



Avoid Online Purchase Scams

New Research from

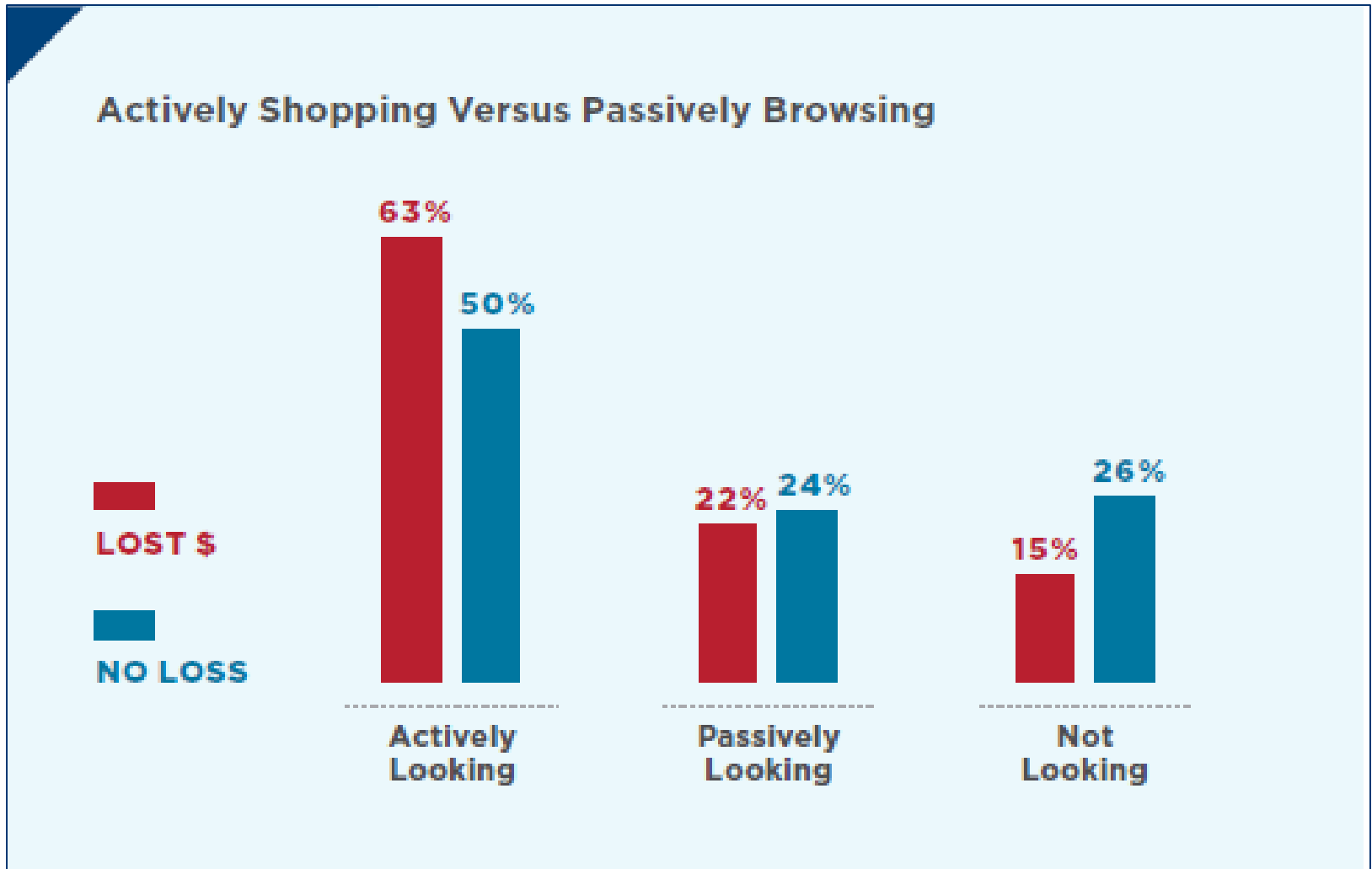
The Better
Business Bureau





- 40,000 online purchase scam reports submitted 2015-2020
- 2015: Just 13% of scams with a monetary loss
- 2020: Jumped to 64% (average loss \$93)

Active v. Passive Browsing



Top Platforms

Reported by Consumers Who Lost \$ and Didn't Get It Back

Top Online Platforms Reported by Consumers Who Lost Money

Where did you first see the product advertised?


All Consumers	Consumers Who Were Actively Searching	Consumers Who Were Passively Searching or Not Searching
1 Facebook 30%	Google 40%	Facebook 50%
2 Google 28%	Direct to a Website 23%	Instagram 15%
3 Direct to a Website 17%	Facebook 18%	Google 8%
4 Instagram 9%	Instagram 5%	Direct to a Website 6%
5 Email 2%	Craigslist 2%	Email 3%

Please note that the sum is not 100 percent as there are other places people saw the product advertised.

Motivations for Engaging



Sales price was the #1 reason victims purchased a product and lost money (pre- and since COVID).

A light blue surgical mask with white ear loops is centered in the image. The mask is slightly wrinkled and has a white elastic band on each side. The text is overlaid on the mask.

Availability of items
such as masks and wipes
was the #2 motivating
factor following COVID.

Pictures on a website...

#1 motivating factor for purchases of pets and clothing accessories.



#2 motivating factor for motor vehicles.



Are Free Trials Really Free?



Medical/nutrition and skincare products often come via free-trial offers.

Risk Rises During the Holidays

...because more people are making online purchases and scammers offer popular products.



Riskiest Product Categories

Riskiest Product Categories Overall

RANK

CATEGORY

RISK INDEX SCORE

\$ Loss

■ % Exposure

■ % Susceptibility

▶ The riskiest product category by far was pets and pet supplies.

1

Pets and Pet Supplies

\$660

25.2%

67.2%

2

Motor Vehicles (includes parts)

\$395

8.6%

43.2%

3

Medical/Nutrition

\$116

6.6%

83.2%

4

Clothing/Accessories

\$50

13.0%

90.6%

5

Skin Care

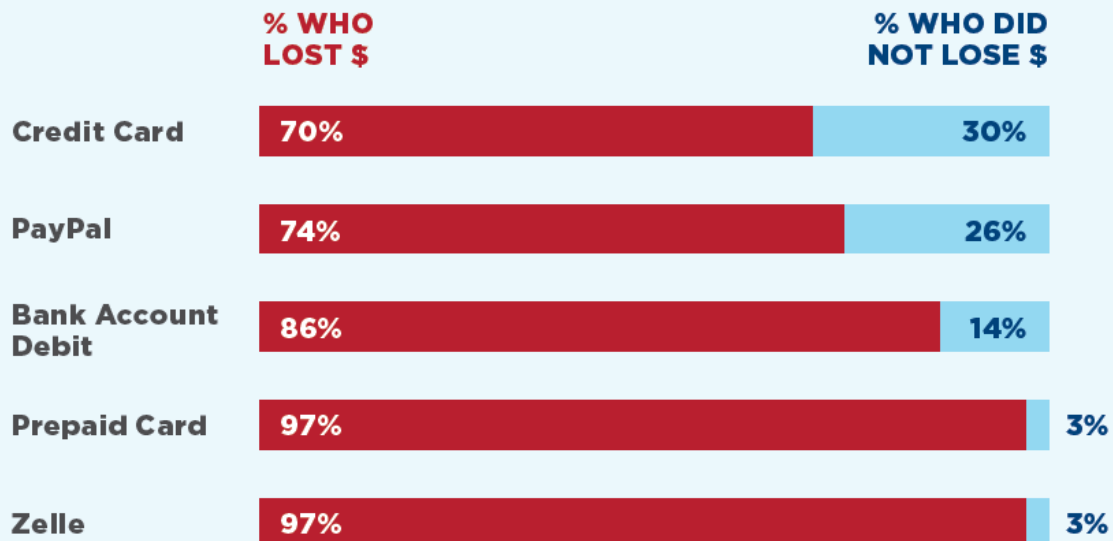
\$179

3.3%

84.1%

Top Payment Methods

% of Consumers Who Lost \$ Versus **% Who Did Not Lose \$**
to an Online Purchase Scam by Payment Type



Those who paid with PayPal or credit card were less likely to lose money.

**73% of
scam victims
paid but did
not receive
the product.**





Shipment Tracking

59% received shipping information.

More than half of those said it was fake.



Time Lost

62% attempted to contact the seller more than 3 times; 25% reached out 2-3 times.



- **Young people** are the most susceptible to scams, and the risk of falling for a scam decreases with age.
- **Older consumers** are less susceptible to scams but, when they do fall for a scam, they lose more money.




Military consumers are more susceptible overall, with military spouses and veterans more likely to lose money.

The **median dollar loss** for all military consumers is higher than non-military consumers: **active duty (\$109)**, **military spouses (\$96)**, and **veterans (\$98)**.

Gender

A photograph of a man and a woman looking at a laptop screen in a kitchen. The woman has curly hair and is wearing glasses and a purple top. The man has short hair and a beard, wearing a blue denim shirt. The background shows a kitchen with a range hood and some items on a counter.

Women are more likely to lose money (80.9%) than men (73.9%), but men lose more money (\$100) than women (\$80) for this scam type.

A close-up photograph of hands typing on a laptop keyboard. The focus is on the fingers and the keys, with the rest of the laptop and the person's face blurred.



Online Shopping Frequency

Consumers increased their frequency of online shopping following the outbreak of COVID.

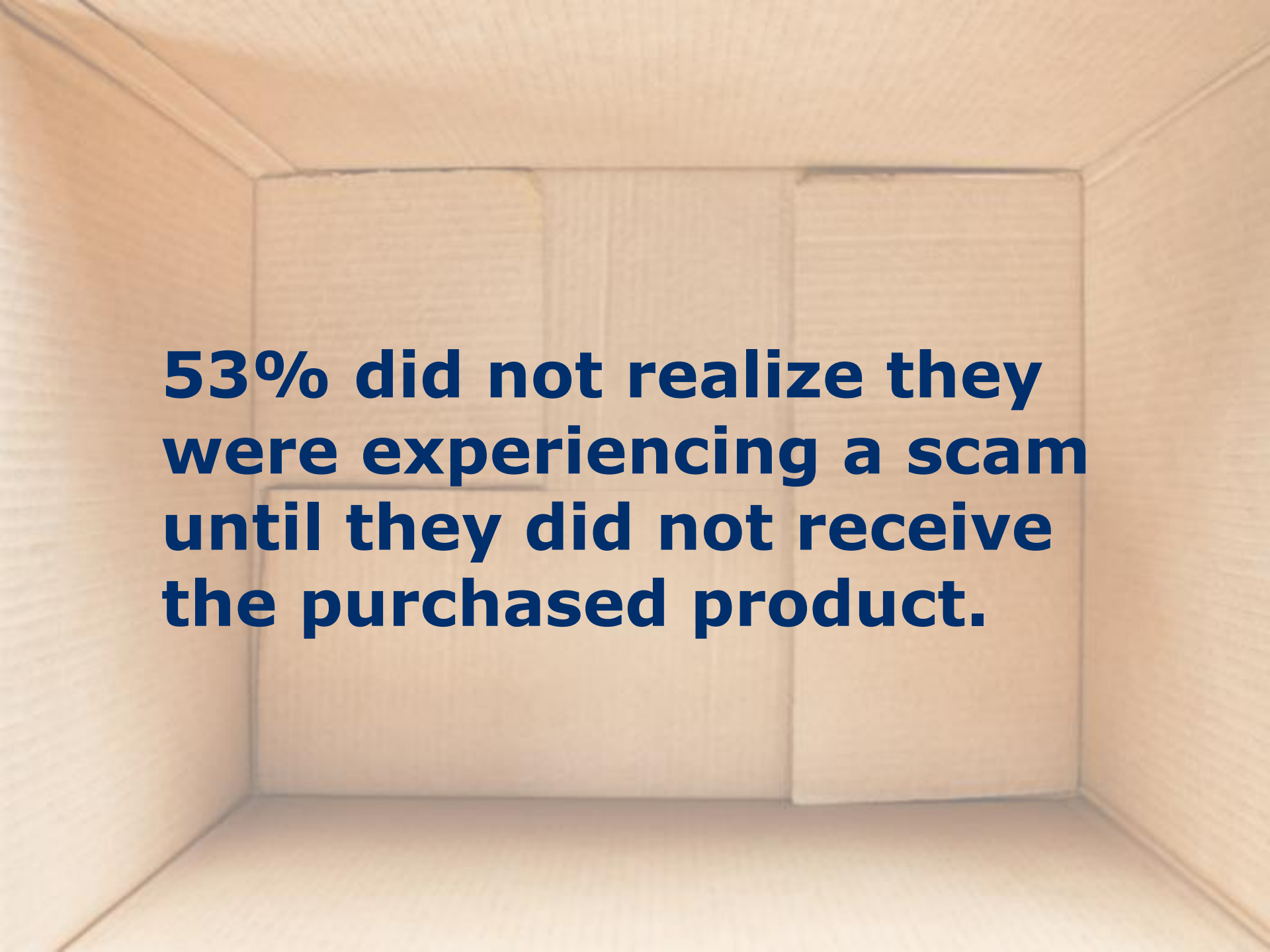
Those who shopped online weekly increased from 29% pre-COVID to 37% since COVID.



83% lost \$
shopping
online DUE to
COVID

VS.

77% who
lost \$ NOT
DUE to COVID

An empty, light-brown cardboard box is shown from a top-down perspective. The box is open, and the interior walls and floor are visible. The text is centered on the top surface of the box.

53% did not realize they were experiencing a scam until they did not receive the purchased product.

Factors Preventing Monetary Loss

I felt something wasn't right about the situation.



I checked the background of the scammer.



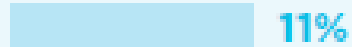
My bank (or other financial organization) stopped the transaction.



I knew about the methods and behaviors of scammers in general.



I researched the type of scam/offer I was targeted for.



I had experience with scams.



I knew about the particular type of scam.




Prevention Factors



Do Your Research

Out of the 57% who did NOT research the website or business via an independent source before making a purchase, **81% lost money.**



Those who were aware of online purchase scams prior to being targeted were less likely to lose money (77%) than those who were not aware (82%).

gettyimages
tanabe

25TH

Structural Interventions Work

10% of victims said an organization, company, or agency tried to intervene.



40% of them were able to avoid losing \$ - mostly thanks to banks!



Impact of Accreditation Seal

Those who did NOT lose money were 22% more likely than those who did to say the BBB Accredited Business seal helps them decide who to trust online.

Tips

INSTITUTE for MARKETPLACE TRUST
BBB

How to Avoid Online Purchase Scams

What is an Online Purchase Scam?
Online purchase scams typically involve the purchase of products and/or services where the transaction occurs via a website or other online means. Scammers utilize online technology to offer attractive deals, but once the payment is made no product or service is delivered. In another version, fraudsters pretend to purchase an item only to send a fake check and ask for a refund or the "accidental" overpayment; by the time the victim realizes the check is bad they've already sent the funds from their account.

Online Purchase Scam FINDINGS

Online purchase scams were **among the top three riskiest scams** in 2017, 2018, and 2019.

Low price was the top reason victims purchased a product online and lost money.

73% of online purchase scam victims **paid but never received a product.**

63% of those who lost money **were actively searching for a product** when they lost money to an online purchase scam.

9 Online Purchase Scam Prevention Tips

- 1** **If the deal looks too good to be true, it probably is.**
The top motivating factor for people who made a purchase and then lost money was price. Don't shop on price alone.
- 2** **Before you buy, do your research.**
Out of the 57 percent who did not research the website or business via an independent source before making a purchase, 81 percent lost money.
- 3** **Beware of fake websites.**
Check the URL for errors/inconsistencies. Watch for bad grammar. Beware of new domain names. Search for accessible contact information. Read online reviews about the company and/or website.

LEARN MORE AT: [BBB.org/OnlinePurchaseScams](https://www.bbb.org/OnlinePurchaseScams)

- Don't react quickly to great deals.
- Do your research.
- Beware of fake websites.
- Proceed with caution during the holidays.

BBB.org/ShopSafe

