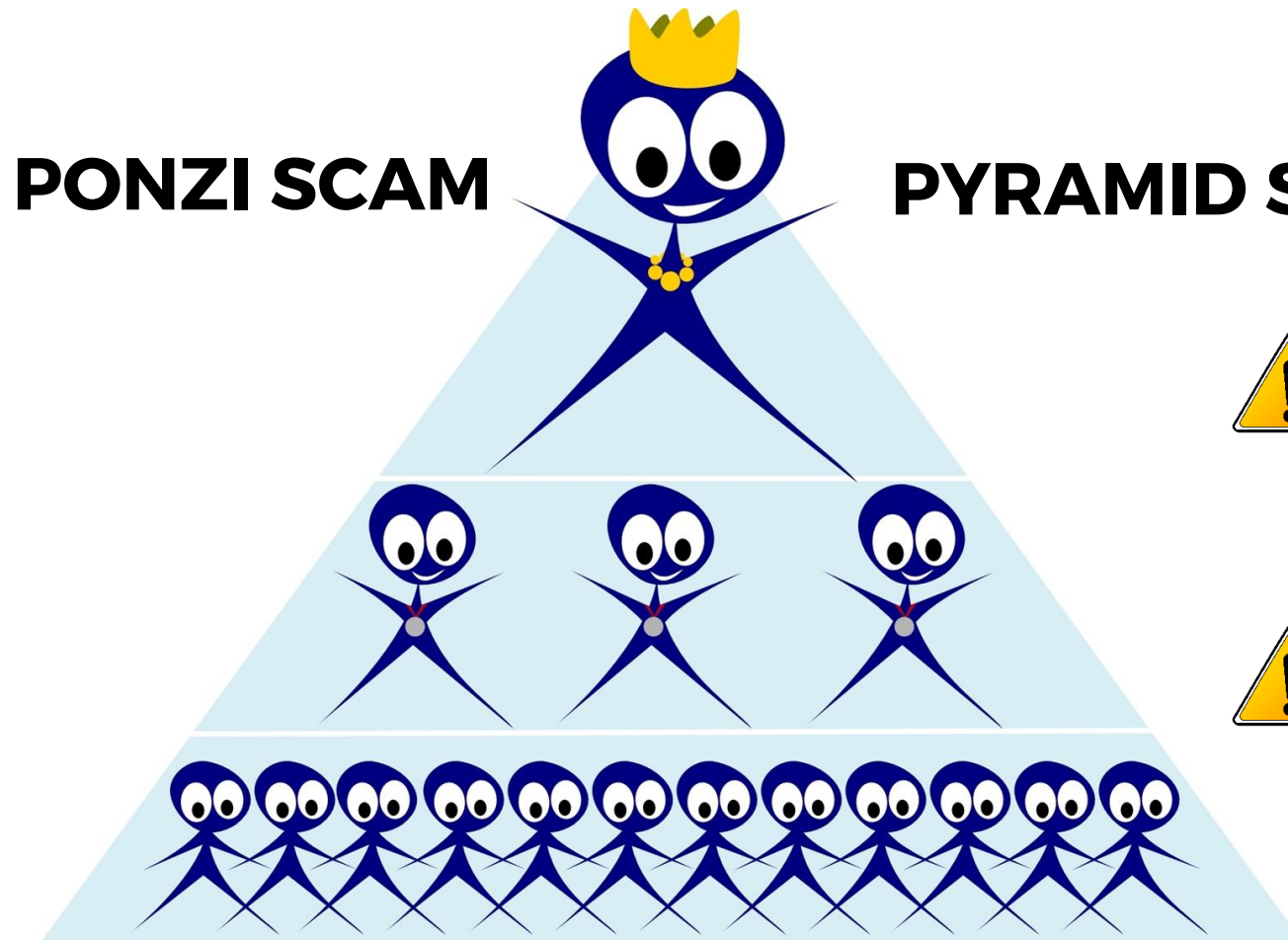
Answer:

YES

A Romance Scam



Investment Scams



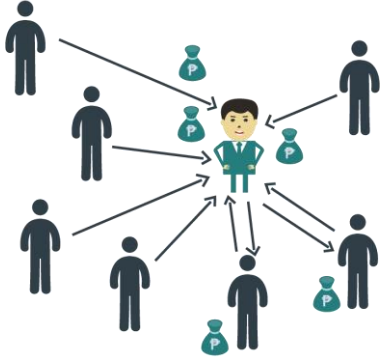
No legitimate businesses or investments



Main source of funds are money from new recruits or investors



Investment Scams



Ponzi



Focus on cash investment and recruitment



Promises high interest/return on investment within a short time



Earns from cash investment paid by new recruits



Focus on products and recruitment



Products have little or no real value



Members are compensated based on new recruits and downlines

Pyramid



Question:

Is multi-level marketing a pyramid scam?

- a. Yes
- b. No
- c. It depends on certain factors
- d. I don't know



Multi Level Marketing

DSAP 8-Point Test

1. Is there a **product**?
2. Are **commissions** paid on sale of products and not on registration/entry fees?
3. Is the intent to sell a product **not a position**?
4. Is there no direct correlation between the **number of recruits** and **compensation**?
5. If **recruitment** were to be stopped today, will the participants still make money?
6. Is there a reasonable product **return policy**?
7. Do products have **fair market value**?
8. Is there a compelling **reason to buy**?

CAUTION

If the answer to any of the questions is **NO**, it might be a SCAM!

Source: Direct Selling Association of the Philippines



Think-Examine-Study

How? Get the following information

1. **Name of the person** and the **company** making the offer.
2. **Address of both** the person and the company
3. **Phone number**, particularly land line. Do not accept cellular phone numbers – the owner cannot be traced
4. **SEC Registration as an investment taker**

Please bear in mind the following:

- a. SEC company registration does not grant authority to sell investment instruments.
- b. Only investment houses and financing companies with QB (quasi-banking) license and with SEC registered securities may offer to sell the same to more than 19 investors.
- c. Only SEC registered persons (brokers/dealers/salesman) may offer or sell SEC registered securities to the public.

Always remember...



Protect your personal and account information.

Report suspicious account transactions to your Financial Institution immediately.

Offers that are too good to be true, are usually not true.

Report suspicious investment schemes to SEC and/or NBI.



Redress Mechanisms



Report fraud, investment scams and abuses related to lending and investment with SEC- registered companies:



SECURITIES AND EXCHANGE COMMISSION

Ground Floor, North Wing Hall, Secretariat Building PICC Complex,
Vicente Sotto Street, Pasay City 1307

Financing and Lending Company Division (FLCD)

(Mga reklamo na nauugnay pagpapautang)

flcd_complaints@sec.gov.ph

Queries on Registered Financing and Lending Companies

flcd_queries@sec.gov.ph

Enforcement and Investor Protection Department

(Mga ulat na nauugnay sa Investment Scams)

Email: epd@sec.gov.ph

Telephone: (02) 8818-6337; (+63) 961-519-7829; (+63) 961-684-4088



Report investment scams, cybercrime, and other criminal abuses to:

NATIONAL BUREAU OF INVESTIGATION

NBI Building, Taft Avenue, Ermita, Manila

Anti-Fraud and Action Division

Email: afad@nbi.gov.ph

Telephone: (02) 8523 8231 to 38 local 3529 or 3456

Cyber Crime Division

Email: ccd@nbi.gov.ph

Telephone: (02) 8523 8231 to 38 local 3455; (02) 8252-6228

Complaint and Recording Division

Telephone: (02) 8523-8231 to 38 local 3518

PHILIPPINE NATIONAL POLICE

Anti-Cybercrime Group

PNP National Headquarters

Camp General Crame, EDSA, Quezon City

Email: acg@pnp.gov.ph

Telephone: (02) 3414 1560 Mobile: 0998 598 8116



Financial Institutions Covered by Other Regulators



Savings and Credit
Cooperatives



Manufacturers
of Consumer
Goods



- Insurance Companies
- Pre-Need Companies
- Mutual Benefit Associations
- Cooperative Insurance Societies



- Lending Companies
- Finance Companies
- Investment Houses
- Securities Brokers
- Corporations
- NGOs, Foundations

Financial institutions under BSP supervision

Commercial Banks

Thrift Banks

Rural Banks

Money Service Businesses

Cooperative Banks

Pawnshops

E-Money Issuers

Virtual Asset Service Providers

Foreign Exchange Dealers

Remittance Agents

Non-Stock Savings and Loans Associations

Operators of Payment Systems

Non-Bank Financial Institutions with Quasi-Banking Functions



**If you have concerns
with BSP-supervised
institutions...**

Chat with BOB!



**Thank you and
stay safe!**

Website: <http://www.bsp.gov.ph>
Email: FinedEvents@bsp.gov.ph

Like and follow us on



@PisoLit

