



Financial Crime Trend Bulletin:

Selling Goods Online

2017-05-01

FRAUD: Recognize It, Reject It, Report It

Purpose

This bulletin was prepared to provide information and preventative measures when it comes to selling merchandise online.

Overview

Consumers who sell merchandise online are susceptible to victimization which can lead to loss of merchandise, funds or both. Fraudsters contact potential victims through email or text with a generic message inquiring about the availability of an item for sale. Fraudsters claim to be located out of town and offer to purchase the item unseen. The seller will receive a spoofed Paypal email message or email money transfer notification claiming their payment is pending. The message indicates that the funds enclosed are to cover the cost of the item plus shipping and in order for the funds to be released a tracking number must be provided by the seller. Therefore the seller ships the product, obtains a tracking number and provides the tracking number to the fraudster. The seller then learns that the payment notification is spoofed and no funds are collected.

In another variation, the fraudsters will send a follow-up email advising the seller that they cannot send the payment due to a problem with the sellers Paypal or bank account. Sellers are told they are required to pay \$500 to obtain a business account with the selected payment provider to complete the transaction. The fraudster will offer to pay the business account fee if the seller reimburses them for the cost. The seller is then directed to send the reimbursement using a money service business such as MoneyGram or Western Union. The seller once again learns that the payment notification is spoofed and no funds are available.

Warning Signs – How to Protect Yourself:

- Always meet in a local, public and safe location to complete the exchange.
- Beware of generic emails with bad grammar.
- Beware of overseas buyers who want to buy sight unseen.
- Review all emails to ensure they are not spoofed.
- Never send money to get money.
- Do an open source search to see if anyone has reported the fraudulent seller.

If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1-888-495-8501 or report online at <http://www.antifraudcentre.ca>