CONSUMERS
INTERNATIONAL
CONGRESS 2023

GLOBAL STATEMENT

STOPPING ONLINE SCAMS

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GLOBAL STATEMENT - STOPPING ONLINE SCAMS

As organisations that represent the interests of consumers across the globe, working through Consumers International, we call on governments to require technology platforms to take effective action to protect consumers from scams.
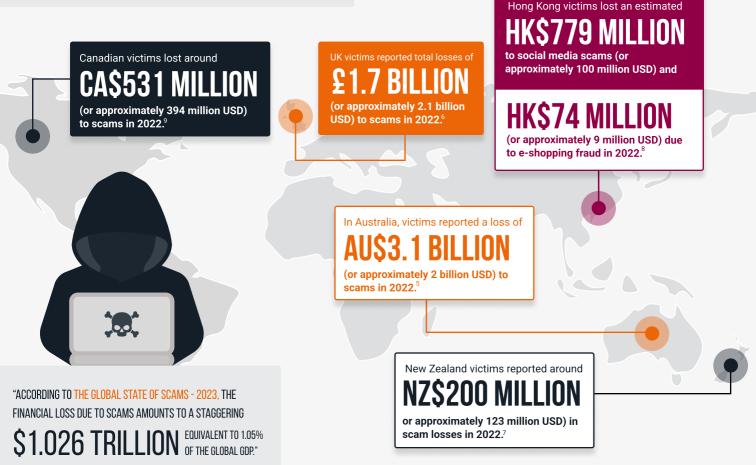
Online scams are on the rise, but global technology companies are failing to detect and prevent scams from reaching consumers through their platforms. Scammers are exploiting lax technology platform protections to easily and cheaply target consumers through social media services, online ads, marketplaces and over-the-top messaging services. These scams are often sophisticated, highly targeted and difficult for consumers to detect.

The rise in scams is a global problem, causing consumers immense financial, emotional and psychological harm. According to the Global State of Scams - 2023, the financial loss due to scams amounts to a staggering $1.026 trillion, equivalent to 1.05% of the global GDP.[1]

Only 7% of victims recover their lost funds.[2] Consumers also experience emotional and psychological harm globally due to scams like emotional turmoil, shame, loss of confidence and other forms of distress.[3] Almost 3 out of 5 (59%) of scam victims report a substantial emotional impact, signifying the widespread emotional repercussions.[4]

MONEY LOST TO SCAMS BY MARKET

Canadian victims lost around
CA$531 MILLION
(or approximately 394 million USD) to scams in 2022.[9]

UK victims reported total losses of
£1.7 BILLION
(or approximately 2.1 billion USD) to scams in 2022.[6]

Hong Kong victims lost an estimated
HK$779 MILLION
to social media scams (or approximately 100 million USD) and

HK$74 MILLION
(or approximately 9 million USD) due to e-shopping fraud in 2022.[8]

In Australia, victims reported a loss of
AU$3.1 BILLION
(or approximately 2 billion USD) to scams in 2022.[5]

New Zealand victims reported around
NZ$200 MILLION
or approximately 123 million USD) in scam losses in 2022.[7]

"ACCORDING TO THE GLOBAL STATE OF SCAMS - 2023, THE FINANCIAL LOSS DUE TO SCAMS AMOUNTS TO A STAGGERING
$1.026 TRILLION EQUIVALENT TO 1.05% OF THE GLOBAL GDP."

WE ARE CALLING ON GOVERNMENTS TO ENSURE ADEQUATE PROTECTION AGAINST THE GROWING RISKS OF SCAMS ON TECHNOLOGY PLATFORMS. GOVERNMENTS SHOULD REQUIRE PLATFORMS TO TAKE EFFECTIVE ACTION IN THE PREVENTION, DISRUPTION AND DETECTION OF SCAMS, WHICH SHOULD BE CONTINUALLY IMPROVED. THERE SHOULD BE SIGNIFICANT CONSEQUENCES IF TECHNOLOGY PLATFORMS FAIL TO MEET THE FOLLOWING ESSENTIAL REQUIREMENTS:

PREVENTATIVE MEASURES

Enhanced Verification Procedures:

Implement stringent and globally consistent verification processes to validate the authenticity of apps, advertising accounts and ads.

Ad Policies and Screening:

Enforce strict ad policies, thoroughly screen advertisements and product listings, and block potentially fraudulent content.

Collaboration with other Services and Authorities:

There are opportunities to prevent scams if governments enable scam data and trend information sharing between technology platforms, governments and other businesses in the scam ecosystem (such as payment providers, internet infrastructure providers and telecoms companies).

There are also opportunities to partner with law enforcement agencies to identify and shut down global scam networks operating on a platform.

DISRUPTION & DETECTION STRATEGIES

Advanced Monitoring Systems:

Employ new technologies to monitor and flag suspicious activities, patterns, and content associated with scams

Prompt Content Removal:

Swiftly remove or suspend fraudulent accounts, ads, or content upon detection, disrupting ongoing scam operations.

Education and Awareness:

Provide clear guidelines and routes on how to report scams, what to do if a consumer has been scammed, and how to identify potential scams. The data that is collected from user reporting should be used to understand fraud practices and continuously improve prevention processes.

APPROPRIATE RESPONSE AND SUPPORT

Clear Reporting Channels:

Establish and promote clear reporting channels for users to report scams, ensuring a timely and effective response

Victim Support Services:

Provide accessible and comprehensive support services for victims, including notification, guidance, resources for recovery, and legal assistance.

Transparency and Accountability:

Maintain transparent protocols for addressing reported scams and be accountable for the resolution process.

SIGNATORIES

This statement is supported by the following organisations:

CONSUMERS INTERNATIONAL
(INTERNATIONAL ORGANISATION)

CHOICE
(AUSTRALIA)

consumer.
(NEW ZEALAND)

BEUC The European Consumer Organisation
(THE EUROPEAN CONSUMER ORGANISATION)

(YEMEN)

Consumer Council of Zimbabwe
(ZIMBABWE)

CONSUMER RIGHTS JAPAN
(JAPAN)

CONSUMER VOICE
(INDIA)

CONSUMERS' FEDERATION OF AUSTRALIA
Developing and promoting the consumer interest
(AUSTRALIA)

FOMCA
(MALAYSIA)

CONSUMERS KOREA
(SOUTH KOREA)

euroconsumers
(EUROPEAN ORGANISATION)

消費者委員會
CONSUMER COUNCIL
香港 · HONG KONG
(HONG KONG)

CONSUMER COUNCIL OF FIJI
(FIJI)

CERC
SINCE 1978
(INDIA)

testachats testaankoop
(BELGIUM)

ALTROCONSUMO
(ITALY)

DECO PRO Teste
(THE PORTUGUESE ASSOCIATION FOR CONSUMER PROTECTION, PORTUGAL)

teCheck
Organización de Consumidores en Línea A.C.
(TEC-CHECK DIGITAL CONSUMER ORGANISATION, MEXICO)

FORBRUKERRÅDET
(NORWEGIAN CONSUMER COUNCIL, NORWAY)

FORBRUGERRÅDET tænk
(DANISH CONSUMER COUNCIL, DENMARK)

Which?
(UK)

ocu
(ORGANISATION OF CONSUMERS AND USERS, SPAIN)

CONSUMERS COUNCIL OF CANADA
(CANADA)

consumer action law centre
(AUSTRALIA)

APPENDIX

⚠️ THE ESCALATING PROBLEM OF ONLINE SCAMS

PSYCHOLOGICAL TACTICS

Scammers exploit victims' emotional vulnerabilities, engaging them when they are stressed, tired, or distracted, and manipulate psychological biases to reduce victims' ability to question the scam.[10]

REVICTIMISATION

A pattern of scammers revictimising individuals is evident globally, with a rate of 1.5 revictimisations per person across most countries, notably higher in some, like Kenya and Nigeria.[11]

UNDERREPORTING CHALLENGES

59% of respondents refrain from reporting scams due to complexity and uncertainty, leading to underreporting and a challenge in effective scam resolution.[12]

EMOTIONAL TOLL

59% of scam victims report a substantial emotional impact, signifying the widespread emotional repercussions that transcend geographical boundaries.[13]

The laws for digital platforms should be supported by appropriate rules for other parts of the scams ecosystem. Consumer organisations support timely reimbursement from banks and relevant payment institutions when their customers are victims of payment fraud.

[1] Global Anti-Scam Alliance, 2023, The Global State of Scams Report, accessed on 7November 2023, https://www.gasa.org/product-page/global-state-of-scams-report-2023"

[2] Global State of Scams Report.

[3] Which?, December 2022, The Psychology of Scams Report - Understanding why consumers fall for APP scams. https://www.which.co.uk/policy-and-insight/article/the-psychology-of-scams-aizJj8F0E4rY

[4] Global State of Scams Report.

[5] Australian Competition and Consumer Commission, April 2023, Targeting scams Report of the ACCC on scams activity 2022, accessed on 6 November 2023, https://www.accc.gov.au/system/files/Targeting%20scams%202022.pdf

[6] The Psychology of Scams Report.

[7] Ministry of Business, Innovation and Employment, November 2023, 198 million dollars lost to scams in the last year, accessed on 20 November 2023, https://www.mbie.govt.nz/about/news/198-million-dollars-lost-to-scams-in-the-last-year/

[8] Cyber Defender, 2023, Technology Crime Figures, accessed on 10 November 2023, https://cyberdefender.hk/en-us/statistics/

[9] Royal Canadian Mounted Police, July 2023, Canadian Anti-Fraud Centre's fraud reporting datasets mark first RCMP addition to Open Government Portal, accessed on 4 December 2023 https://www.rcmp-grc.gc.ca/en/news/2023/canadian-fraud-centres-fraud-reporting-datasets-mark-first-rcmp-addition-open-government.

[10] The Psychology of Scams Report.

[11] Global State of Scams Report.

[12] Global State of Scams Report.

[13] Global State of Scams Report.