

## Scamming and its effect on vulnerable individuals

September 2016

Age UK believes that **nobody should live in fear of crime; police, Government and industry should take action to prevent crimes targeted at older people, including scams, and support victims.**

### Key Stats

- The **average age** of mail scam victims is **74**.
- **Over half** of people aged 65+ believe they have been a **target of a scam**.
- An estimated **3.8 million fraud** incidents and **2.0 million computer misuse** incidents were experienced by adults aged 16+ in England and Wales for the year ending March 2016. Given that there were a total of 6.3 million incidents of all other crimes in the same period, adding fraud and cyber-crime almost doubles the total crime figures.
- The majority of fraud incidents (2.5m) relate to **bank and credit card fraud**. The majority of computer misuse incidents (1.4m) relate to **computer viruses**.
- However under-reporting makes it difficult to accurately measure the extent of scams – the OFT estimated that **fewer than five per cent** of victims **report scams**.
- **A third** of older people who fell for a scam may have **lost £1,000 or more**. There are many cases where victims lose tens of thousands or even more than £100k.
- The City of London Police estimate that savers lost **£9m to pension scams** between April and August 2015 – **twice as much** as in the same period in 2014.
- £1.2 billion is lost to investment scams in the UK every year, with people aged 65+ particularly likely to be targeted.

Although anyone can fall prey to a scam, regardless of age, gender, education or economic background, older people are often targeted by particular scams, such as mail or investment scams, and may be especially at risk because of their circumstances – being isolated or lonely, or living with dementia or cognitive decline. Someone who has been successfully scammed is often targeted repeatedly and put on 'suckers lists' which are shared between scammers.

For an older person on a fixed income, a scam can have a devastating financial and emotional impact. Some people sadly lose their entire life savings; although the loss or relatively small amounts can still have devastating consequences. Scams can impact a person's physical and mental health and can lead to victims being more likely to require social care services they didn't previously need. Older victims are **2.4 times more likely** to die or go into a care home than those who are not scammed.

Scammers are often organised, predatory criminals who gain trust to exploit people and steal money. Scams come in many forms including by mail, telephone and email and on the doorstep. Following the private pension reforms in April 2015 allowing people to access their pension savings from age 55, there have been reports of rising pension scams, with one survey suggesting that a third of people aged 55+ have been targeted by potential pensions scams over a three month period.

Local authority Trading Standards services, which enforce the law in relation to doorstep crime and rogue trading, are being reduced due to ongoing cuts to local government budgets. Services have seen a 12 per cent drop in staff numbers since 2014 and a 22 per cent drop in real terms budgets.

## Context of wider crime figures

1. For the year ending March 2016, crime excluding fraud and computer misuse totals **6.3 million incidents** according to the Crime Survey of England and Wales (CSEW). This is a 6 per cent fall from the previous year. However, if new figures on fraud and computer misuse are added, **total** crime is actually **12.1 million incidents**. This means including fraud and computer misuse incidents **almost doubles** total crime.
2. It is important to note this doesn't mean crime is *rising*, but it does mean that **crime is changing** and counting fraud and computer misuse – as we should – gives a more accurate picture of 21<sup>st</sup> century crime. Understanding fraud is therefore key to tackling crime and Government, police, banks, and others have to adapt and tackle fraud.

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## Examples of current solutions

The Home Office set up a Joint Fraud Taskforce in February 2016 and Age UK is contributing to the 'victims and vulnerabilities' strand. The Taskforce brings together financial institutions, government, law enforcement and the voluntary sector, to better understand the problem and develop solutions.

The Financial Services Vulnerability Taskforce has made recommendations for financial institutions to better support 'vulnerable consumers', including the need to tackle scams.

Financial Fraud Action UK is launching their Take Five To Stop Fraud campaign in September. It is a new behaviour change campaign that aims to help tackle financial fraud in the UK. They want to empower trusting people to protect themselves from fraud with a campaign that is disruptive and bold enough to override the trust reflex, and a call to action that is positive and simple enough to change behaviour.

The Chartered Standing Trading Institute launched their Stand Against Scams campaign this year encouraging people to become a #Scambassador for their community. They provided people with media support and give them ideas for local community actions.

## Age UK's public policy proposals

- There is a need for clearer leadership and co-ordination in tackling scams. The Joint Fraud Taskforce is a welcome development but must lead to strong, concerted action, with clear lines of accountability.
- The Taskforce should build evidence of the health impacts on victims, including the additional costs on the state, e.g. NHS, social care, pension credit.
- Call blocking technology is a key way of preventing phone scams like vishing. Vishing is when fraudsters obtain personal details of a victim by phone. The fraudster usually pretends to be a legitimate business, such as a bank. Fraudsters can go on to use this personal information to commit fraud, or convince the victim to authorise bank payments.

We welcome the £3.5million investment in the 2015 Budget and encourage the government to consider making further investments in this solution. Support for victims should be improved and cover aspects beyond financial loss, such as the physical and emotional health impacts, for example by involving health and social care services.

- Local authority Trading Standards teams should be allocated sufficient funding to carry out their essential functions, including tackling doorstep crime.
- Postal, telephony and internet service providers should work with their regulators and financial institutions to improve protection against scams.
- Financial institutions should improve efforts to identify customers at risk, find effective ways to warn people how to protect themselves, delay large or unusual payments and 'rescue' and return stolen monies from scammers' accounts.
- Financial institutions should agree minimum standards of care for scam victims, including referrals to supportive organisations.
- Police forces should improve their understanding of and responses to fraud as it affects older people.
- The Government should ensure that local authorities and other local agencies have adequate resources to fulfil their duties under the Care Act 2014 to make enquiries, or ask others to make enquiries, when they think an adult with care and support needs may be at risk of abuse or neglect – including being defrauded – in their area and to find out what, if any, action may be needed.

**If you have any questions or would like further information please contact Angela Kitching, Head of External Affairs, at [angela.kitching@ageuk.org.uk](mailto:angela.kitching@ageuk.org.uk)**

## **Local Age UKs Good Practice – Preventing scams and providing post scams support**

### **Age UK Somerset and North Somerset Trading Standards**

Age UK Somerset have been working on a project with North Somerset trading standards, meeting with each person from the area who was named on a so-called 'suckers list'. Staff worked to build their trust and restore their confidence and self-worth. In the process, one member of staff discovered that the husband of an elderly scam victim was also responding to a mail marketing scam and had lost £20,000 of their life savings.

Working with people who have been scammed, staff visit them at home, sometimes over several months and find them new interests to help them regain their self-confidence and refer them on to various agencies as required. They also give talks to various groups to help make people aware of the numerous scams out there and that it is not gullibility or stupidity on the part of the person who has been scammed, but the plausibility and sophistication of the scams.

### **Age UK East Sussex and Edna Johnson Wills Trust Scams Prevention**

Over a three month period, high risk victims in Sussex lost an average of £23,000 each, with the highest individual loss recorded at nearly half a million pounds. Age UK East Sussex and Edna Johnson Wills Trust Scams Prevention provides support for people who have been, or are vulnerable to being, scammed.

How their service works:

A co-ordinator will speak to the concerned person and agree an individual support plan designed to meet their needs.

This includes support through:

- Home visits
- Telephone advice
- Face to face support from a volunteer
- Tips on handling cold calls
- Benefits Advice
- Local group discussions
- Updates on scams in the area
- Help to access other services

### **SAFER project, Leeds and Bradford**

The SAFER project aims to educate consumers about scams and fraud. It involves a range of activity workshops, delivered in local communities, helping increase knowledge, understanding and confidence in dealing with cold calling, scams, frauds and the hazards of doing business on the doorstep. As part of the project they also commissioned a local older people's drama group to do a short play illustrating some of the dangers which Age UK Calderdale and Kirklees said was really effective at putting the message across.

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## Case Studies

### David

***Eighty year old David was a victim of a conman, resulting in nine months of repeat visits to carry out substandard work to his house and taking thousands of pounds of his savings.***

David, who lived alone, was cold called by a roofer who charged him thousands of pounds for unnecessary works. Then weeks later another builder claimed he was coming to the rescue after speaking with local police, explaining to David that he had had unnecessary work done to his roof and he was there to help rectify the problems.

David was clearly confused but agreed to the builder carrying out works on his property. His family believe that as he was a trusting and frail older man this made him particularly vulnerable to such a group of conmen, who allegedly were targeting older people in his area with unnecessary roofing and house repairs.

A neighbour of David's became very concerned when they saw him outside his property looking withdrawn, and his house in a state of dis-repair. He asked him directly if he thought he may be a victim of a scam and he agreed to show him his bank statements.

The family say that their uncle's spending habits changed dramatically during this time, from withdrawing £250 in cash every month for years, to withdrawing thousands of pounds a week to pay for the conman. Over a nine month period David lost £33,000 worth of his savings.

Sadly during this time, David became very ill. He put this down to the stress of being scammed and having been left with too little money to eat properly, but he was diagnosed with pancreatic cancer and died a few months later in a Hospice after the scammers were stopped.

*David's family feel very strongly that he was badly let down by his financial institution which could have done much more to spot the scam and stop it sooner.*

### Jane

***After placing an advert in a local magazine for her business, Jane received a call from another print service who wanted her to place a similar advert. Some time after declining their offer, she started to receive threatening phone calls by the print firm demanding she pay for the advert there and then by debit card.***

Despite not agreeing to take out the advert, the company claimed to have a recording of the call proving that she had agreed to it.

Jane said she would only pay them if they could send her proof of the advert and her signed and dated consent to this, as well as information of the type of ad and publication the advert had supposedly been placed in.

She received even more threatening phone calls saying that she would be taken to court if she didn't pay. This became very upsetting and Jane was tempted to pay them just to get them off her back. Her daughter could tell she was upset and when Jane explained the situation it was clear that she was a victim of a scam. With help from her daughter, she informed the police and reported the scam.

After reporting the scam, a fraud reporting website investigated the print firm with a view to prosecuting them. Jane was able to help the investigation by forwarding on her correspondences with the company.