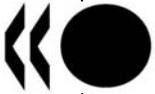


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**DIRECTORATE FOR SCIENCE, TECHNOLOGY AND INDUSTRY
COMMITTEE ON CONSUMER POLICY**

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**EXAMINING CONSUMER POLICY:
A REPORT ON CONSUMER INFORMATION CAMPAIGNS CONCERNING SCAMS**

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FOREWORD

This report was prepared by the UK Central Office of Information (COI), under the supervision of the UK Department of Trade and Industry and with input from member countries and the Secretariat.

At its 70th Session on 24-25 October 2005, the Committee on Consumer Policy agreed to declassify the report by written procedure, which was completed on 19 December 2005.

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TABLE OF CONTENTS

FOREWORD	2
EXAMINING CONSUMER POLICY: A REPORT ON CONSUMER INFORMATION CAMPAIGNS CONCERNING SCAMS EXECUTIVE SUMMARY	4
1. PROJECT BACKGROUND.....	6
1.1 Project approach	6
2. BACKGROUND INFORMATION ON SCAMS	7
2.1 Definition.....	7
2.2 Examples of scams	7
2.3 Breakdown of different types of scam.....	8
3. THE IMPACT OF SCAMS	9
3.1 The economic cost of scams.....	9
3.2 Why scams succeed.....	10
3.3 Problems preventing scams	10
3.4 Vulnerable groups	12
3.5 Consumer detriment in the wider context.....	13
4. CAMPAIGNS AGAINST SCAMS	14
4.1 Outline of campaigns.....	14
4.2 Evidence of success.....	17
4.3 Existing good practice	18
4.4 Problems with anti-scam campaigns	20
4.5 Towards a new campaign model	21
4.6 The Australian consumer behaviour model.....	23
5. LEARNING FROM OTHER SOCIAL MARKETING CAMPAIGNS.....	25
5.1 Learning from social marketing campaigns	25
5.2 Common features of successful campaigns.....	27
5.3 Limits to comparisons	28
6. CONCLUSIONS: SHARING GOOD PRACTICE	29
All campaigns.....	29
Warning campaigns.....	30
Educating campaigns.....	30
7. RECOMMENDATIONS	32
APPENDIX 1: ANTI-SCAM STRATEGY TOOL.....	33
A1.1 Anti-scam campaign tool	33
A1.2 Using the tool.....	33
APPENDIX 2: GOOD PRACTICE GUIDELINES IN EVALUATING ANTI-SCAM CAMPAIGNS	35

**EXAMINING CONSUMER POLICY:
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EXECUTIVE SUMMARY

- Despite the variety and ingenuity of scams that are found around the world, they fit into a limited number of basic templates.
- Data about scams are rare and inconsistent. However, figures from the United States and the United Kingdom suggest that the direct financial cost of scams runs into billions of euros. The indirect cost – the loss of confidence in the marketplace – is much higher.
- Despite the efforts of many agencies to combat scams, and the high costs involved, there is no evidence that scams are reducing.
- The evidence that one socio-demographic group is more vulnerable than another is mixed. There is general agreement that scams are ever more sophisticated – being fooled by a scam is not a reflection of the education, age, or background of a victim.
- Scams should not be considered in isolation, but as part of a wider strategy to tackle consumer wellbeing.
- Typical anti-scam campaigns are media-focused and short-term. While there are some examples of more strategic approaches, these are the exception rather than the rule.
- In light of the limited data available, it is difficult to be definitive about the success of anti-scam campaigns. There is some evidence that consumers' confidence in dealing with scams is increasing. There is also evidence that consumers believe fraud is becoming more of a problem, although this might actually be a result of better campaigning and higher levels of reporting.
- There is a general view that anti-scam campaigns need to move away from being short-term, reactive and information-led towards being more generic, long-term and skills-based. The skills required in this context centre on consumers' ability to recognise scams, use their judgement before responding to any solicitation and effectively resist suspicious approaches.
- Other examples of social marketing from around the world – where relevant – suggest an approach to anti-scam campaigning that is based on sound research, a clearly identified target market and an effective partnership network. An effective network involves working with organisations from elsewhere in the public sector (including at different tiers of government), the voluntary sector and the private sector to create more effective and cost-effective campaigns.
- A variety of other examples of good practice are highlighted in this report; these can apply to tactical 'warning' campaigns, more generic 'educating' campaigns or across the board.

- Despite this report's suggested approach to the problem, it recognises the limits to the evidence base available. The report makes recommendations for five areas in which practice can be improved to ensure that scams are more effectively understood and that campaigning against them is more integrated. These are: better capturing and sharing of data; better evaluation of campaigns; more international co-operation in combating scams; more research into the psychology of scamming; and better co-ordination of agencies at national level.
- The report contains two appendices to help improve the understanding and execution of anti-scam campaigns. The first suggests some key questions for balancing between 'warning' and 'educating' approaches; the second looks at good practice in evaluation of campaign effectiveness.

1. PROJECT BACKGROUND

1.1 Project approach

The terms of reference for the project were to: review scams as a specific topic within the consumer policy of the Organisation for Economic Co-operation and Development (OECD); identify areas of best practice from campaigns that had succeeded in changing consumer behaviour; and provide resulting practical guidance on running anti-scam campaigns. The research for, and preparation of, this report were conducted by the UK Central Office of Information (COI) with input from the Committee on Consumer Policy.

The original intention of the project was to start examining scams in the United Kingdom by consulting experts and exploring the UK experience of anti-scam campaigns. On the basis of this review, case studies would be built of anti-scam campaigns that had succeeded in changing consumer behaviour. Case study templates could then be circulated to other OECD countries, which would be invited to submit similar case studies from their own experiences. In this way, a good body of evidence for best practice in running anti-scam campaigns would be built up, using a common methodology and approach to data collection.

It became apparent soon into the project that there were no anti-scam case studies in the United Kingdom (or, indeed, elsewhere in the world) that had been evaluated in sufficient detail to demonstrate successful consumer behavioural change.

However, the dialogue with several OECD countries did highlight a considerable amount of anecdotal evidence of what was considered by experts working in the field to be good practice in running anti-scam campaigns. There are also many useful case studies from other social marketing campaigns around the world which have some important lessons for campaigns seeking to combat scams. The evidence base of this report, therefore, is a combination of expert testimony and evaluated public protection campaigns. The conclusions highlight areas where further improvements could be made in running anti-scam campaigns and suggest ways to improve our understanding of both scams and anti-scam campaigns.

2. BACKGROUND INFORMATION ON SCAMS

2.1 Definition

For the purpose of this report, a scam is defined as:

An unfair or unlawful deception of consumers that causes them financial detriment.

It is important to note what is and is not excluded from this definition.

- While scams can be illegal, they are not necessarily so in all countries.
- The victims themselves must be deceived, not just defrauded. This means that identity theft and credit card fraud are not – in themselves – scams.
- There must be an element of deception in a scam: pressure selling in itself – including doorstep selling – does not qualify.

2.2 Examples of scams

Scams travel well internationally – some are activated from one country and target another; others are transferred when coming to the end of their life cycle in their country of origin. However, despite the variety of scams found in various countries, there are just four main templates being used:

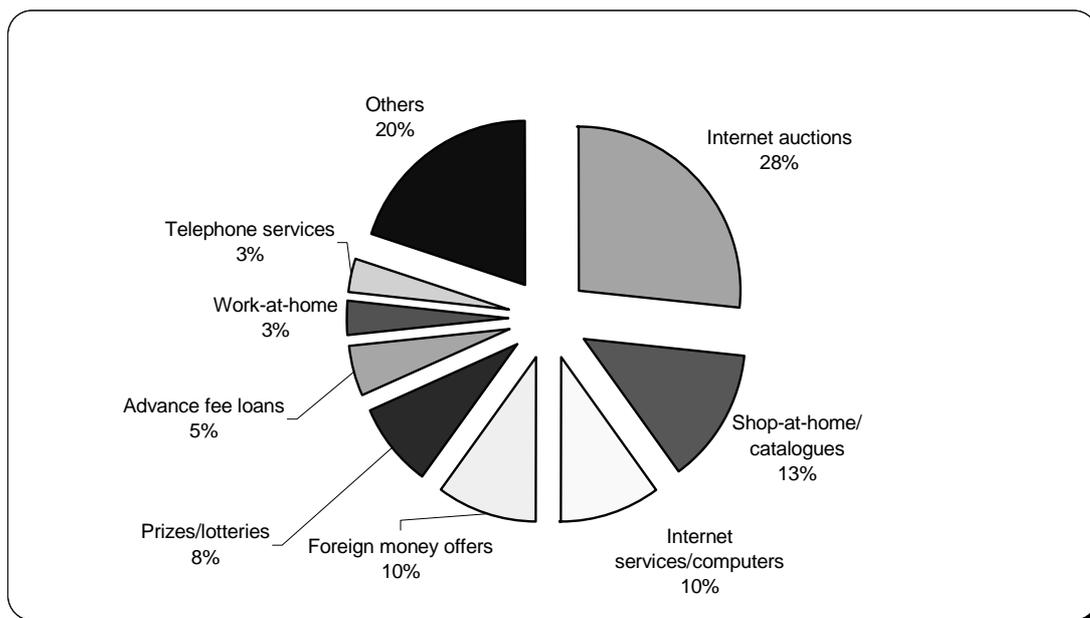
- **Advance fee fraud.** This covers the range of scams where the victim is encouraged to send payment in advance to facilitate a larger payment back. It includes bogus lotteries and prize draws, so-called '419' scams, loans and other financial services. Many work-at-home schemes also follow this format, as do pyramid selling schemes that require payment up front.
- **Mis-sold goods/investments.** This covers those scams where the value of the product purchased does not match the sales pitch. 'Miracle' health cures are one example here; worthless investments (often sold in telephone sales rooms, dubbed 'boiler rooms') are another. The Internet has provided many new opportunities here, as consumers do not have the same expectations of seeing the product before committing to purchase. The increasing popularity of Internet auction sites in particular encourages scammers to explore this area.
- **'Free' offers.** These are incentives given to make a purchase that – on receipt – is not what it seems. Free holidays to timeshare resorts are a key example here.
- **Hidden charges.** Hidden premium rate telephone services (perhaps to claim a prize) are the classic hidden charge scam.

With relatively few basic templates for scams, scammers show considerable ingenuity in creating such a range of different approaches.

2.3 Breakdown of different types of scam

The US Federal Trade Commission (FTC) runs a service called the Consumer Sentinel, which captures data on consumer fraud from several countries. The data provides an overview of which of these various scams are the most prevalent. Excluding identity theft, and judging by the number of complaints, Internet auctions are the most prevalent form of scam.

Figure 1: Consumer Fraud Complaints to Consumer Sentinel, 2004



Source: US FTC Consumer Sentinel.

The size of the opportunities afforded to scammers by the Internet is underlined by the number of complaints connected to Internet auctions. Foreign money scams are also a significant part of the scam mix.

There is inevitably a differing profile to scams in different countries. Research carried out in April 2005 by the UK's Office of Fair Trading (OFT) suggests that the most prevalent scams in the United Kingdom – certainly in awareness terms – are premium rate telephone scams and prize draws/sweepstakes.

3. THE IMPACT OF SCAMS

3.1 The economic cost of scams

There is a lack of data about the impact of scams. Losses can be reported to a variety of agencies in most countries, of which the police are just one. More importantly, scams are not necessarily illegal in all countries and therefore the consumer stands to gain little direct benefit from making a complaint. This is complicated by the fact that victims of scams have 'allowed' themselves to be deceived, and may therefore feel embarrassed about making a complaint.

There are various estimates of the total cost to the consumer of scams, or of some types of scam. These figures are not comparable with each other, but give an idea of the size of the problem in various countries.

- In the United Kingdom, the Office of Fair Trading (OFT) estimates that consumers lose approximately GBP 1 billion (EUR 1.5 billion)¹ to scams each year.²
- The Australian Securities & Investments Commission estimates that AUD 800 million (EUR 509 million) was lost to cold-calling and other financial scams between 2001 and 2003.
- According to a US FTC survey conducted in August 2004, nearly 25 million adults – approximately 11.2% of the US population – lost money from at least one type of fraud in the prior year.

It is generally acknowledged among agencies responsible for tackling scams that the figures quoted underestimate the scale of the problem. As one senior official at the Canadian Competition Bureau has commented:

*There are both direct and indirect costs of fraud. Consumers and businesses suffer direct losses when they are victimised. In addition, the entire economy suffers when confidence in the marketplace erodes due to scams and frauds.*³

The Competition Bureau places such importance on the understanding of the true costs of scams that it has recently engaged a forensic accounting firm to develop a methodology to measure victims' losses incurred as a result of Canadian-based deceptive mass marketing.

1. Conversions as at 26 June 2005.

2. OFT figure published 1 February 2005, based on a variety of sources, including PhoneBusters (the Canadian national call centre for reporting telephone scams); seizures from PO boxes by enforcement bodies; complaints to the Independent Committee for the Supervision of Standards of Telephone Information Services (ICSTIS) about unexpected premium rate call charges; and statistics provided.

3. Interview with Sally Southey, Assistant Commissioner, Communications Branch, Canadian Competition Bureau and Chair of the Fraud Prevention Forum (FPF), 16 June 2005.

3.2 Why scams succeed

The Australian Little Black Book of Scams (LBBS) campaign has identified six psychological triggers that scammers use to succeed:⁴

- **Reciprocation.** The scammer may – early in the transaction – give the victim assistance or a ‘free’ gift. The victim may then feel obliged to offer something in return, even if it is just their attention.
- **Commitment and consistency.** The scammer may try to get the victim to accept a certain proposition, and then refer back to it later to persuade the victim to commit to something further. The social embarrassment of seeming indecisive or inconsistent may drive the victim into the scam.
- **Social proof.** Scammers may refer to other people participating – ‘everyone does it, it must be right’.
- **Liking.** Scammers try to build a rapport – perhaps using humour, or establishing a common background – so they are harder to resist or so the victim’s guard is down.
- **Authority.** Scammers use a natural deference to authority to support their claims or products.
- **Scarcity.** Scammers can play on our fear of missing out by making the offer seem scarce or the decision time frame urgent.

Dr. Peter Lunt, Senior Lecturer in Psychology at University College London, who is investigating the issue of consumer detriment on behalf of the UK OFT, supports this analysis. He argues:

*Essentially they are exploiting – especially in telephone scams – the social conventions of communication, essentially the rules of politeness.*⁵

3.3 Problems preventing scams

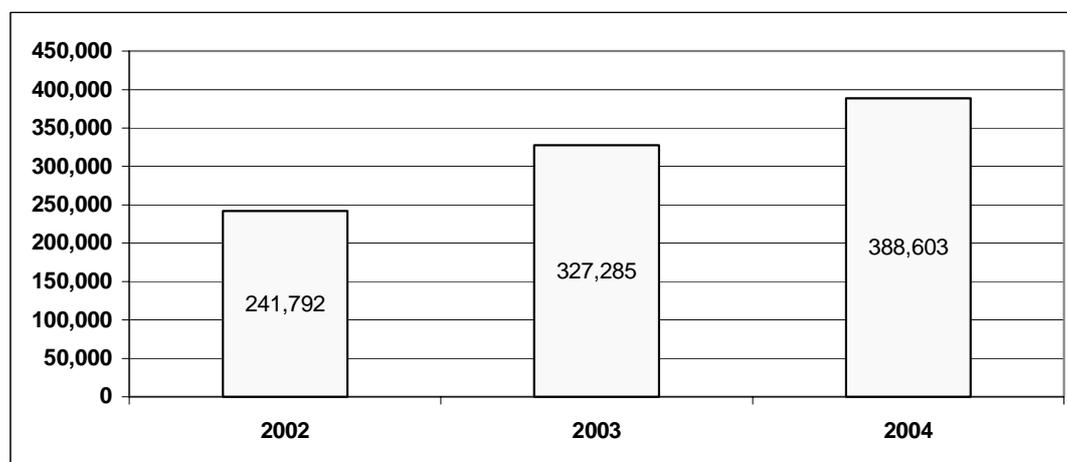
Despite the efforts of enforcement campaigns around the world and various communications campaigns (including both official action and informal bulletin boards and action), scams continue to prosper. The US FTC’s Consumer Sentinel shows rapid growth in the number of complaints about fraud over the period 2001-04. Even if we accept that this dramatic growth might be a reflection of improved reporting methodologies (and therefore a positive thing), consumer fraud is – at best – still a major problem, even if it is not actually a growing one.⁶

4. Taken from Cialdini, Robert, *Influence: The New Psychology of Persuasion*, revised edition, William Morrow and Company, Inc, New York, 1993.

5. Interview, 25 May 2005.

6. Consumer Sentinel figures also show a massive growth in complaints about identity theft – outside the scope of this report, but now the single biggest source of complaints and almost 40% of all consumer fraud complaints.

Figure 2: Complaints to Consumer Sentinel, 2002–04



Source: US FTC Consumer Sentinel.

This research suggests a number of factors contribute to the ongoing success of scammers:

- The existence amongst the public of a group of risk-taking, financially insecure consumers who form a target market.
- The effectiveness of a series of powerful psychological techniques in securing agreement from a victim.
- The existence of a number of long-term, deep-seated beliefs about the nature of financial risk (for example, the belief that all companies and organisations have been vetted by the government or some other authority; or the belief that there exist ‘gurus’ who know secret short cuts to wealth).
- The creation of new opportunities, whether a sham appeal for an international disaster or national tragedies⁷ or the applying of old techniques to new media channels (Internet, mobile telecoms, etc).

Describing the methods and strategies used by scammers, one senior official at the UK OFT has commented:

*Scammers are resourceful, enterprising and manipulative. By exploiting the same routes to market as legitimate business, they damage not only individual consumers, but the interests of fair-trading businesses as well.*⁸

This is a view supported by the Canadian Competition Bureau:

When you think that some of these scammers are hiring people who have business degrees, and psychologists, you realise you are up against very sophisticated criminals. One of the challenges

7. The Canadian PhoneBusters Web site is currently (June 2005) warning about a fake appeal on behalf of police officers killed in Alberta.

8. Christine Wade, Director of Consumer Regulation Enforcement, UK OFT, quoted in an OFT press release, 1 February 2004.

*we face is that often they are not viewed as being serious criminals: but in reality they are thieves in nice clothing.*⁹

3.4 Vulnerable groups

It is often assumed that the elderly are more vulnerable to scams than the population in general. Evidence from around the world is mixed on this subject. The PhoneBusters site reports that 78% of victims reporting lottery and prize telemarketing scams are aged over 60. (Although the proportion in the age bracket of those falling for fraudulent loan schemes is just 4%.)

However, a survey carried out on behalf of the US FTC in 2004¹⁰ showed no increased likelihood of falling victim to a scam with age (Table 1).

Table 1: Percentage of each age range reporting victimisation, United States, mid 2002-mid 2003

Age	%
18–24	8.3
25–34	11.1
35–44	11.1
45–54	8.7
55–65	6.1
65 and over	4.1

Source: US FTC, Consumer Fraud in the United States, August 2004. Based on 1 967 observations.

Indeed, those aged 65 and over are less likely to be victims than other groups in the population. The Canadian Competition Bureau is also of the opinion that anyone can be a victim of a scam; they suggest that some of the misunderstandings around the profile of scam victims come from wealthier and busy young professional victims being less likely to report their loss.

There was also evidence in the FTC survey noted above that those who experienced fluctuation in their income (*i.e.* those who expected their income to rise or fall significantly over the next three years), and those who felt that they had a higher level of debt than they felt comfortable with, were more likely than average to have fallen victim to consumer fraud. The report of the survey hypothesises that consumers who are less certain about their financial future may be more willing to take risks.

However, the FTC survey did find that certain ethnic minority groups were more likely to be victims. In particular, the survey found that Native Americans appeared particularly vulnerable to consumer fraud (Table 2). There is further discussion about the factors that might make certain groups more vulnerable to scams than others in Section 4.6 below.

9. Interview with Sally Southey, Assistant Commissioner, Communications Branch, Canadian Competition Bureau, 16 June 2005.

10. FTC, *Consumer Fraud in the United States*, August 2004. It is worth noting that self-reporting surveys depend on the victims feeling comfortable admitting to the fact that they have been victimised. This is one of the reasons why surveyed evidence of the impact of scams is likely to underestimate the problem; it may also skew demographics.

Table 2: Victims of fraud by ethnicity, United States, mid August 2002-mid August 2003

Ethnic group	%
Hispanics	14.3
African-Americans	17.1
American Indians or Alaska Natives	33.8
Non-Hispanic whites	6.4
Others	7.3

Source: US FTC, Consumer Fraud in the United States, August 2004. Based on 1,967 observations

The FTC survey continues to find differences between ethnic groups, even after controlling for other factors (such as economic certainty). While a note of caution should be sounded over the small sample sizes for ethnic minorities in this survey, there is certainly a case for further investigation.

3.5 Consumer detriment in the wider context

There are a number of voices in consumer policy making the argument that scams should be seen in the wider context of consumer detriment. One senior official at the Australian Competition and Consumer Commission (ACCC) has argued that protecting consumers is as important to the effective operation of markets as encouraging competition.¹¹

However, whereas competition theory is based on a weight of empirical and theoretical research, there is much less research into human behaviour. Crucially, much economic theory makes the assumption that consumers act rationally, when we know that in many cases that is not the case.¹²

The communications challenge this creates is developing anti-scam campaigns that allow for the reality of human behaviour. Merely providing information is not enough; indeed there is evidence¹³ to suggest that naming specific scams can increase their success by giving them name recognition.

The communications challenges of assuming that consumers always behave rationally have also been noted by the Australian Financial Literacy Foundation:

Even well-informed consumers can make bad decisions. Information presumes a logical response. Unfortunately, on many occasions, emotion is a stronger force than logic.¹⁴

11. Interview with Louise Sylvan, Deputy Director, Australian Competition and Consumer Commission, 28 June 2005.

12. The OECD's Committee on Consumer Policy (CCP) has recently begun to study this area. In October 2005, the CCP organised a roundtable discussion between government officials and academic experts on Demand Side Economics for Consumer Policy. Drawing on conventional and behavioural economics, the roundtable sought to deepen understanding of consumer behaviour and decision making. A report of the workshop will be available shortly on the CCP Web site at www.oecd.org/sti/consumer-policy.

13. Skurnik, Yoon, Park and Schwarz, 'How Warnings about False Claims Become Recommendations', *Journal of Consumer Research*, Vol 31, March 2005.

4. CAMPAIGNS AGAINST SCAMS

4.1 Outline of campaigns

Much of the work done in communicating about scams is reactive, triggered by a series of complaints or perhaps an enforcement clampdown. It is difficult to identify many examples of cohesive ‘campaigns’ as opposed to reactive sets of media warnings. There are a number of reasons for this. Responsibilities (and therefore budgets) are generally split between different agencies. Even where agencies are joining up well – and there are examples of good practice here – budgets are often small, with the full cost of the consumer detriment of scams not accurately measured or understood. Action is often triggered by a rash of complaints, which makes the campaign specific and reactive.

Figures 3–6 show details of some recent, identifiable campaigns.

Table 3: Scams Awareness Week

Campaign	UK Office of Fair Trading (OFT) and Department of Trade and Industry, Scams Awareness Week, 2005.
Background/problem	A total of 17 members of the International Consumer Protection and Enforcement Network (ICPEN) co-ordinated scams awareness campaigns in the course of February 2005.
Strategy	The two campaign objectives were: a) educating consumers in how to recognise scams and b) showing that the UK is working as part of an international partnership to deal with fraudulent activities. The main target for the campaign was consumers in the C, D and E socio-economic groups, who are most likely to suffer detriment from small losses due to fraud. The secondary market for the campaign was the media, international partners and unscrupulous businesses.
Campaign	The campaign combined daily news releases throughout Scams Awareness Week with radio advertising, leaflets and posters (distributed through local-level partners), proactive PR work (placing stories) and a Web chat. The key campaign messages were: <ul style="list-style-type: none"> ➤ Top tips to recognise scams. ➤ Failing to recognise a scam doesn't mean you're stupid – they're cleverly written and targeted. ➤ Be sceptical of anything that offers something for nothing. ➤ The UK works with partners across the world to deal with fraudulent activity. ➤ Where to go for help if you've been taken in. ➤ Tell your friends when you discover a scam.
Results	ICPEN will be doing their own evaluation of the campaign. Some UK annual tracking showed that 23% of consumers, when prompted, recalled OFT publicity about ‘avoiding scams’. Benchmarking data about scams – from responses made in 2005 – showed 66% of respondents felt very or quite confident about dealing with scams.

14. Interview with Australian Financial Literacy Foundation, Department of Treasury, 22 February 2005.

Table 4: Recognise It, Report It, Stop It

Campaign	Fraud Prevention Forum (FPF), Recognise It, Report It, Stop It campaigns, 2004–05, Canada.
Background/problem	Initial campaign in the late 1990s targeted senior citizens about the danger of telephone fraud.
Research	Research carried out by the Competition Bureau in the early 2000s showed that all citizens were vulnerable to a variety of new scams including identity theft and Internet scams as well as deceptive telemarketing and mail scams. This research informed a move towards a more widely targeted campaign.
Strategy	The campaign was developed by the Fraud Prevention Forum (FPF) which has grown to become a partnership of more than 40 public sector agencies, consumer groups, not-for-profit organisations and private companies. The FPF prepared a range of materials and the slogan “Recognise it, Report it, Stop it”, which was tested through public opinion research. The campaign formed part of a co-ordinated approach by 17 countries, arranged through the International Consumer Protection and Enforcement Network (ICPEN).
Campaign	The campaign ran in 2004 and 2005, with a Scams Awareness Month at the centre. The campaign created a series of material – posters, brochures, counter cards, inserts – which FPF partners could customise with their own logos. Partners had considerable freedom to run their own campaigns, which ranged from inserting leaflets with credit card bills to creating Public Service Announcements and radio advertisements. In total it was estimated that nearly 40 million pieces of material were distributed in the course of the 2005 campaign, with the PhoneBusters Web site/call centre providing a central outlet for the “Report It” part of the call to action.
Results	Evaluation of the campaign showed more Canadians believe that fraud is a serious problem and more citizens are prepared to take action when they feel they have been scammed. However many victims still do not bother to report scams and take no other action.

Table 5: Little Black Book of Scams

Campaign	Little Black Book of Scams (LBBS), Australia.
Background/problem	The LBBS campaign aims to build the capacity of Australians to better identify and combat consumer scams, both in their current guises and in future manifestations. The LBBS is based on an initial concept from the New South Wales Department of Fair Trading and was produced by a joint Commonwealth, state and territory working group for the Ministerial Council on Consumer Affairs. The Commonwealth took over management of the publication in 2002 and developed a promotional campaign that includes advertising and a Web site (www.scamwatch.gov.au).
Strategy	The LBBS takes a deliberately generic and preventative approach to scams. It recognises that by the time scams have been identified and prosecuted by the regulatory authorities it is often too late, as consumers have suffered detriment and may not be able to recover money lost. The LBBS aims to inform consumers about the key elements behind any scam – the methods employed by scammers and the proven tactics that can be used to avoid them. The book also looks at the psychological ‘buttons’ scammers use to motivate various consumer responses.
Campaign	The campaign has focused on distributing the LBBS through intermediaries and creating a media campaign around it. It is also supported by the interactive Scamwatch Web site. The campaign has a strong skills focus, helping consumers understand, recognise and resist scams. It was also recognised that the campaign’s information resources needed to engage consumers, and so they were designed to be entertaining and to parody scam solicitations in the market. A series of scam Web ads was developed, with solicitations of instant wealth and miracle cures. When a user clicked on the banner, they were taken to a page on the Scamwatch Web site which showed them how the offer was patently ‘too good to be true’ and warned of similar scams. The Scamwatch Web site also featured a scam simulator, which allowed consumers to test their ability to navigate through a ‘boiler room’ telemarketing pitch.
Results	Over 450 000 copies of the LBBS have been distributed by the Commonwealth since it was first published in 1998. Further rebranded copies have also been distributed by state and territory governments. The Scamwatch Web site receives an average of 5 450 hits per month. Content from Scamwatch and the LBBS has been reproduced in a number of media stories and fact sheets. The site is also supported and linked to several public, private and community sector organisations. In evaluating the effects of the campaign on consumer behaviour, it was recognised that while awareness and information provision could be assessed, it was difficult to quantify ‘change behaviour’ accurately. This, in part, led to the development of the Consumer Behaviour Model, which seeks to provide a framework for measuring the elements that lead to good and bad decision-making in the market. This model is yet to be fully tested, but is expected to be progressed as part of the work of the recently established Financial Literacy Foundation.

Table 6: Dialling for Dollars

Campaign	United States Postal Inspection Service (USPIS) "Dialling for Dollars"
Background/problem	The FTC reports that consumers who complained to Consumer Sentinel in 2004 reported losses totalling USD 545 million (EUR 450 million) in 2004. USPIS has led a campaign against telemarketing fraud since October 2004, working in partnership with the FTC.
Strategy	The overall strategy was to approach the campaign as if it was marketing a product. The intention was to educate and increase awareness of telemarketing fraud amongst US consumers, especially senior citizens. The campaign was targeted geographically at those areas receiving the greatest number of scam complaints. The key messages were around encouraging people to take time to consider telephone offers, and not to be pressured into making a decision. The campaign also included a clear call to action, with both a Web site and a freephone hotline (operated by the FTC).
Campaign	The campaign used a combination of channels including video news releases, press advertising and events. In addition, partners and intermediaries were engaged through the creation of a DVD. The campaign was underpinned by a major media campaign at national and local level.
Results	Research showed understanding of telemarketing fraud increased in the course of the campaign, with high recall of key campaign messages, e.g. the cost of telemarketing fraud.

4.2 Evidence of success

There has been little formal tracking done of the impact of anti-scam campaigns.

In Canada, the Competition Bureau carried out research into awareness of telephone fraud in both 2003 and 2005.¹⁵ In 2005, 83% of all respondents agreed that telephone fraud was a serious problem in the country (up from 75% in 2003); 28% had been a victim of telemarketing fraud (up from 16% in 2003).

A total of 80% of respondents recalled some general information about marketing fraud (or identity theft, which was also covered by the survey) – and a total of 70% recalled a specific message from the Recognise it, Report it, Stop it campaign. Public education was cited as the most effective way to combat marketing fraud, with 51% of respondents suggesting this approach.

Among the conclusions of the research was the comment that 'tendency to inertia [in not reporting or complaining about scams] remained a formidable hurdle'. The research showed that 44% of victims had not taken any action as a result of being scammed, although this proportion had declined since 2003.

In the United Kingdom, the OFT runs an annual tracking survey that includes a series of questions around the awareness of itself, its campaigns and consumer rights in general.

15. Canadian Competition Bureau, *Fraud Awareness Studies*, 2003 & 2005.

Figure 7: OFT tracking survey, 2002–04

	2002	2003	2004	2005	
	%	%	%	%	% point change
Consumers are protected very/fairly well	75	69	75	73	-2
I am very/fairly confident I know my rights	52*	57	58	59	+7

* above halfway on a scale of 1–10

Source: UK OFT/COI/Synovate, 2002–04. Base: 1 000–2 000 people.

While awareness of the OFT itself is at 76% (not tabulated), recall of individual campaigns can vary widely, from 38% (for Canadian lottery coverage) to 11% (for the campaign ‘In debt, help yourself out’). The ‘Canadian lottery’ recall figure is particularly high; by contrast, the 2003 campaigns ‘It’s your call’ and ‘Misleading advertising’ registered recall of just 5% and 12% respectively. Furthermore, 2005 research showed that only 22% of consumers recalled material specifically from the OFT, though on prompting 23% recalled OFT warnings about ‘avoiding scams’.

For its 2005 survey, the OFT also asked some benchmark questions about scams. These showed that 76% of consumers felt very or fairly confident that they knew enough to avoid being taken in by scams, although only 66% claimed to be confident when actually dealing with scams. However, only 34% felt there was a lot of information to help avoid scams. These specific questions will be useful for tracking consumer confidence, although, as this is an annual survey, they are probably not sensitive enough to judge the impact of individual campaigns.

The evidence presented here is mixed – on the one hand, surveys tell us that the number of people who feel knowledgeable about their rights is increasing. On the other, there is no increase in the (albeit high) belief that consumers are well protected.

4.3 Existing good practice

With few exceptions, there is a lack of robust, formal evaluation for most anti-scam campaigns. This is probably due more to the limited budgets available to such campaigns than to a lack of will or interest.¹⁶

However, the case studies cited here demonstrate that there is a range of good practice already in place in different countries.

4.3.1 Creating effective partnerships

Steps are being taken in some countries to ensure anti-scam campaigning is joined up between the various private and public sector agencies.

16. However, it can also be argued that a better evidence base of successful campaigning would help make the case for improved funding.

The Australian Consumer and Financial Literacy Taskforce, for example, has identified a total of 711 initiatives in this area (Table 8). They make the argument for a central co-ordinating group, joining up messages across various campaigns.

Table 8: Australian consumer information initiatives, 2003

Provider	Initiatives
Commonwealth government	152
State/territory government	86
Private sector	161
Community sector	51
Education sector	18
Independent (e.g. media)	243
Total	711

Source: Australian Consumer and Financial Literacy Taskforce, Australian Consumers and Money.

This is an approach already in place in Canada, where the Fraud Prevention Forum (FPF) comprises more than 40 public and private sector organisations. It has the benefit of overcoming differences in responsibility at different levels of government – for example, consumer protection in Canada is a provincial-level responsibility and many municipal police forces have joined the partnership.

The FPF has led the way in engaging private sector partners to campaign against fraud. Their view is that the private sector brings both resources and a different relationship with their consumers to a campaign. The Competition Bureau has been particularly effective in engaging the private sector in supporting their campaigning. The Bureau regards this kind of partnership as advantageous to both law enforcement agencies and the private sector:

Raising public awareness is expensive. By partnering with private sector companies, who already reach consumers in a variety of ways, the cost is shared and the chance of actually reaching citizens is much greater. It is in the best interests of both law enforcement agencies and the private sector to ensure consumer confidence in the marketplace.¹⁷

In addition to the financial benefits of working with the private sector, there is also the advantage of increased credibility in the eyes of certain audiences (e.g. when communicating with young people). The Competition Bureau cites the lack of bureaucratic structure and the flexibility they offer their partners as additional advantages in their approach to engaging partners.

However, the strategy is not without challenges: where a project is led by an enforcement agency (in this case the Competition Bureau), the agency is vulnerable to criticism that it is too close to the businesses it regulates. To separate enforcement from awareness the Competition Bureau has designated different Branches responsible for the different activities, so no individuals are compromised by this approach. The Bureau has not received any criticism for its lead in this venture.

17. Interview with Sally Southey, Assistant Commissioner, Communications Branch, Canadian Competition Bureau, 16 June 2005.

4.3.2 *Engage the media*

All campaigns try to engage the media in disseminating their messages. Timing is critical here: avoiding news clashes (where possible) ensures better, more detailed coverage. It is important to provide the media with the right type of stories. One senior Canadian official suggests:

*The media like conflict and hard news. The more you can link awareness and enforcement, and the more you can use statistics, the better.*¹⁸

Engaging the media involves more than just creating media releases – training spokespeople, making victims available and providing background information were all given as examples of effective techniques in our interviews.

4.3.3 *International co-operation*

A total of 17 countries – including the examples of the United Kingdom and Canada cited here – participated in the ICPEN co-ordinated campaign in early 2005. Some campaigns, such as the United Kingdom's, were positioned deliberately to emphasise this co-ordinated approach.

4.4 **Problems with anti-scam campaigns**

The lack of data about the impact of anti-scam campaigns makes it difficult to be conclusive about the value of the campaigns that have been run to date. However, our discussions have revealed a general uneasiness about the effectiveness of information-led 'warning' campaigns reacting to currently prevalent scams. Certainly there is no evidence to suggest that scams are becoming less prevalent, or that consumers have become too well informed to be scammed. (Indeed, in the Canadian survey of 2005, 76% of consumers said they believed marketing fraud was increasing.)

While there will be an ongoing need for information campaigns and targeted warnings, there is generally a recognition of the limitations of this approach, in that it is:

- **Specific.** It may (or may not) deal effectively with a specific scam, but the constant creation of new scams means consumers continue to be vulnerable. It also means the consumer is vulnerable to new scams that are created before the official bodies become aware of them. Some information campaigns are also counter-productive. As one senior representative of the Australian Competition and Consumer Commission concludes:

*If regulators aren't countering scams pitches with equally strong pitches of their own, we might fail or even underpin the validity of the scam by publicising its name.*¹⁹

- **Reactive.** It is fundamentally reacting to a situation that has already occurred. It is the view of the Australian Financial Literacy Foundation that anti-scam campaigns need to move beyond purely information campaigns in order to minimise harm to consumers:

*It is generally regarded that by the time a scam has been identified and prosecuted, it is too late. People have lost their money and are unlikely to fully recover it through the scammer.*²⁰

18. Interview with Sally Southey, Assistant Commissioner, Communications Branch, Canadian Competition Bureau, 16 June 2005.

19. Interview with Louise Sylvan, Deputy Director, Australian Competition and Consumer Commission, 28 June 2005.

- **Short-term.** Creating awareness may warn people to avoid a scam at the time, but unless communication is constant, awareness fades rapidly. It is difficult to keep specific awareness high over a period of time. As one UK OFT official advises:

*It's time to move on from the big bang approach. We need to help people to gain the skills they need and get good value for our spend. Focusing on careful targeting, extending campaigns over longer periods and using smart, innovative delivery channels are key ways to achieve our aims when we don't have the resources for TV advertising.*²¹

- **Information-based.** Campaigns that focus on putting out information may fail to connect with consumers. According to a senior representative of Consumers International (an international organisation linking consumer groups and agencies in 115 countries):

*People often confuse information with communication, but they are actually very different. As Sidney J Harris puts it, 'Information is giving out, communication is getting through'.*²²

4.5 Towards a new campaign model

The limitations of reactive campaigning suggest that best practice in the area of anti-scam campaigns would involve adopting a new model of communication about scams. There seemed to be general agreement among those interviewed that a more strategic, long-term, skills-based approach to tackling scams is required.

Australia's Consumer and Financial Literacy Taskforce has concluded:

*It is therefore necessary for consumers to understand the factors that are common in all scams and to be wary of the emotions that scams prey on, such as our desire to increase our wealth or to improve our lifestyle.*²³

From its perspective of representing consumer agencies and groups, Consumers International is also supportive of this approach:

*The way to do it [tackle scams] is to build a comprehensive strategy running from top to grassroots and back, the objective of which is behavioural change, which you create by awareness-raising, skills-building and training.*²⁴

These campaigns – which may be called 'educating' campaigns to differentiate them from information-led 'warning' campaigns – differ in a number of ways (see Figure 3).

20. Interview with the Financial Literacy Foundation, Australian Department of Treasury, 22 February 2005.

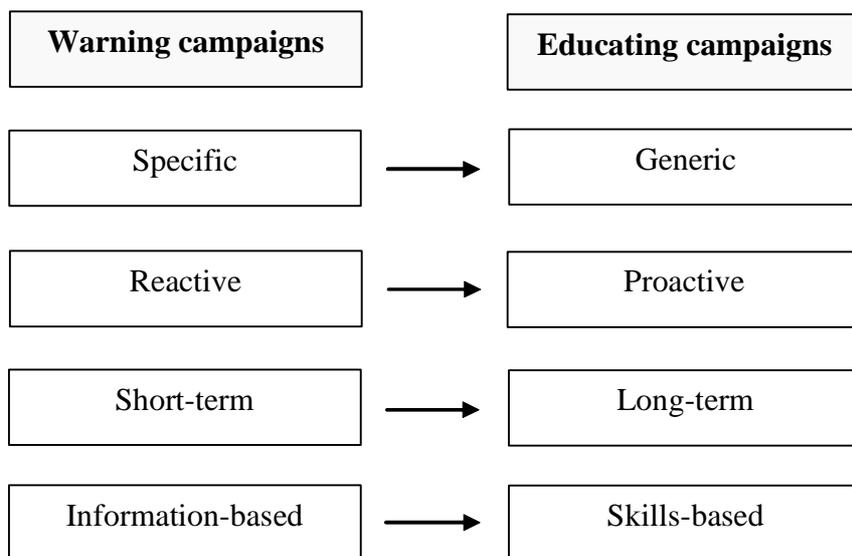
21. Interview with Sue Cook, Head of Marketing, UK OFT, 21 January 2005.

22. Interview with Anna Fielder, Director of the Office for Developed and Transitional Economies, Consumers International, 26 May 2005.

23. Australian Consumer and Financial Literacy Taskforce, *Australian Consumers and Money*, June 2004.

24. Interview with Anna Fielder, Director of the Office for Developed and Transitional Economies, Consumers International, 26 May 2005.

Figure 3: Moving beyond warning campaigns



Source: COI, based on interviews.

The key features of more strategic, skills-led campaigns are that they should be:

- **Generic.** Official bodies do not need to be aware of specific scams if consumers are equipped with the skills to recognise and resist a potential scam. The LBBS – a good example of a current ‘educating’ campaign – argues that the first reaction of a consumer should be to say ‘no’, because they can always return to a legitimate transaction at a later stage.
- **Proactive.** Rather than having the scams agenda dictated by the scammers’ activities, an educating campaign seeks to build skills on an ongoing basis.
- **Long-term.** Educating campaigns do not rely on bursts of above-the-line (television, radio, press etc) advertising and media activity to generate awareness, but instead use more sophisticated, often interactive tools such as Web sites and partnership marketing (working with third parties to extend reach or get closer to an audience) to communicate over a longer period. The Australian Scamwatch Web site, for example, challenges visitors to respond to a scam situation and then provides advice on how to amend their behaviour.
- **Skills-based.** Rather than looking for a name or methodology, consumers apply a series of techniques to all financial transactions. One expert in the field argues that consumers should be able to recognise services that constrain their choices:

*All financial transactions should be treated as a negotiation. We need to empower consumers and challenge their passivity.*²⁵

25. Interview with Dr. Peter Lunt, Senior Lecturer in Psychology, University College London, United Kingdom, 25 May 2005.

4.6 The Australian consumer behaviour model

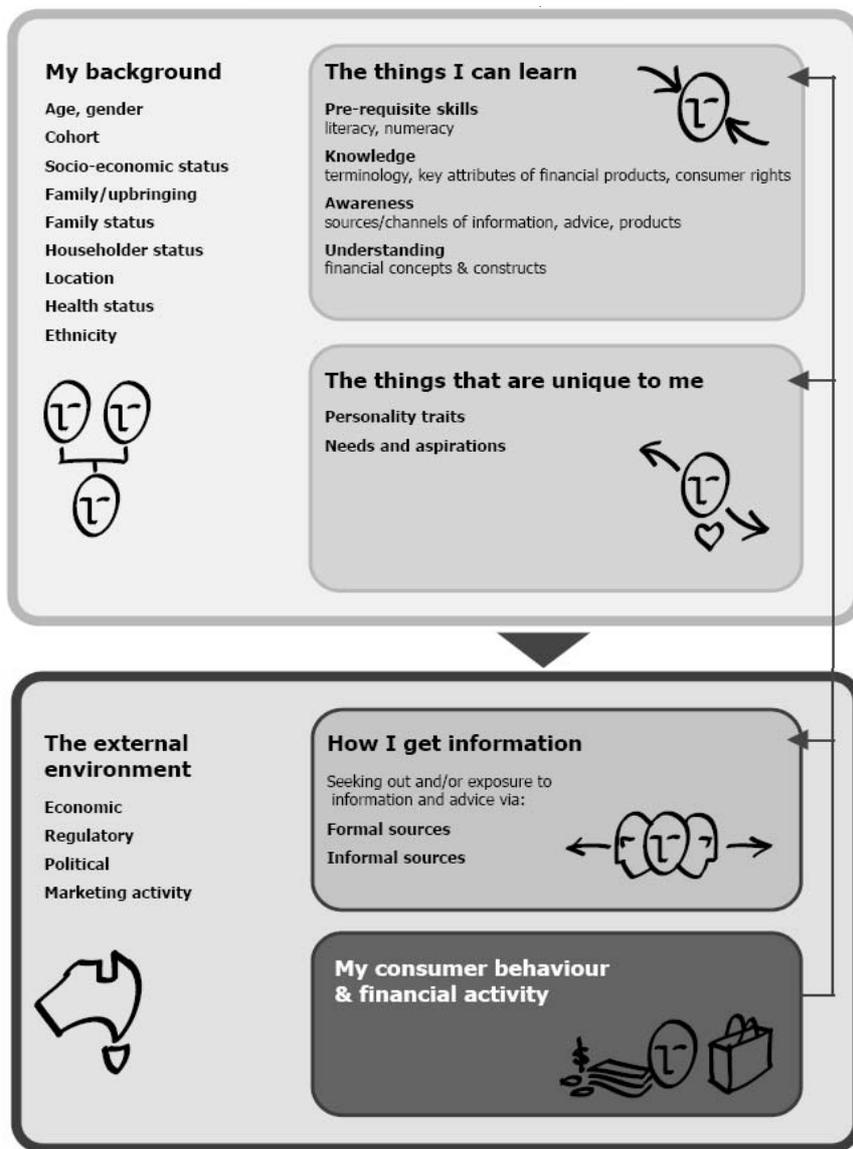
The Australian Consumer and Financial Literacy Taskforce's discussion paper *Australian Consumers and Money* makes the argument that influencing consumer behaviour is not as simple as providing quality information:

An improvement in consumer and financial literacy does not always translate into a positive change in behaviour. It is often assumed that issues of consumer detriment are caused by consumers not having the correct information or the appropriate skills to make sound decisions. Although this is often the case, the empirical evidence also points to a more complicated situation, where consumers' decision-making is shaped by more than just access to the knowledge available in the marketplace.

The report goes on to suggest that consumers have only limited rationality when dealing with financial transactions. In addition, their decision-making processes might be affected by:

- Their social or cultural background.
- Their economic circumstances.
- Their stage of life.
- The regulatory environment in which they are living.
- Their skill levels.

Figure 4: Australian consumer behaviour model



The purpose of the consumer behaviour model outlined here – and the authors make clear that they wish this to lead to further discussion and empirical testing – is to understand how a variety of factors can combine to affect human behaviour. When fully developed, the model should function as a tool that sets communications priorities and determines the effectiveness of campaigns. It relies on a series of data streams: research into skills levels (*e.g.* literacy and numeracy levels), complaint data, attitudinal data and relevant socio-economic data.

If this consumer behaviour model is an accurate reflection of reality, it provides a further argument as to why simple warnings or information approaches to anti-scam campaigning may not be effective. It shows ‘government marketing activity’ as a single input into a complicated environment. Pumping out information to financially illiterate or vulnerable consumers is not necessarily going to lead to rational decisions. Instead, it adds to the case for longer-term, skills-building campaigns.

5. LEARNING FROM OTHER SOCIAL MARKETING CAMPAIGNS

5.1 Learning from social marketing campaigns

In moving towards best practice in communications about scams – and in the absence of a strong evidence base from existing campaigns – there is some value in looking at successful social marketing campaigns in other areas. Identifying common features has the potential to inform good practice in anti-scam communications.

Table 9: Danish Electricity Saving Trust's 'A' campaigns (1999–2004)²⁶

Background	The Danish government was keen to promote energy efficiency by encouraging the uptake of energy-efficient 'A'-rated appliances. At the start of the campaign only 10% of all appliances bought were 'A'-rated. They were seen as too expensive, meaning that demand was low and few retailers stocked them.
Strategy	The campaigns were managed by the Danish Electricity Saving Trust, which is publicly funded but independent of government. The supply situation was tackled by a series of voluntary agreements, which provided subsidies (DKK 500/EUR 67 per appliance for a six-month period) in exchange for guarantees about price and quality. The consumer campaign focused on bulk purchasers, providing businesses with the opportunity to sign four-year co-operation agreements with the Trust.
Campaign	Individual consumers were targeted indirectly through bulk purchasers, and also through newspaper advertisements and Web sites.
Results	By 2004, 'A'-rated appliances made up 80% of the market. The short-term use of subsidies linked to certain conditions created a new industry standard, increasing both supply and demand. Prices have fallen significantly. The campaign has resulted in a self-perpetuating process.

26. For more information on the Danish Electricity Saving Trust, see: www.sparel.dk/article.asp?MenuID=218

Table 10: UK Department of the Environment, Transport and the Regions' rear seat belt campaign (1998–2000)

Background	Six years after it became compulsory to wear a seat belt in the rear of cars in the United Kingdom, only 43% of the population was complying with this law.
Strategy	The campaign was based on market research, which showed that 15 to 30-year-olds were particularly vulnerable to accidents caused by not wearing a rear seat belt and were also immune to previous campaigns and the nature of accidents. The research also identified the danger to other passengers resulting from failure to wear a rear seat belt.
Campaign	The campaign concentrated advertising spent into a single-week blitz based around a hard-hitting television commercial, relying on a 'snowball effect' of PR coverage and third-party attention. This was supported with materials made available to third parties, and a series of PR events.
Results	Post-campaign tracking showed significant increases in awareness and changes in attitudes towards rear seat belt wearing. More importantly, observational studies showed an increase in compliance, and econometric analysis later calculated the value of savings in human, medical and output costs as GBP 73 million.

Health Canada/Santé Canada hosts a social marketing site that contains a number of case studies illustrating good practice in consumer marketing.²⁷ One example is the Type 2 diabetes campaign run in 2002–03.

Table 11: Canadian Type 2 diabetes campaign (2002–03)

Background	Two million Canadians live with diabetes, and surveys showed that this figure was rising, particularly cases of Type 2 diabetes linked with youth obesity. It was estimated that the total cost to the Canadian economy was CAD 9 billion annually.
Strategy	The campaign was targeted primarily at women aged 25–39 – particularly mothers and from low income families – who were seen as crucial influencers on young people, older people (a high-risk group) and their spouses (men, also a high-risk group). The campaign focused on messages around the preventability of Type 2 diabetes and the simple steps that can be taken now (eating well, taking exercise) to prevent problems in the future.
Campaign	The campaign – under the banner 'Eat well, be active, have fun' – used television advertising supported by strategic partnerships with the retailer Wal-Mart (which distributed leaflets and campaign material) and the Canadian Diabetes Association. The campaign was launched in November 2002 Diabetes Awareness Month.
Results	Post-campaign tracking showed a five percentage point increase in awareness of the significance of diabetes as a problem; increased awareness of the two types of diabetes; and increased awareness that exercise can help prevent diabetes.

27. More examples can be found at:
www.hc-sc.gc.ca/english/socialmarketing/social_marketing/sm_hc.html

Table 12: Swedish Consumer Agency's/Consumer Ombudsman's modem hijacking campaign (December 2004–February 2005)

Background	Thousands of consumers were receiving extremely high telephone bills as a part of a modem hijacking fraud. The Consumer Ombudsman stated that modem hijacking was the most serious consumer problem of modern times.
Strategy	<p>A consumer alert was issued by the Consumer Agency, considered to be a reliable sender of information. The message was clear and strong, including elements of fear, money and help ('Beware of modem hijackers – you can get robbed!', 'How to protect yourself'). From its Web site the Consumer Agency offered for free what may be the first program in the world to stop modem hijacking, the so-called Bluff Stopper. The Bluff Stopper gives users the ability to approve modem phone calls to new numbers.</p> <p>Target audience: 2.2 million modem users, all over Sweden.</p> <p>Principles: using the right channels, <i>i.e.</i> reaching Internet users through the Internet.</p>
Campaign	The campaign alerted consumers to modem hijacking and advised on how they could protect themselves against being hijacked. The Consumer Agency was in charge of the campaign, on a governmental assignment. The Agency worked closely with the National Post and Telecom Agency and five of the largest modem operators.
Results	Evidence of behavioural change: a decreased number of complaints and a high number of reported downloads of the Bluff Stopper. According to the PR bureau responsible for the campaign, the level of click-through was 10 times higher than for commercial ads.

5.2 Common features of successful campaigns

These campaigns – while different in their scope and approach – exhibit certain common factors that have contributed to their effectiveness. They all:

- **Try to change behaviour.** Although raising awareness is often the first step in addressing a problem, these campaigns specifically seek to achieve a change in behaviour or lifestyle. They go beyond describing a problem to provide clear courses of action to address that problem.
- **Identify and communicate consumer benefits.** Successful campaigns create or identify benefits for the individual rather than for society more generally.
- **Employ an authoritative tone.** The tone comes in part from the source of the message – government departments – but also reflects a considerable level of technical understanding of the problem. (The Australian Little Black Book of Scams (LBBS) campaign tries to do the same thing for scams, by addressing the psychology behind them.)
- **Tell stories.** These campaigns use case studies or narratives to engage consumers in the issues. While statistics can be used to capture the attention or illustrate the scale of a problem, successful social marketing campaigns work hard to make their messages personal.
- **Identify a clear target market.** The issues addressed in these campaigns are widely applicable, but in each case a target market has been identified. Understanding the key triggers of specific groups and focusing the messaging accordingly have been vital in the success of these campaigns.

- **Engage partners.** Although the major spend in these campaigns tends to focus on above-the-line advertising, in each case strategic partners have been engaged to increase the reach and extend the length of the campaign, and to provide a higher level of information.

5.3 Limits to comparisons

There is, however, a limit to the extent to which lessons can be learned from these campaigns. They are facing different problems and therefore have a different range of solutions available to them.

- They deal with threats to **physical as well as financial well-being**. This creates the potential for hard-hitting campaigns, and also might make it easier to gain support from stakeholders.
- Connected to this, there is considerable difference in the **size of budgets** available for this type of campaign. There is generally the benefit of above-the-line advertising to lead the campaign, which in itself can be used to generate media interest and partner support.
- In some cases they are dealing with a simple issue, which has **simple consequences**. It is more difficult to define, describe and provide advice on scams than it is to communicate the consequences of not wearing a car seat belt.
- It is also **easier to measure the effectiveness** of campaigns of this nature. Statistics on the incidence of diabetes or deaths in road accidents are reliable and generally gathered centrally. Our research has shown that, for scams, this is not the case.

6. CONCLUSIONS: SHARING GOOD PRACTICE

Communicating information around how to avoid scams is not an area where there is an established best practice model. With little formal evaluation of those campaigns that have been run, it is not easy to be definitive about future campaigns. Within the framework established in section 4.5, and based on examples of good practice from around the world (section 4.1) and other examples of effective social marketing (section 5.1), the conclusions of this report are set out below.

All campaigns

In designing all information campaigns the following guidelines appear to deliver most effective results:

- **Set clear objectives.** This report has argued that there is a general need to move from specific, reactive ‘warning’ campaigning towards long-term, skills-based ‘educating’ campaigning. It recognises that there will be situations where a more reactive approach is necessary and – in practice – most campaigns will combine elements of both educating and warning. Setting objectives at the start of a campaign, including identifying which position to take on the warning–educating continuum, is vital (see Appendix 1 for a tool to help achieve this). This will help set priorities, decide resource allocation and guide evaluation (see Appendix 2 for ideas about approaching evaluation).
- **Understand the target market.** Scammers deliberately target consumers who are more susceptible to their psychological techniques (although it should not be assumed that this necessarily means elderly people). Campaigns that are targeted are more likely to create an impact – messages resonate more, spend is more focused and impact is easier to measure. Effective anti-scam campaigns, and successful social marketing more generally, identify and target certain audiences.
- **De-stigmatise victimhood.** Consumers can be dismissive of campaigns that they do not think apply directly to them. Depictions of victims as stupid, greedy or vulnerable are unlikely to match their self-image. Case studies need to reflect the target market more generally. Scammers should be consistently depicted for what they are: ‘resourceful, enterprising and manipulative’ (section 3.3).
- **Join up agencies.** In many advanced economies, responsibility for advising consumers about scams is split between many different levels of government and across the public, not-for-profit and (to some extent) private sectors (see the Australian estimates of consumer information initiatives in Figure 10 for an example of this). The campaign slogan ‘If it looks too good to be true, it probably is’, which has been adopted by a variety of anti-scam agencies in the United Kingdom, Canada, Australia and the United States, is a good example of consistent, international messaging.²⁸

28. Not all practitioners buy into this particular slogan, however. According to Nathaniel Wood of the US Federal Trade Commission’s (FTC) Bureau of Consumer Protection: “We have some problems with the idea that ‘if it looks too good to be true, it probably is’. These scams often don’t look too good to be true – that’s why they succeed.” (Interview, 23 February 2005).

- **Harness the private sector.** Harnessing the private sector not only allows campaigns access to additional resources, it may also provide additional campaign credibility with hard-to-reach audiences. Legitimate private companies have a vested interest in creating confidence in a well-regulated marketplace. Securing buy-in at a senior (ideally, the top) level is crucial to achieving success in private sector partnerships. The Canadian Fraud Prevention Forum (FPF) provides an interesting case study on how these benefits might be achieved (section 4.3.1).
- **Engage the media.** Whether the media is the main channel or is merely supporting a wider campaign, it can play a vital role in communicating awareness (section 4.3.2).
- **Put significant resources behind it.** Anti-scam campaigning needs to be seen in the context of the consumer detriment scams and other types of fraud create. Small-scale reactive campaigns are unable to tackle this problem in a strategic way. If agencies join up their efforts, the case can be made for better funding of proactive campaigns.

Warning campaigns

When creating ‘warning’ campaigns, there are certain areas of good practice that have been reported in various interviews with practitioners.

- **Feature a victim.** In the same way that case studies are used in health campaigns to make the campaigns more personal, it is generally considered that using victims in anti-scam campaigns makes for good stories. However, it is suggested that victims should be chosen with care – it is important that they provoke empathy rather than just sympathy.²⁹
- **Tie in with enforcement activity.** While there is generally a belief that anti-scam messages should not wait for or react to enforcement activity, crackdowns or changes in legislation provide ideal opportunities to create media interest.
- **Encourage reporting.** Campaigning against scams is significantly hampered by the lack of data available about who is being scammed and how. The FPF campaign – ‘Recognise It, Report It, Stop It’ – picks up on that issue, and other initiatives such as the US FTC’s Consumer Sentinel are also improving understanding of scams trends. It is notable that even in Canada – where research indicates that 83% of the public agree that scams are a serious problem – only 44% of those scammed have reported it (section 4.2.).
- **Include a ‘product’ or ‘offer’.** It is generally considered important to provide a call to action – for example, providing the option to request further information about scams, or access to a reporting line or service, rather than just describing a problem.

Educating campaigns

When creating ‘educating’ campaigns, there are a series of additional elements that have been suggested as being most effective.

- **Focus on skills.** The central element of these campaigns should be the skills needed to recognise and resist a scam. The focus is less on naming and describing existing scams than on identifying common aspects of scams and treating them as the fraud they are.

29. It is also recognised that it is not easy to find articulate and empathetic victims who are willing to feature in media campaigns.

- **Use case studies to highlight key points.** Case studies need not be real-life examples, but can provide hypothetical situations and explore options available to the consumer. The idea is to make the campaign as practical as possible.
- **Refresh campaigns to ensure longevity.** As consumers can tune out of long-running campaigns, it is important to find new executions of the same basic messages.
- **Campaign as part of a wider consumer education agenda.** Scams can and should be seen as part of a wider agenda – that of creating an informed, confident and empowered consumer. There is a series of financial transactions outside scams where an unconfident, ill-informed consumer is at a disadvantage. If all commercial transactions are treated as negotiations, consumers will automatically behave in a way that will make them less vulnerable to scams.

7. RECOMMENDATIONS

The best practice ideas in this report are based on a series of interviews with practitioners around the world. The following recommendations are designed to improve the quality of intelligence about scams, which will lead in time to a more definitive description of best practice.

- **There should be better capturing and sharing of data.** Understanding scam patterns is an important starting point in effective campaigning. Even on relatively simple issues, such as the demographic breakdown of scam victims, there is considerable disagreement and uncertainty (section 3.4). While there are examples of good practice in the area of tracking scams, there are a number of factors limiting how well this is currently being done. For example, there is no common definition of whether identity fraud is included in or excluded from the definition of a scam. Another problem is the fragmentation of agencies with responsibilities in this area. The evidence is mixed on whether consumers are more likely to report scams to a dedicated anti-scam service or local enforcement agencies; what is clear is that doing nothing remains an all-too-common problem. Communications can play an important role in encouraging consumers to report all scams.
- **There should be better evaluation of anti-scam campaigns.** Anti-fraud campaigning is not as well funded as other areas of social marketing and – probably as a result – it is not as well evaluated. If funding increases, better evaluation should follow. However, even existing, relatively small-scale campaigns would benefit from more specific evaluation of aims and objectives. If these results are then shared, agencies in different countries can learn from each other's successes and mistakes. Appendix 2 of this report sets out a methodology for evaluating anti-scam campaigns.
- **There should be more international co-operation.** There is considerable evidence that scams operate internationally, and not just from developing countries to developed ones. There are also scams that use the reassurance of being based in developed countries to defraud the newly emerging middle classes in developing countries.³⁰ The work done by members of the International Consumer Protection and Enforcement Network (ICPEN) to co-ordinate anti-scam campaigns in 2005 is a good model for effective international co-operation.
- **There should be better understanding of the psychology of scamming.** Campaigns need to be rooted in an understanding of the mechanics of scams. This in turn can inform the skills-building element of campaigns. The psychological basis for the Australian campaign is a good model in this area and could be developed and shared more widely.
- **There should be concerted efforts to join up the work of all anti-scam agencies.** In many countries, responsibility for campaigning against scams is shared between various agencies – across central government, but also at local level. This seems to be an inevitable result of devolved government, the role of enforcement agencies and various other unavoidable local factors. However, there must be concerted efforts to join up these agencies to create effective, co-ordinated campaigns. The Canadian Fraud Prevention Forum (FPF) – which also brings in key interested private sector partners – might provide a useful model here. Better co-ordination would also allow various agencies to consider their role in combating scams. For example, there may be a case for enforcement agencies to invest further resources in educational campaigns.

30. Interview with Consumers International, 26 May 2005.

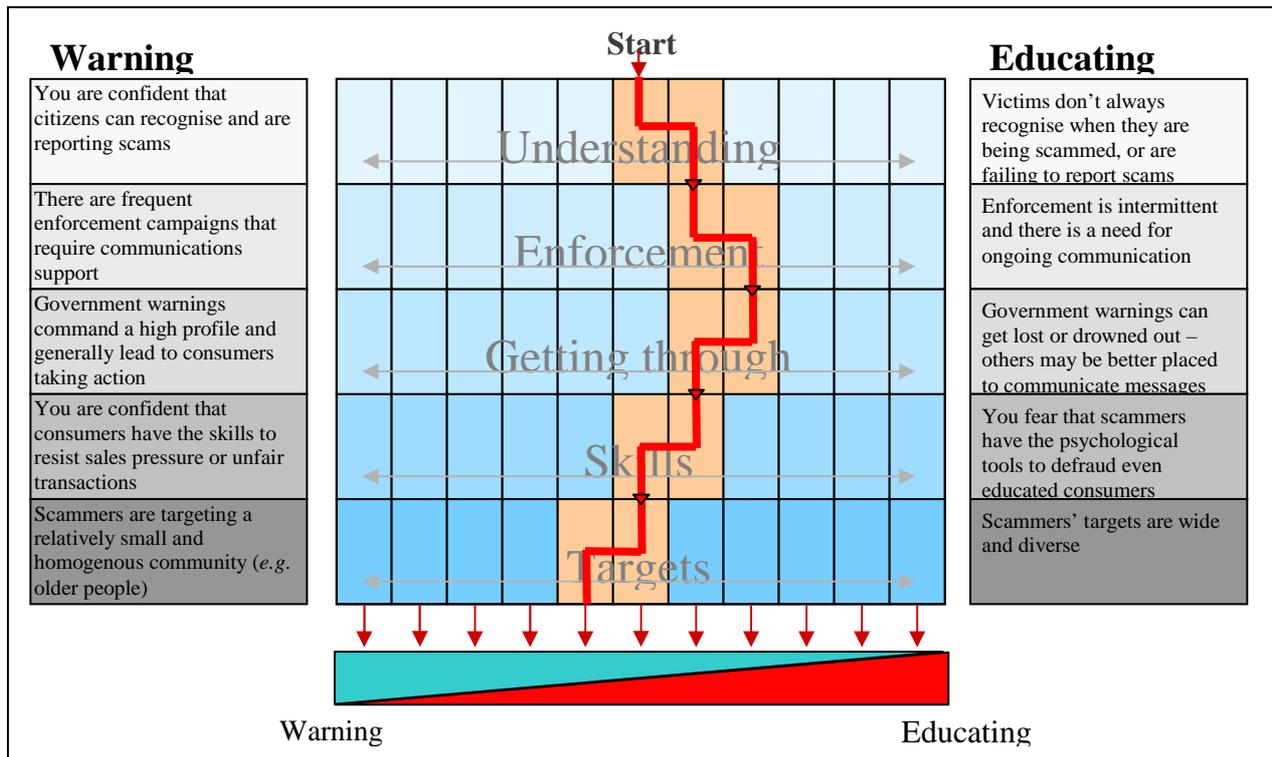
APPENDIX 1: ANTI-SCAM STRATEGY TOOL

A1.1 Anti-scam campaign tool

This report has argued that anti-scam campaigns should fit into a strategic framework to create long-term consumer confidence and literacy in dealing with fraudulent financial transactions. However, it is recognised that there will be times when a short-term media campaign is necessary. The tool on the next page gives an indication of the combination of ‘warning’ and ‘educating’ that may be needed to create the most effective campaign.

A1.2 Using the tool

The tool is simple to operate. Positioning yourself in the centre of the top row, take one step left or right depending on which statement at the end of the row most reflects the context of your campaign (if neither applies, stay still). You then drop to the next row and repeat the process with the two statements there, and so on. You will create a path across the grid that might look like this:



You will finally drop on to the spectrum, which will provide some guidance about the degree to which the campaign should focus on ‘warning’ rather than ‘educating’ elements. At the least, it will give an indication of the sort of issues that should be considered in setting campaign objectives.

APPENDIX 2: GOOD PRACTICE GUIDELINES IN EVALUATING ANTI-SCAM CAMPAIGNS

There are several barriers to overcome when evaluating anti-scam campaigns:

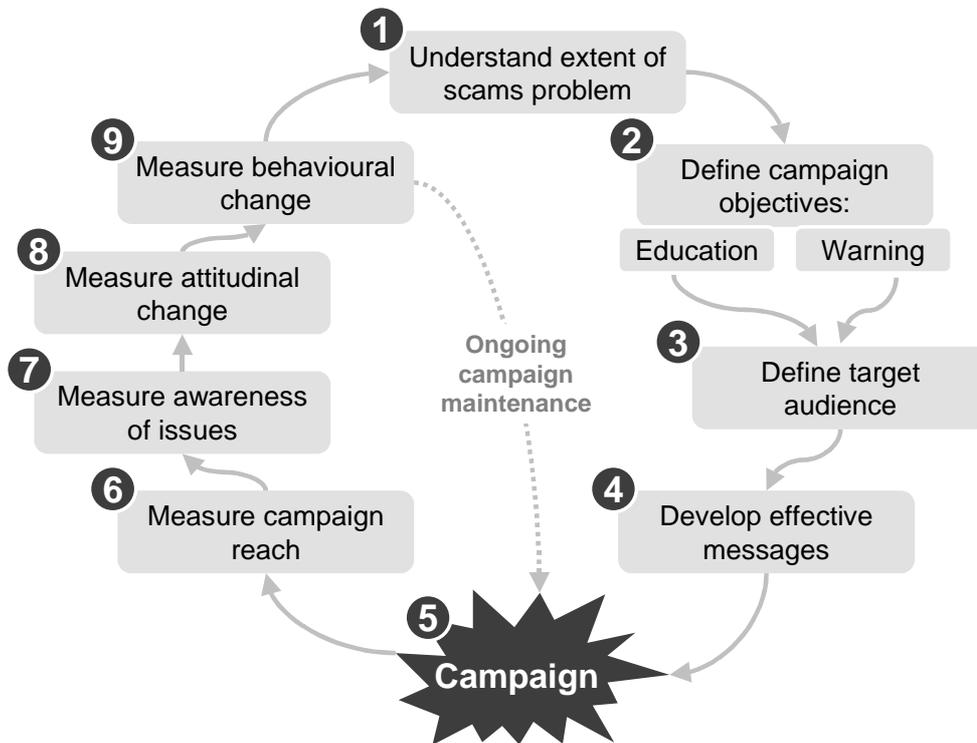
- There may be limited information available from enforcement agencies relating to the prevalence of scams, due to under-reporting by scam victims and the changing nature of scams themselves.
- Consumers' attitudes and claimed behaviour in relation to scams may not reflect the truth, because of their embarrassment or a rose-tinted view of how they really behave.
- Anti-scam campaigns may be highly targeted and use below-the-line media whose effects are hard to isolate and measure.
- Changes in skills and behaviour tend to occur very slowly over a period of years.
- There are inherent problems with proving success in anti-scam campaigns. Fundamentally, to show that someone who might have been scammed has avoided a scam involves proving a negative.

Effective evaluation is therefore likely to involve:

- **Multiple methodologies and data sources:**
 - Quantitative survey data to measure changes in attitudes and awareness, and to understand campaign reach.
 - Qualitative discussions to inform campaign development and diagnose real skills and information needs.
 - Media and response analysis to measure campaign impact.
 - Operational and social research data to measure incidence of scams and consumer experiences.
- **Evaluation of the different elements of campaign effect:** measuring separately the impact of the campaign in terms of immediate response, recall of campaign elements, increased awareness of scams, improvement in attitudes/readiness to deal with scams, and ultimately reduced reported incidence of victimhood.
- **Systematic, regular measurement:** undertaking pre-campaign benchmarking and post-campaign tracking on an ongoing basis, using a structured, fair questionnaire.

- **Focus on clear objectives and audiences:** clearly specifying the aims of the campaign and the profile of the target group and incorporating these into the measurements taken, to ensure that clear conclusions can be drawn from the evidence gathered.

The following model illustrates a possible cycle of campaign evaluation for anti-scam campaigns:



Summary table of good practice in evaluating anti-scam campaigns

Stage	Key questions	Examples of approaches
1	What types of scam are occurring? How big is the scams problem? Who is affected?	<ul style="list-style-type: none"> ▪ Operational information from enforcement agencies ▪ Quantitative surveys to measure consumer knowledge and stated confidence ▪ Qualitative discussions to elicit real levels of knowledge and information needs
2	What skills do consumers need to deal effectively with scams? What information/warnings do they need to avoid specific scams?	
3	Which consumers are at greatest risk?	<ul style="list-style-type: none"> ▪ Operational and survey data analysed to identify demographic groups with high vulnerability ▪ Segmentation analysis to identify clusters of consumers who share similar attitudes or behaviours likely to put them at risk
4	How can we reach these audiences? Which approaches communicate the messages in the most compelling way?	<ul style="list-style-type: none"> ▪ Strategic media planning to identify suitable channels to reach specific audiences ▪ Qualitative discussions and pre-testing to refine creative routes by exposing members of the target audience to draft messages or advertisements
5	What response is the campaign generating?	<ul style="list-style-type: none"> ▪ Monitoring and analysing the source and nature of calls to helpline, visits to Web sites
6	Who has been exposed to the different campaign elements? What do they remember about them?	<ul style="list-style-type: none"> ▪ Media analysis of PR coverage ▪ Quantitative pre-campaign and post-campaign surveys to measure changes in levels of campaign recall and recognition, and shifts in attitudes ▪ Further systematic survey measurements over time to track changes in attitudes and behaviour
7	Are the target audiences aware of the issues, dangers and sources of help?	
8	Have the attitudes of the target audiences changed as a result of the campaign?	
9	Has the way people deal with scams changed as a result of the campaign?	