

# Fraud and Scams Update Autumn 2022: The Biggest Scams to Watch Out for Right Now

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According to UK Finance's most recent 'Fraud the Facts' update, £730.4 million was lost to unauthorised financial fraud in 2021. A further £583.2 million was lost in the same year to Authorised Push Payment (APP). APP scams involve the victim making an authorised bank transfer to a scammer's account.

Scams are a huge problem in the UK, and across the world. Scammers are continuously developing their methods and techniques in order to bypass any interventions or growing consumer awareness.

This time of year is always more of an issue due to higher levels of spending. But this year, the cost of living crisis and the energy crisis are both giving scammers even more opportunity to con people out of their hard earned money.

This guide from KIS Finance (<https://www.kisbridgingloans.co.uk/guide-to-fraud-prevention/>) goes through some of the biggest scams that you need to be aware of right now and over the next couple of months.

## Cost of living

Scammers have been continuously exploiting the cost of living crisis by targeting consumers with fake discounts, refunds/rebates, grants, and free vouchers.

They are doing this to take advantage of those that are struggling with every day living expenses and looking for ways to earn more, receive loans and grants, or get discounts on anything from energy bills to grocery shopping.

Scammers have also been focusing on pensions, loans, and savings as people struggle to get to grips with their finances.

## £400 energy discount scams

Scammers have been particularly taking advantage of the energy crisis as households across the UK struggle with rising energy bills.

From this month, all UK households should be receiving a £400 discount on energy bills over the course of the next six months. For the majority of households, the monthly discounts of £66 or £67 will be applied directly to the energy account or deducted from the bill.

Scammers have already been using this as a subject for scams in efforts to steal people's personal data

and bank details. They have been sending messages out to people, posing as energy providers, and asking people to fill in their personal details and the bank account that they want the money paid into. This can come as a text, an email, or a phone call.

Once the scammers have your details then they can use these to access your bank account.

It's important to remember that you do not need to give your energy provider any details in order to receive this discount. The discount is applied automatically and your energy provider already has all of your information.

Any request for bank details in relation to the energy bill discount is a scam.

### Shopping vouchers and discounts

Bogus shopping vouchers and discounts are a well-known trick and a countless number of this type of scam go out every year. However the cost of living crisis has seen people even more desperate to save money wherever they can, so this is making them more vulnerable to fall for scams like this.

Over the last couple of months there have been several scams involving fake supermarket vouchers and discount codes. Scammers have been posing as supermarkets such as Tesco and Lidl and sending out phishing emails to thousands and thousands of people. The email urges you to follow a link which will take you to a website that asks for all of your personal information and sometimes even your bank details, claiming that they need this information to send you the vouchers and/or codes.

In some cases the scammers will ask you to take part in a survey in order to win guaranteed vouchers instead. These have even been circulated on social media via fake pages that have been set up by scammers to look like an 'offers' page for well-known retailers.

It's important to remember that you must never click on links or attachments that have been sent to you via an unsolicited email or text message. Also, if you see an offer like this then go to the supermarket's website directly. If they are running a promotion or offering vouchers then they will have all of the details.

### Pension Scams

According to UK Finance, the number of pension pots accessed for the first time jumped by 18% this year compared to last year. The overall value of the money being withdrawn from pension pots rose to over £45 billion (up from £37 billion YOY) and the number of drawdowns rose by 24%.

Pensions are being exploited by scammers as they prey on those of an older generation that are worried about the cost of living.

Scammers usually trick their victims first and try to gain their trust by offering to do a pension review.

Worryingly, a survey conducted by the FCA found that 44% of just over 1,000 people (aged over 40) would happily take someone up on an offer of a pension review. Almost half of these people said that positive reviews of the person or company would be enough to reassure them.

Scammers exploit the fact that a lot of people aren't 100% confident in how pensions really work and how they can boost their savings. So the scammers try to gain their trust by explaining all of the ways that they can manage and boost their pension pot before asking for access or for any money to be withdrawn or transferred.

Some of the most common tactics that scammers use to try and get access to people's pensions pots include:

- The offer of a 'free' pension review. This is how a lot of pension scams begin and they will usually contact you out of the blue and offer to review your pension to make sure that you're getting maximum benefits out of it.
  - How to access your pension pot early – this is targeted towards those under the age of 55 and the scammers pretend that they can help you to access your pension savings before you are usually allowed to.
- The promise or guarantee of high returns for investing your pension pot. These tend to be unusual, unregulated, and high risk products which are usually overseas based.
- You must never take unsolicited advice regarding your pension pot and you must certainly never withdraw money at the request of somebody else.

## Holiday Season

Scams are always particularly rife during this time of year as we head towards Autumn/Winter and the festive season.

Scammers like to exploit the heavy shopping season over Black Friday and Christmas, so it's more important than ever to be vigilant towards scams.

## Black Friday

Although Black Friday isn't until the end of November, deals offered by retailers are getting earlier and earlier each year so it's important to start looking out for the different ways that you can be targeted.

One of the most common tactics that scammers use is phishing emails. They send out thousands, if not millions, of emails at a time with fake Black Friday promotions and discounts of well sought after products. They will usually make their emails look like they have come from large, well-known retailers like Amazon or Argos – retailers that they know will be offering genuine Black Friday discounts.

The links included in the emails will take you to bogus retail sites which have been designed solely to capture any details that you enter. The items that you think you ordered will either never arrive, or you will be sent something entirely different. The scammers will then disappear with the information you gave them to access your bank account or make purchases using your card details.

When it comes to Black Friday, make sure that you only shop through well-known, reputable retailers.

## Christmas

Christmas related shopping scams are similar to those that we see going around for Black Friday. Because of the current cost of living crisis, we are expecting to see a lot of scams heavily focused on discounts and promotions this year.

It's important to remain very vigilant towards phishing emails promoting Christmas discounts and also towards adverts and posts on social media. Scammers will often set up pages on sites like Facebook and Instagram to promote Christmas sales. They will use images of sought after Christmas gifts, like iPhones and Nike trainers, and promote massive discounts.

It's very important to apply a common sense approach to Christmas shopping – if something seems too good to be true, then it probably is. However, if you are interested in a deal that you've seen advertised, then go to the retailer directly through your search engine rather than clicking on an advert or a link sent to you via an unsolicited email.

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If you would like to use this content then please link back to KIS Finance's fraud guides - <https://www.kisbridgingloans.co.uk/guide-to-fraud-prevention/>

## About KIS Finance:

KIS Finance are an independent finance broker specialising in bridging finance, development finance, commercial mortgages, equity release, and secured loans. Their team of advisors have considerable experience across multiple different areas of the finance sector, as well as insurance and compliance.

KIS Finance are also very invested as a company in fraud awareness and prevention and keeping their clients safe from financial fraud and scams.

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