



Financial Crime Trend Bulletin:

Travel Scams

2017-03-20

FRAUD: Recognize It, Reject It, Report It

Purpose

This bulletin was prepared to provide awareness on a number of travel scams targeting Canadian consumers as well as merchants in the travel industry.

Free or “discounted” vacation scam

This variation involves fraudulent offers of free or discounted vacations using company names like Expedia, Air Canada, Transat, WestJet and others. The potential victim receives a cold call, usually automated, advising that they have won a destination vacation. Alternatively, they are advised they are a “preferred customer” and have been awarded a credit or discount on a destination vacation if booked immediately. Once the potential victim proceeds with the call, they will be asked to provide personal information to book the vacation and a credit card number to make a deposit/payment to guarantee the trip.

Warning Signs – How to Protect Yourself

- An unknown caller tells you that you won a contest you didn’t enter.
- You receive a call advising you have won a free vacation but have to provide a credit card number to cover taxes prior to receiving the vacation.
- Ask for the caller's name and for a call back number. If they won't provide one, red flag.
- Never give out personal information or credit card information over the phone.

Ticket Re-sell

This scam involves fraudsters posting an ad for a purchased vacation for sale online using common websites like Kijiji and Craigslist. The potential victim contacts the “seller” with interest and eventually agrees to purchase the package, this can include airline tickets and accommodations. The fraudster will urge the potential victim to pay in full before the tickets are transferred in their name. On the departure date, the now victim is advised at the airport that the tickets are invalid/fake.

Warning Signs – How to Protect Yourself

- Person refuses to meet in person and most communication is done via text or email.
- Ticket price is offered at a very low price.
- Use a reputable site to purchase all tickets e.g. Ticket Master, Flight Hub, etc.
- Take time to consider the offer. Don't make quick decisions.

Points Scams

This scam involves offers from fraudsters claiming to be from a company that has a points system in place (e.g. Air Miles). The potential victim receives an automated telephone call advising that they have won prizes worth thousands in reward points or claim to have information on the status of their Collector account. Potential victims are then asked to provide personal information, Collector's account PIN or their credit card information. Once this information is provided, the fraudster then steals the cash or reward points.

Warning Signs – How to Protect Yourself

- An unknown caller tells you, you've won a contest you didn't enter or wants to update your account
- You are asked to provide personal, credit card, or account related information
- Check the Air miles website; they usually post warnings about these types of solicitations
- Ask them to send you everything in writing

Vacation rental scams

This scam involves fraudsters posting a destination property for rent online using common sites like Kijiji and Craigslist. It starts with the potential victim searching for a rental property (an apartment or home) in a desired destination. Ads posted by fraudsters always list a considerably lower rental cost. Once the potential victim contacts the "renter" they will be asked to provide a "deposit" on the rental. Typically it is requested that the deposit be sent via wire transfer. It is usually once the potential victim arrives at the property that they realize it was all a scam – the rental either doesn't exist, the condition has been misrepresented, or it was never available for rent.

Warning Signs – How to Protect Yourself

- The ad doesn't give the exact address of the rental and the same property is listed several times with different contact people.
- Payment is requested via wire transfer, money order, or cashier's cheque - Credit cards are not accepted.
- If possible, ask to see the property before you pay for it. If not, verify the property exists.
- Do some research on the rental property, landlord, etc. and if a phone number isn't provided, ask for one.

Time Share Scams

This scam involves the solicitation of potential victims over the telephone with an offer to sell their timeshare. The suspect promises a quick sale with a high profit margin. Various fees are requested up front prior to the final sale, this includes maintenance fees, escrow fees and fees to cover taxes. The suspect provides victims official looking documents which are detailed and may require a signature or witness. Victims are often solicited by companies in the United States but are required to transfer funds to bank accounts in Mexico through a bank to bank wire transfer.

Warning Signs – How to Protect Yourself

- You receive an unsolicited offer to sell your timeshare.
- You are told to pay fees up front prior to the final sale.
- Do not pay any fees upfront. Use a company that offers to sell for a fee after the timeshare is sold.
- Don't agree to anything on the phone or online until you thoroughly research the reseller. Remember, documentation can look authentic.
- If it seems too good to be true, it probably is.

Outlook

If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1-888-495-8501 or report online at <http://www.antifraudcentre.ca>