Building & Preserving Wealth by Design - Not by Chance

QUALITY FINANCIAL CONCEPTS

Doug's Insights

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Category: Financial

Protecting Yourself from the 21st Century Thief

"Recognizing the Scam"

By: Doug Horn, CFP®

Financial security should be everyone's objective. For each of us, the exact definition may vary from having guaranteed income each month; some specified amount tucked away in savings; or to having sufficient investments to provide income for life. There are many things that can impact financial security, but avoiding being scammed is one within your control.

While there are reminders on nightly news and often articles or news flashes on the subject, I was recently reminded my clients and friends may still not be sufficiently versed on the subject. With so much of our financial information accessible through wires, digits, and airwaves, to be robbed no longer requires a gun or for the perpetrator to be in the same state much less the same country.

We have been taught all of lives how to protect ourselves. Parking under the light post in parking lots. Walking in groups after dark. Using a purse with a zipper closure or an across-the-body strap. Times have changed and today's thief no longer has to be close to you to walk away with part of your accounts. It is in your control to protect yourself against these scams.

In addition to being taught how to protect ourselves, as southerners we were also encouraged to always be 'nice', whether we meet a stranger on the street, at a neighbor's, or even by phone. But, this is where nice needs to yield to the protection mode. Anytime a call is received from a stranger, you must raise your guard. I am not suggesting being rude, but paying attention may save you thousands in losses. First of all, if the offer sounds too good to be true, it probably is. Per the Federal Trade Commission, if the call was not expected and you hear "you were selected", "offer specially for you", "you have won …" especially if you do not recall entering a contest, or "a limited time offer", all of these phrases may indicate you are about to be scammed. If the caller advises you there may be 'trouble' with your cable or computer, raise your guard immediately. If you are being asked to pay something up front for something you have won, this is a scam and you should not be shy about hanging up the phone. Do not be surprised by a callback from the person attempting to scam you. Persistence can assist in creating credibility and may weaken your self-protection.

A scammer is attempting to deceive their victim and through this deception the loss occurs when you comply or provide them access. From the reports and alerts I have read, almost every scam seeks a check to be sent overnight,

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Insights Continued

access to your bank account or computer, or for you to purchase some type of gift card. While this may just be a coincidence, if they want the check to be sent urgently, they always request a Money Graham, Federal Express or UPS but not the Postal Service. Could it be they are avoiding US Postal Fraud by avoiding using the Postal Service? Could they be avoiding accepting a credit card because of the protection credit cards offer, which is not available on debit cards or personal checks. Fraudulent charges on a credit card can be reversed when a credit card is used.

While stating the obvious, for the thief to be successful they must gain access. This is either through the phone by convincing the target to provide sensitive information like their Social Security number, credit card and CVV number (generally the three digit number on the back of the credit card) or through the computer. Today, the amount of personal information on smart phones or home computers is so vast, once a thief has access to this information it's like they are walking around with a stack of your signed blank checks. The consumer should never allow someone they did not call or previously contract with to have access to their computer. Providing access will allow viruses, spyware, or other types of harmful software to be installed which may capture account numbers and passwords for the thief.

Both the smart phone and computer should have virus protection installed and maintained. You should also install software that protects against spyware. By adding encryption to the storage devices it is one more step a thief has to jump through to get to your data and protects you in the event the device is lost or stolen. Just like the two hikers in the forest who come upon a tiger. While there is a lot which could be done to protect themselves from the tiger, the simplest way is for one to be able to outrun the other. The tiger naturally goes for the one they can catch. A thief who has to jump through more and more hoops to get to the data will often pass on these devices on to easier prey.

Don't forget thieves also steal from discarded trash. Items which have your account number, Social Security number, or other personal information including samples of your signature should be shredded rather than tossed out with everyday waste. A $30 to $70 shredder is inexpensive insurance against a fraud being successful against your accounts and should be in every home. In October, Quality Financial Concepts will host their annual 'Shred It' event in downtown Maryville. For three hours, QFC will host a mobile commercial shredder which will set up in the city parking lot across from their office. QFC clients will have exclusive access during the first hour before becoming available to the public.

Just remember, it is better to be cautious than 'nice' when dealing with strangers on the phone. And agencies like the Internal Revenue Service or state departments of revenue, will NEVER call demanding payment or money. These agencies always mail notices and when their initial notices have not been heeded, they use certified mail rather than calling you. If you are unsure, just hang up; then look up the agency's phone number and call them directly to confirm the initial call and demand. Be safe and protect yourself and your assets.