

Scams awareness: Lottery scams campaign strategy

Launch date: Monday 30 November 2009

Background

The Office of Fair Trading (OFT) defines a mass marketed scam as: 'A misleading or deceptive business practice where you receive an unsolicited or uninvited contact and false promises are made to con you out of your money'. Types can include: Prize draw/sweepstake scams, foreign lottery scams, miracle health cure scams, vehicle matching scams, working from home scams etc.

Our *Research on impact of mass marketed scams* (OFT883, December 2006) found that three million UK consumers lose a total of £3.5 billion to mass marketed scams every year. Furthermore, this figure only highlights the financial cost by scams whilst detriment can be much higher when the emotional impact of scams is taken into account.

Almost half the UK adult population is likely to have been targeted by a scam, and around 8 per cent admit to being a victim of a scam at some time. We estimate 6.5 per cent of the UK adult population fall victim to scams per annum.

Older consumers are more likely to be targeted by a scam. Although, there is no evidence to suggest that older people are more likely to be victims. Victims are most common in the 35 to 44 years age group but the highest amounts lost per scam tend to be among older victims. All social economic groups are targeted by scammers, with specific scams focussing on certain groups, for example, investment scams.

Our *Psychology of scams research* (OFT1070, May 2009) provides some insight to their success by highlighting that scammers use the same approach as legitimate equivalents, or by copying earlier scams. They also ensure their scams convey a sense of trust and authority, and try to affect sensible decision making processes by offering huge rewards.

Campaign overview

This campaign is being carried out in conjunction with our 12-month scams awareness campaign plan - www.offt.gov.uk/campaigns - and will focus on lottery scams.

Lottery scams are usually based outside the UK, although they may use fake UK addresses. Consumers receive a letter, telephone call or email telling them that they have won a major cash prize in a lottery. They will often be told to telephone a sales agent who will ask the victim to send money - often by money transfer - to cover administration, customs and taxes. The winnings do not exist and are never received.

According to our *Research on impact of mass marketed scams* (OFT883, December 2006):

- Foreign lottery scams cost the UK public an estimated £260 million per year.
- An estimated 140,000 adults fall victim to these scams every year.
- The average loss per victim is £1,900.
- 58 per cent of victims were aged between 35 and 64 years.
- 24 per cent of victims were over 65 years.

From January to September 2009, Consumer Direct received approximately 4,000 complaints about lottery scams.

Our *Psychology of scams research* (OFT1070, May 2009) found that the psychological techniques use by scammers in lottery scams include:

- **Triggering visceral processing by reference to winning very high prizes.** That is, exploiting our basic human desire and needs by making us focus on the huge prize/benefits.
- **Escalating commitment.** For example, there is often no request for money in the initial communication. However, there's a request to contact an agent who will ask for a processing fee/taxes/ or release fee. If paid, they will ask for further payments.
- **Background knowledge and overconfidence.** For example, they look real and can claim to be part of reputable lotteries - the Spanish El Gordo Lottery, or the UK National Lottery.

- **Perception of authority.** They try to establish authority in their communications - for example, stating that the email is from 'From the desk of the Vice President'.
- **Avoidance of social influence.** The scammers tell the recipients to keep the offer confidential.
- **Urgency to respond.** The scammers stress the urgency to respond in order to reduce motivation for information processing.

Some older victims have also been further exploited as 'money mules' to help defraud other consumers – see our press release:

www.oft.gov.uk/news/press/2008/124-08

The aim of this campaign is to raise awareness to help consumers recognise lottery scams and help prevent them from being scammed.

This campaign will also complement the existing work of organisations working nationally and locally to raise awareness of scams issues, for example, local authority Trading Standards Services (TSS).

Strategic objective

- To help minimise consumer detriment by reducing the number of people falling victim to mass marketed scams, in this case, lottery scams.

Communications objectives

- To raise general awareness of lottery scams.
- To raise awareness of current trends in lottery scams, for example, the Jamaican lottery scam
- To help consumers identify lottery scams.
- To help consumers resist the persuasive tactics used by the scammers.

Target audience

Primary

- UK consumers aged 35 years+ in all socio economic groups. However, consumers in socio economic groups D and E are most likely to be targets and victims of lottery scams.

Secondary

- Current organisations/stakeholders working to raise awareness of lottery scams issues.
- All UK consumers.

Key messages

- Don't let them con you. Ask yourself: How can I win a lottery prize if I haven't bought a ticket?
- Never send money upfront to claim a lottery prize. A genuine lottery would never ask you to pay fees or taxes before you could claim your winnings.
- Never reveal your credit card or bank account details unless you're sure who you're dealing with.
- Tell your friends and family if you discover a lottery scam.
- If you think you have been a victim of a lottery scam, or suspect one, visit www.consumerdirect.gov.uk/lotteryscams for clear, practical consumer advice.

Activities

Budget: £60k

PR

Scams is a popular media subject. A national PR campaign can be developed to raise awareness of the issues. It should also extend to local PR via organisations working towards the same goal within in their local communities. We should therefore develop a short campaign briefing tool for dissemination to stakeholders and potential campaign partners.

Potential partners should include The National Lottery Commission and Camelot.

Online marketing

Online promotion will also be used to drive traffic (35 to 64 years audience) to www.consumerdirect.gov.uk/lotteryscams

Appropriate channels will be selected for the target audience but could include:

- pay per click advertising
- viral seeding/social media penetration - for example, Facebook groups, blogs, chatrooms
- search engine optimisation
- links from websites of stakeholders/partner organisations

An integrated metrics plan will also be included to measure its success.

Collateral

We will maximise the use of our existing awareness raising collateral:

- OFT831 Scambusters booklet - for general audience.
- OFT831w (Welsh version).
- OFT972 Can you stop the person you care for from being scammed booklet - for carers, family, and friends of the 65 years + audience.
- OFT972w (Welsh version).
- OFT1044 Bookmark - primarily for the 65 years + audience, but can also be used for the general audience.
- OFT1053 Don't let them con you DVD - for general audience and practitioners.

Interactive scam guide

- available via www.consumerdirect.gov.uk/lotteryscams - highlights the persuasive tricks scammers use in a lottery scam mailing.

Evaluation

- We will carry out a pre and post campaign omnibus survey to measure awareness levels and the impact of our activities.
- We'll also measure the success of our online marketing via an integrated metrics plan.
- Popularity of collateral will be monitored via orders to our mailing house.
- We will also measure the effects/impact of the campaign via a survey of our stakeholders/partner organisations.

Stakeholders/partner organisations - tbc

Camelot

National Lottery Commission

Action on Elder Abuse

Carers UK

Charity Commission

Citizen's Advice

Community Care.co.uk

Consumer Direct

Consumerline

Co-op Bank

Counsel and Care

Help the Aged – Senior Link and Handy Van schemes (Help the Aged now merged with Age Concern)

MoneyGram

National Association of Care Catering (meals on wheels)

Neighbourhood Watch

Trading Standards Institute

Trading Standards Services

Western Union

Victim Support

Which?

Scams Enforcement Group members:

Bristol TSD

Bromley TSD

Suffolk TSD
North Yorkshire TSD
West Sussex TSD
Northern Ireland TSD
Carmarthenshire TSD
North Lanarkshire TSD
Lincolnshire TSD
Liverpool TSD
Nottinghamshire TSD
Durham TSD
Staffordshire TSD
Surrey TSD
Redcar-Cleveland TSD
Solihull TSD
Kent TSD
Wirral TSD
LACORS
SOCA
City of London police
Met Police
Lincolnshire police
Derbyshire police
Gambling Commission
BIS
PhonePayPlus
ASA
OFCOM