

MFDA Investor *Bulletin*

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MARCH 2021 **FRAUD AWARENESS MONTH**

March is Fraud Awareness Month and the Mutual Fund Dealers Association of Canada (the “MFDA”) is promoting fraud awareness and prevention among Canadians. In this edition of the MFDA Investor Bulletin you will find information to help you avoid becoming a victim of fraud.



COVID-19 Related Scams

Incidents of fraud have increased since the beginning of the COVID-19 pandemic. Fraudsters have been capitalizing on the fact that people are more isolated, more fearful and are eager to protect themselves and their families from COVID-19. There have been many reported incidents of fraudsters sending out fake emails or text messages related to:

- Sign-ups for COVID-19 testing
- Acquiring rapid COVID-19 tests
- Sign-ups for vaccination clinics
- Application for government subsidies and benefits

The links in the fake email or texts often lead to an on-line form asking for personal information. If personal information is entered into the form the fraudster can then use it to conduct various frauds such as identity theft. This type of scam is known as a phishing scam.

With the arrival of vaccines in Canada, Canadians can expect there to be many valid on-line vaccine signup and

registration portals in the coming months. To protect yourself from phishing scams be sure to only provide information to trusted and known sources. Ideally you should sign up or register for vaccines through sources you seek out yourself such as government and municipal websites, hospital websites and websites of known and trusted healthcare providers.

Be cautious when signing up to receive a vaccine from an email or text message that you received unsolicited.

Receiving an unsolicited email or text is different than receiving and responding to an email or text message from a trusted organization that you previously signed up or registered with. Responding to unsolicited emails or texts presents a much greater risk.



Romance Scams

With COVID-19 causing an increase in social isolation romance scams are on the rise. In 2020 alone Canadians lost more than \$18.5 million to this scam.¹ Keep your guard up and look out for potential scammers who will try to lower your defences by appealing to your romantic and compassionate side. They can prey on you on popular, legitimate dating sites as well as on fake ones and social media. As part of the scam a fraudster might send you a few messages and a fake photo of themselves. Once you are charmed, they will start asking you to send money. They may claim to need the money to pay taxes or a fee in order to unlock a large sum of money (which they may offer to share with you) or they may claim to have a very sick family member or be in a desperate situation with which they need your help. Once you give them money, they often disappear.

A fraudster can also create a fake dating site where you pay for each message you send and receive. To keep you writing back and paying, the scammer may hook you in with vague emails about their love and affection for you. In many cases, the scammer may even arrange to meet up with you in person to make their fraud seem more credible.

¹ Statistics from Canadian Anti-Fraud Centre.

Tips to Protect Yourself

- ✓ Remember that it's very unlikely that someone will declare their undying love to anyone after only a few letters, emails, phone calls or pictures. Remember the saying **"If something's too good to be true, it probably is"**.
- ✓ **Trust your instincts.** If you are feeling concerned or unsure about a situation relay your concerns to a trusted friend, family member or authority. In these cases it will often be clear to an uninvolved third person whether or not you are being scammed. Trust their responses.
- ✓ **Never give financial details** on a dating site.
- ✓ Know which services are free, which ones cost money and what it takes to cancel your account.
- ✓ Make sure you **only use legitimate and reputable dating sites**. Always check website addresses carefully, as scammers often mimic real web addresses.

Source: Competition Bureau Canada - The Little Black Book of Scams, 2nd ed.

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