

Protect Yourself from Financial Fraud



With November being Financial Literacy Month, it's a good time to understand how to protect yourself from financial fraud. Technology has made it easier to perform financial transactions, but it has also increased the potential for fraud. While seniors may be particularly vulnerable (more about that later), everyone is susceptible and everyone should know how to protect themselves.

What's financial fraud?

It takes on different forms, but at the heart of it, financial fraud involves criminals stealing someone else's financial information for some type of gain. Armed with personal details from banking, credit card or investment account statements, the criminal can apply for credit cards or loans in the victim's name and have access to free cash.

Although financial institutions understand the dangers of identity theft and continue to work on fortifying their digital security to curb cybercrime on their websites and apps, you can take steps to help protect yourself.

Guard your personal information

It's horrifying to discover that someone has stolen your personal details to obtain a fake passport, credit card or driver's license. This invasion of privacy may have financial ramifications as well.

Be careful with how you treat personal data like your name, address, social insurance number and account information pertaining to your finances. Only share such information when necessary, and to people you know are legitimate. Shred paper documents you no longer need, and safely store those that are still valuable.

Criminals often use threats of imprisonment, deportation or other legal action, hoping to intimidate you into providing the information they want. Stay calm and ask their name, title and organization they supposedly represent. Don't feel pressured into taking immediate action. Contact the organization in question and confirm whether they are reaching out to you and if the person who approached you is legitimate.

Think before you click

Cybercriminals have become sophisticated when scamming their victims. They may offer you a "great deal" or claim you've won a prize, hoping to trick you into divulging financial details. They create websites and send emails or text messages that look genuine and trustworthy but lurking behind each webpage or message is a fraudster waiting to capture and misuse your private details (known as phishing).

Since most people receive many emails/texts and visit many websites daily, it's easy to click on a link without considering consequences. Treat each digital interaction with caution. Is the email message from a legitimate source? Is the website real? In both cases, criminals may create addresses that look almost identical to legitimate ones, but perhaps with one extra or missing letter, or with certain letters transposed or an extra symbol inserted. If something looks suspicious, report it to the organization where the email, text or website allegedly originates, and they can determine its validity.

Also, don't share your login name or password with anyone claiming to need them. Generally, companies and organizations don't ask for such private details. To protect your passwords, consider using two-factor authentication and having strong passwords for each website instead of using the same one for every login, which could give criminals instant access to all your accounts.

Increased vigilance for seniors

Older individuals can be extra vulnerable to cybercriminals and other scammers. Although many seniors are adept at technology, many are not. They didn't grow up with sophisticated digital devices, so technology typically isn't second nature to them. Age-related conditions such as dementia or other cognitive or hearing impairments also makes them easy targets for criminals.

Scams designed to defraud seniors include threatening to cut off power or other utilities unless they pay their "debt" immediately or pretending to be a relative who desperately needs money. Another scam is feigning to represent a charity and seeking a "donation." To help prevent elder financial abuse, warn senior loved ones about potential scams and how to deal with them. It's also valuable to have a network of trusted individuals – like an advisor, accountant or lawyer – who can support them if they need help or guidance.

To learn more about how we can build a suitable plan and help you understand financial fraud, contact us today.

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