Age and consumer fraud: intervention points to reduce victimisation

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www.aic.gov.au
Presentation outline

• Definition of consumer fraud
• Examples of consumer fraud
• The study, purpose and methodology
• Findings
• Targeted campaigns as a form of intervention
Consumer fraud example
Prior research

Age and consumer fraud – prior research

• Prior research produced mixed findings if any age group is at greater risk of victimisation.
• Older persons are considered to be more at risk due to loneliness, nest eggs – such as savings in the bank and retirement funds, and in some cases cognitive impairment (Cohen 2006; Reisig & Hotfreter 2013).
• Younger persons are also considered to be at risk of consumer fraud due to their active online profiles, such as with social networking sites, and less life experience (Muscat, James & Graycar 2002).
Research methodology

Australasian Consumer Fraud Taskforce (ACFT)
Anonymous, self-select survey available on the AIC website (www.aic.gov.au)
Closed response (quantitative) and open-ended (qualitative) questions about exposure to, and victimisation from:
- Lottery scams
- Advance fee fraud
- Inheritance scams
- Phishing
- Financial advice scams
- Work from home scams
- Dating scams, and
- Computer Support Centre scams (added in 2012)

1,145 participants in 2011; 1,576 participants in 2015 – total sample 2,695
Findings: age and victimisation

Age and fraud victimisation (%)

- 17 and under (89): 11 (Sent personal details), 4 (Sent money)
- 18-24 (160): 19 (Sent personal details), 11 (Sent money)
- 25-34 (429): 12 (Sent personal details), 7 (Sent money)
- 35-44 (467): 15 (Sent personal details), 8 (Sent money)
- 45-54 (610): 14 (Sent personal details), 11 (Sent money)
- 55-64 (568): 10 (Sent personal details), 10 (Sent money)
- 65 and over (372): 14 (Sent personal details), 14 (Sent money)
## Findings: specific scams and victimisation

<table>
<thead>
<tr>
<th>Scam</th>
<th>17 and under</th>
<th>18-24</th>
<th>25-34</th>
<th>35-44</th>
<th>45-54</th>
<th>55-64</th>
<th>65 and over</th>
<th>Total</th>
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</thead>
<tbody>
<tr>
<td><strong>Work-from-home scams (significance, p&lt;0.05)</strong></td>
<td></td>
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<tr>
<td>Victim</td>
<td>1</td>
<td>8</td>
<td>7</td>
<td>3</td>
<td>14</td>
<td>8</td>
<td>10</td>
<td>51</td>
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<tr>
<td>Not a victim</td>
<td>63</td>
<td>140</td>
<td>399</td>
<td>447</td>
<td>582</td>
<td>545</td>
<td>358</td>
<td>2,534</td>
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<tr>
<td><strong>Dating/ romance and social networking scams (significance, p&lt;0.05)</strong></td>
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</tr>
<tr>
<td>Victim</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>9</td>
<td>22</td>
<td>8</td>
<td>6</td>
<td>49</td>
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<tr>
<td>Not a victim</td>
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<td>147</td>
<td>404</td>
<td>441</td>
<td>574</td>
<td>545</td>
<td>362</td>
<td>2,536</td>
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<tr>
<td><strong>Computer support centre scams (significance, p&lt;0.001)</strong></td>
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<tr>
<td>Victim</td>
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<td>2</td>
<td>2</td>
<td>8</td>
<td>8</td>
<td>6</td>
<td>19</td>
<td>49</td>
</tr>
<tr>
<td>Not a victim</td>
<td>60</td>
<td>146</td>
<td>404</td>
<td>442</td>
<td>588</td>
<td>547</td>
<td>349</td>
<td>2,536</td>
</tr>
</tbody>
</table>
Age or lifestyle?

Computer support centre scams – Model 1
The model controlled for a range of socio-demographic factors, the only statistically significant contribution to the model was age; the strongest predictor was whether the respondent was aged 65 years or over (p<0.01, AUC=0.73, R²=0.08)

Dating and romance scams – Model 2
The model (after controlling for socio-demographic factors) indicated that respondents aged 45-54 years were more likely than all other age groups to be a victim of dating or romance scams (p<0.05, AUC=0.70, R²=0.06)

Work-from-home scams – Model 3
Controlling for a range of socio-demographic factors, the findings indicated that age was not a predictor for victimisation, however income levels may be a contributing factor, that is respondents earning $20,000 or less were more likely to be victims of work from home scams (p<0.01, AUC=0.71, R²=0.07).
Targeted intervention strategies

Computer support centre scams

• Age was strongest predictor of victimisation (respondents aged 65 years and over more likely to be victims)

• Age-targeted campaigns designed to suit older Australians about computer security, campaigns need to be both online and offline

• Campaigns should explain how to find correct technical support – not necessarily from search engines
Targeted intervention strategies

Work-from-home-scams

• Income levels strongest predictor of victimisation (those earning under $20,000 more likely to be victimised by this scam-type)

• Education campaigns on online job sites, at Centrelink offices and in classifieds

• Warnings and campaigns need to include what information should not be asked for in a job advertisement
Targeted intervention strategies

Dating and romance scams

• Relevant warnings on online dating sites need to be concise, memorable and most importantly easy to find without hunting for them!

• Warnings that are aimed at newly separated or divorced might be successful

• Education campaigns need to be relatable to the real-world not just in the cyber world (see next slide)
Romance scam warning
References:

(example of romance scam warning) https://youtu.be/ELy6UtKEHTY
Bank of the West https://bankofthewest.com