



Gift Card Payment Scams

A popular and convenient gift for any occasion is a gift card. Unfortunately, gift cards are also popular and convenient among scammers. So what is a gift card scam? Typically, a scammer tells you that you owe money for an overdue bill, taxes, or some other false charge, and then the scammer tells you to buy a gift card to pay the debt. The scammer then asks for the information on the back of the card and collects the card's prepaid value, leaving you with a worthless gift card.

According to the Federal Trade Commission (FTC), these types of scams have cost U.S. consumers \$245 million since 2018. A recent survey by AARP/Amerispeak Omnibus found that nearly 1 in 4 adults do not know or are unsure if it is a scam when asked to pay a financial obligation with a gift card. Here's what you need to know:

What Scammers Do

- You might receive a call from a scammer claiming to be collecting back taxes or fines, or an overdue utility bill, or upfront fees to collect a big lottery win.
- The scammer will often tell you to go buy a gift card and may specify purchasing a card for iTunes, Google Play, or Amazon, for example.
- The scammer will tell you to get the card at a particular store near you, like Walmart, Target, Walgreens, or CVS.
- Once you buy the card, the scammer will request the gift card number and PIN located on the back of the card.
- Those numbers let scammers immediately get the money you loaded onto the card. Once they have that information, the scammers and your money are gone, usually without a trace.

What You Can Do If You are a Victim of a Gift Card Scam

- If you paid a scammer with a gift card, tell the company that issued the card immediately.
- When you contact the company, tell them the gift card was used in a scam.

Find out more at: www.wiserwomen.org



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- Ask them if money is still on the card, and if they can refund your money. Sometimes if you act quickly, the company might be able to get your money back.
- Be aware - some companies will not return any money even if the gift card has not been used.
- Report the scam to the Federal Trade Commission at [ftc.gov/complaint](https://www.ftc.gov/complaint), or call toll-free: 1-877-FTC-HELP.

Safe Tips for Giving and Receiving Gift Cards

- Buy gift cards from sources you know and trust. Avoid buying gift cards from online auction sites, because the cards may be counterfeit or stolen.
- Inspect a gift card before you buy it. Check that none of the protective stickers have been removed. Make sure that the codes on the back of the card haven't been scratched off to show the PIN number. Report any damaged cards to the store selling the cards.
- Keep the receipt with the gift card. Whether you're giving or getting, try to keep the original purchase receipt, or the card's ID number, with the gift card.
- Read the terms and conditions of the gift card. Is there an expiration date? Are there fees to use the card, or for shipping and handling? Will fees be taken out every time you use the card, or after it sits unused for some period of time?
- Use the card as soon as you can. It's not unusual to misplace gift cards or forget you have them. Prompt use will help you get the full value.
- Treat gift cards like cash. If your card is lost or stolen, report it to the card's issuer immediately. You might not get back the money left on the card – or you might get some, perhaps for a fee. You might need to show the receipt and the ID number on the card. Most issuers have toll-free telephone numbers you can call to report a lost or stolen card – find it on the card or online.

Resources:

Tell the Federal Trade Commission about any type of scam or fraud you detect at www.ftc.gov/complaint, or call toll-free: 1-877-FTC-HELP.

Federal Trade Commission Video on Gift Card Scams: <https://www.youtube.com/watch?v=HfHI6ToZff4>

Report any type of scam or fraud to your state Attorney General. For a list of state offices, visit naag.org.