



Financial Crime Trend Bulletin:

Health – Continuity Scam

2017-02-01

FRAUD: Recognize, Reject, Report

Purpose

This bulletin was created to provide Canadians with information about how to recognize and reject continuity scams.

Overview

As E-Commerce continues to grow, so do the opportunities to be victimized through online purchases— specifically with a credit card. Continuity scams largely take place when someone who is online observes a pop-up or advertisement offering a *free* trial or *free* gift upon completion of a survey. Consumers who participate are often asked to provide a credit card to pay for shipping and handling. Unless victims review the *terms and conditions*, it's unlikely they will see the hidden fees associated to the offer, which includes overpriced monthly charges that are nearly impossible to cancel.

As 2017 begins, many Canadians are creating New Year resolutions, which can include healthier choices and weight loss. Continuity scams take advantage of these opportunities and offer *free* weight loss pills or *free* subscription to health products such as Acai Berries – assuming you sign up and provide a credit card for shipping. Victims will receive their product and witness a charge to their credit card. The prices can vary from \$1.99 to \$1000.00 and victims will continue be charged until the company is contacted and services cancelled. Additionally, it is not uncommon for victims to be charged more than once per month by multiple different merchants.

In order to stop the fraud victims should contact the suspected company requesting a stop payment and keep records of all correspondence. Victims can also refuse delivery of goods and should contact their respective financial institution or credit card provider to request a charge back due to fraud.

Warning Signs – How to Protect Yourself:

- Review all fine print and terms and conditions before making a purchase
- Conduct open source searches to see if anybody has suggested the offer is a scam
- Beware of paid advertisements online. Paid banner ads are not always affiliated to the website you are viewing
- Review credit card statements regularly for unauthorized charges

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>