

Is it a scam?

New data released

Naturally, people aspire to get the most out of their investments, especially if a great opportunity is presented by a ‘trusted’ organisation. However, investment scams occur more often than you may think, highlighting the risk both self-directed investors and SMSF trustees may potentially face when seeking new investment opportunities.

New data released from Scamwatch Australia has reinforced the sophistication and rapidly growing number of scams each year in Australia – which has caused a loss of over \$851 million* in total in 2020 – \$328 million of which related to investment scams. It is extremely important for you to remain vigilant and reach out to me, your trusted SMSF professional, before investing your retirement savings in a new product or service.

[*ACCC Media Release 7 June 2021](#)

What does the data reported to Scamwatch Australia tell us?

During 2020, the average monetary value lost to scams has increased by 23%. Scammers have become more sophisticated in their approach, claiming to be from well-known investment organisations or government bodies, with the aim of extracting personal information from an individual.

Investment scams have caused the most financial harm to the Australian population throughout 2020 resulting in \$328 million lost. Advancements in both technology and software design allow scammers to recreate websites to look identical to an actual organisation’s site, meaning it is becoming increasingly difficult to identify what is a scam and what isn’t.

Older Australians (65+) are often more at risk of being approached by scammers as they perceive this particular age group to have more accumulated wealth.

The top contact methods used by scammers include phone (47.7%), email (22%), text message (15%), internet (6.3%) and social networking (4.5%)*. Scammers will often inject a sense of urgency into their messaging, propose threats (particularly with tax scams), and request personal and banking information.

[*Scamwatch Australia Targeting scams report 2020](#)

What should you do if you suspect a scam?

If someone attempts to scam you, there are several things you can do:

- Report the scam to Scamwatch Australia - www.scamwatch.gov.au/report-a-scam or ReportCyber - [Report | Cyber.gov.au](http://Report|Cyber.gov.au) immediately.
- Do not provide any personal information that will allow a scammer to impersonate and retrieve your funds.
- Do not click on links you have received via text or email that have a substantial number of letters and numbers.
- If you have lost money to a scam, contact your financial institution immediately.
- If you have provided personal information and you are concerned your identity may be compromised, you can contact IDCARE for free support on 1800 595 160.
- Consider contacting the organisation the suspected scammer claims to work for – the organisation may be able to confirm your suspicions.

If you have been scammed or believe you have been scammed, you shouldn't feel embarrassed or ashamed. Financial scams are now crimes which are occurring regularly – many scams are very sophisticated and professional, and very experienced investors have lost money to scams. It is becoming increasingly important to discuss the risk of scams with family, friends, and peers.

How can we help?

If you need assistance with identifying whether you are being approached by a scammer, please feel free to give me a call to discuss in more detail. I am here to support you and it's important that we start the conversation as scamming is a continuous risk in our technologically advanced world. If you would like to seek more information about scams to protect your SMSF, you can refer to the SMSF Association's trustee education platform, [SMSF Connect](#).