

**PARENT TOPIC 7
SCAMS**

Signs of a scam and what to do

Be careful with schemes and people who:

- Promise unrealistic returns
- Claim to be risk free
- Say they are 100% guaranteed but provide no paperwork to back it up.
- Apply pressure to sign
- Provide incentives, e.g. free gifts, vacuum cleaner etc
- Use lines such as: “Everyone in the street is signed up and you might miss out” . . .
“It’s the best deal anywhere but only if you sign now”.

Be careful with deals that:

- Are exclusive or need you to make a decision right away
- Try and pressure you to sign up immediately
- Ask you to pay in cash and only provide returns in cash
- Have no written records
- Keep the funds overseas
- Have a mobile phone number as the only contact

What to do?

Remember:

- The key thing is to stop and think, and check things out before you buy
- If you feel pressured say “Thanks, but no thanks. I don’t like being pressured into important decisions”
OR the “Broken Record” technique: “I understand what you are saying but I am not interested”

So:

- If something sounds too good to be true, it probably is
- Don’t sign anything straight away
- Read the fine print – especially at the bottom of a page
- Ask for time to think about it
- Check carefully to see if you are really sure it is what you need and you have the money to cover it.

For more information see **ASIC’s FIDO website at:** www.fido.gov.au/

The Office of Fair Trading website: www.fairtrading.nsw.gov.au