



2019 BBB Scam Tracker* Risk Report

Top 10 Riskiest Scams in Canada



**INSTITUTE for
MARKETPLACE
TRUST***

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TOP RISKIEST SCAMS IN CANADA

In 2019, the riskiest scams reported in Canada were travel/vacation/timeshare scams. These scams made up 2.7 per cent of all scams reported in Canada, with more than 62 per cent losing money when exposed. The median dollar loss for these scams was \$5,000, about 16 times higher than the overall median dollar loss in 2019.¹ The second riskiest scams were advance fee loan scams, which had the second highest susceptibility at 71.1 per cent. Romance scams and cryptocurrency scams were the third and fourth riskiest scams; these scams had a median dollar loss of \$4,000 and \$3,617 respectively. The most common scams in Canada were online purchase scams, making up 23.9 per cent of all scams reported.

TOP RISKIEST SCAMS IN CANADA

RANK	SCAM TYPE	% EXPOSURE	MEDIAN \$ LOSS ²	% SUSCEPTIBILITY	BBB RISK INDEX
1	Travel/Vacation/ Timeshare	2.7%	\$5,000	62.2%	262.5
2	Advance Fee Loan	6.5%	\$1,450	71.1%	211.8
3	Romance	1.9%	\$4,000	48.2%	118.6
4	Cryptocurrency	2.1%	\$3,617	48.3%	115.3
5	Employment	16.3%	\$1,550	10.2%	81.4
6	Online Purchase	23.9%	\$102	85.9%	66.6
7	Home Improvement	3.2%	\$700	65.9%	46.3
8	Tech Support	2.9%	\$801	30.0%	22.0
9	Fake Invoice	2.7%	\$684	31.6%	18.7
10	Credit Card	2.4%	\$204	35.3%	5.6
ALL CANADIAN REPORTS		-	\$315	42.8%	
ALL BBB REPORTS		-	\$212	35.1%	

Please note that scam types with less than 25 reports were not included in this list.

¹ The median dollar loss for investment scams was \$16,322, but was not included in the list of riskiest scams because less than 25 reports were submitted for this scam type.

² All dollar amounts are in Canadian, including median loss for all BBB reports.

SNAPSHOT OF 2019: CANADA

Risk Report Highlights

▲
42.8%

Susceptibility

VS

39.8%
in 2018

▲
\$315

Median Dollar Loss

VS

\$216
in 2018

BBB* Risk Index

A Three-Dimensional Approach to Measuring Scam Risk

To better understand which scam types pose the highest risk, this report assesses scams based on three factors:

- **Exposure**
(volume of reports, as a percentage)
- **Susceptibility**
(per centage of those exposed who fell for the scam)
- **Monetary Loss**
(median dollar amount of losses reported)

By combining these three factors, we gain a more meaningful picture of scam risk that goes beyond merely the number of reports received. We call this unique formula the BBB Risk Index.



Online Purchase

MOST COMMON SCAM (LARGEST EXPOSURE) AND SCAM TYPE WITH THE MOST VICTIMS (HIGHEST SUSCEPTIBILITY)



Phone

TOP
MEANS OF
CONTACT



Credit Card

TOP
PAYMENT
METHOD



Website

TOP MEANS
OF CONTACT
WITH A
MONETARY
LOSS

**BBB RISK
INDEX**



EXPOSURE



SUSCEPTIBILITY



MONETARY
LOSS



**RISKIEST
SCAMS**

TIPS FOR AVOIDING SCAMS

#1

TRAVEL/VACATION/TIMESHARE SCAMS

Be Careful When Booking Online Travel

Scammers target people looking for great deals online by offering tempting vacation packages at unrealistically low prices. That's why it is important to do your research first. **BBB.org** is a great resource for finding travel agencies, agents and websites that are reputable and dependable.



Tips for a worry-free vacation:

- ▶ Be wary of unrealistic deals.
- ▶ Do your homework.
- ▶ Pay with a credit card.

#2

ADVANCE FEE LOAN SCAMS

Beware of Up-front Fees Required for Loans

Requiring advance fees for loans is illegal in Canada. In Canada and the United States, it is illegal for companies doing business by phone to promise a loan and require payment before they deliver.



Tips for avoiding advance fee loan scams:

- ▶ Clarify vague or unclear fees.
- ▶ Avoid guarantees and unusual payment methods.
- ▶ Do your research.

#3

ROMANCE SCAMS

Never Send Money to Someone You Have Not Met

The likelihood of losing money to a scammer is higher for individuals who are single, divorced or widowed because many felt they did not have anyone with whom to discuss their experiences and hesitations.³



Tips for avoiding romance scams:

- ▶ Never send money to someone you have not met.
- ▶ Do not share personal or financial information on dating sites.
- ▶ Be wary of people who cannot meet you in-person.

#4

CRYPTOCURRENCY SCAMS

Be Careful When Dealing with Cryptocurrency

Unlike money stored in a traditional bank account, which is insured against theft, digital assets such as cryptocurrency cannot be retrieved and transactions cannot be reversed in the case of theft or cyber hacking.



Tips for avoiding cryptocurrency scams:

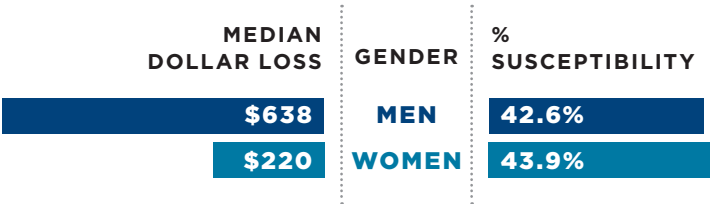
- ▶ Learn how these digital assets work.
- ▶ Research the exchange site or person with whom you are doing business.
- ▶ Understand the risks.

See **BBB.org/ScamTips** for additional tips to avoid scams.

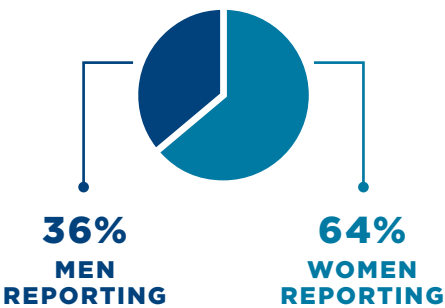
DEMOGRAPHIC HIGHLIGHTS FOR SCAMS IN CANADA

Based on BBB Scam Tracker data, women were slightly more susceptible to losing money to scams, but men lost significantly more money. This may be related to the scam types that impact more men versus women.

MEDIAN DOLLAR LOSS AND SUSCEPTIBILITY BY GENDER

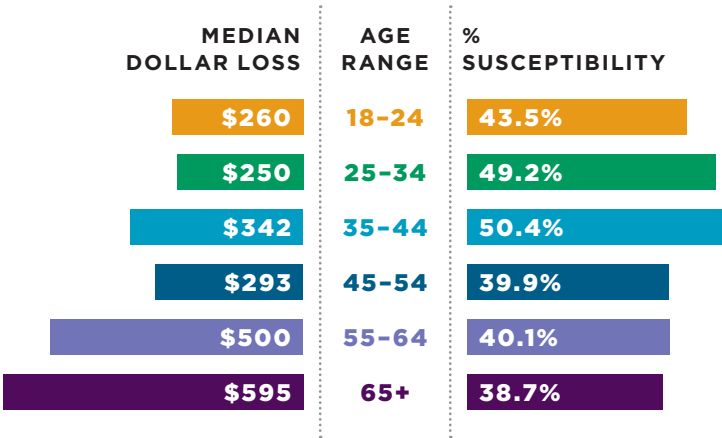


REPORTING % BY GENDER



While younger individuals were more likely to lose money to scammers than older people, younger consumers lost less money to scammers than older consumers. This is consistent with findings in previous *BBB Scam Tracker Risk Reports*.⁴

MEDIAN DOLLAR LOSS AND SUSCEPTIBILITY BY AGE



⁴ While we are unable to extrapolate the riskiest scam types by age or gender when analyzing only the Canadian data, when the data is coupled with U.S. data we find that older adults tend to lose more money to scams such as investment, romance, and travel/vacation/timeshare scams. These scam types typically result in a higher median loss.



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ABOUT BBB SCAM TRACKER*

BBB Scam Tracker is an online tool that enables consumers and businesses to look up and report scams to the Better Business Bureaus (BBB) and warn others about similar cons. By using technology to collect scam reports from consumers and businesses, and utilizing the power of our network of Better Business Bureaus working in communities across North America, BBB Scam Tracker maximizes our efforts to educate consumers and stop fraudsters.

The scam reports submitted to BBB Scam Tracker are made available to the general public via an interactive website (**BBB.org/ScamTracker**). Consumers can search by key word, type of scam, date, or even by a searchable heat map. This enables users to zoom in on scams reported in their communities. BBB uses this information to work with both consumers and businesses to fight back against scammers who steal billions and erode marketplace trust.

SCAM RESOURCES

BBB Scam Tracker:
BBB.org/ScamTracker

*Report scams and read
about others' experiences*

BBB Scam Tips: **BBB.org/ScamTips**
*Definitions and tips for
30 different types of scams*

Canadian Anti-Fraud Centre:
AntiFraudCentre.ca

Competition Bureau Canada:
CompetitionBureau.gc.ca

**Royal Canadian
Mounted Police:**
RCMP-GRC.gc.ca

BBB.org/RiskReportCanada

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