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Kiwis lose \$33M in 2018 – new approach needed in the fight against online scams

Online safety organisation Netsafe says that Kiwis reported losing more to online scams and fraud in 2018 than any other year in its 20-year history, with losses tripling from 2017.

New Zealanders reported 13,000 instances of online scams and fraud and \$33M in losses to online safety organisation Netsafe in 2018. Netsafe's latest report reveals that scam and fraud reports and losses have drastically increased from 2017, when 8,100 reports were made totalling \$10.1M in losses.

Netsafe CEO Martin Cocker says that the staggering number of reports and extra \$22.9M in financial losses in 2018 show that online scams continue to be a pervasive issue for New Zealand, and that the country needs to rethink the way resources are coordinated to protect Kiwis.

"We're now seeing waves of successful scams hitting the country, with the fake sextortion scam being the most recent. We know the lengths that scammers are taking to deceive New Zealanders and we know that existing interventions are having a limited effect. This is an issue that isn't going away. More needs to be done or we will continue to see large numbers of New Zealanders suffering financial and psychological harm" says Cocker.

Netsafe expects that the reports they receive represent a fraction of actual losses, with many reporters getting lost in a fractured support network, confused about where to report, feeling embarrassed about being tricked, or disillusioned about the point of reporting.

"At the moment, there is no official 'one-stop-shop' that the public can report scams to and rely on for the advice they need. There is no co-ordinated national effort to disrupt scams locally. New Zealand needs a national response centre to provide real-time scam trend analysis, information sharing, nationwide alert systems and dedicated support," says Cocker.

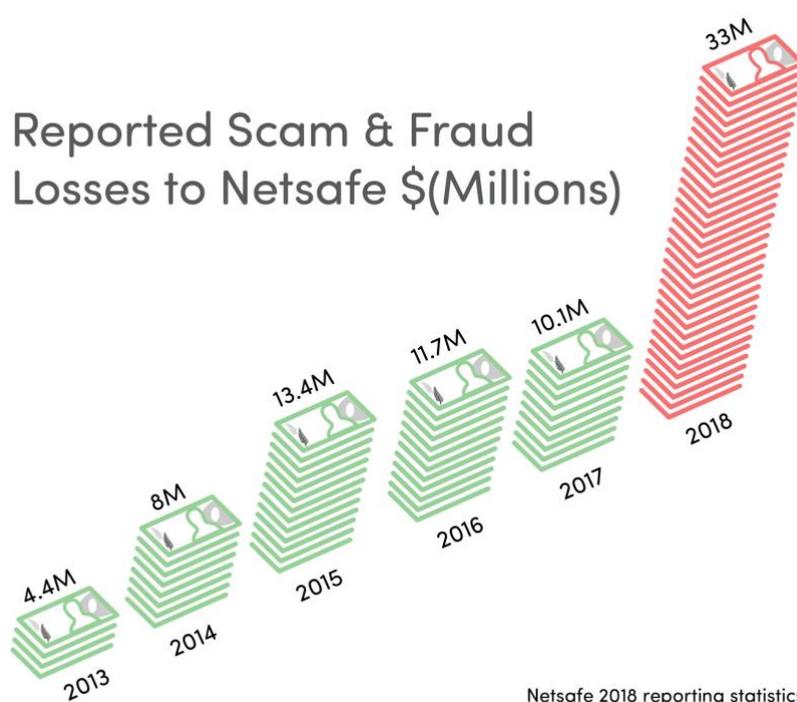
Financial losses are not the only impact that victims are experiencing. Many scam and fraud victims report feeling frustrated and embarrassed, or having lost confidence in using digital technology to make payments or connect with others.

January to March 2018 was the period with the largest reported financial losses totalling \$12.5M, with losses settling to around \$6-7 million in subsequent quarters of 2018. The average loss increased from \$10,771 in 2017 to \$21,140 in 2018. The smallest loss reported was \$1 and the largest loss was \$5M.

The most common scam reported to Netsafe in 2018 was the fake tech support scam, where scammers make contact about a fake issue with a computer and offer to fix it. The newest scam trend in 2018 was the fake sextortion scam, falsely claiming that video footage of people watching pornography would be released unless a ransom is paid. Invoice scams, investment fraud and romance scams were among the scams that resulted in the biggest losses for Kiwis.

ANNUAL REPORTED SCAM & FRAUD LOSSES TO NETSAFE 2013 - 2018

- 2018: \$33M
- 2017: \$10.1M
- 2016: \$11.7M
- 2015: \$13.4M
- 2014: \$8M
- 2013: \$4.4M



NETSAFE'S GUIDE TO SCAM SPOTTING

Be wary of:

1. Being contacted by phone or email out of the blue
2. Being told there is a problem with your device or internet connections
3. Being asked for the passwords to your online accounts
4. Unexpected communications asking you to "verify" your account or details
5. Winning a competition that you don't remember entering
6. Moving outside of an online trading or booking website or app
7. Friends/partners you've met online asking for money or talking about money problems

8. Unusual payment methods such as gift cards
9. Being asked for remote access to your device
10. Pressure to make a decision or take action quickly

Visit netsafe.org.nz for more information

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Media Contacts

Outreach@netsafe.org.nz

About Netsafe

Netsafe is New Zealand's independent, non-profit online safety organisation. Netsafe provides online safety education, advice and support for people in New Zealand. Taking a technology-positive approach to the opportunities and challenges digital tech presents, Netsafe works to help people in New Zealand make the most of technology by providing practical tools, support and advice for managing online challenges.

Netsafe's helpline is open 8am-8pm Monday to Friday, and 9am-5pm weekends and public holidays.

Netsafe.org.nz - 0508 NETSAFE (0508 638 723) - help@netsafe.org.nz