

Smart Steps to Protect you from Online Fraud

The growth of online purchases by consumers and businesses continue to increase. Sales levels for e-commerce transactions continue to set records. While businesses continue to use the Internet in their operations, the digital world is becoming increasingly fraught with criminal scams. However, business owners and buyers can take specific steps to protect themselves from unscrupulous people and online scams.

Internet Fraud Preventive Measures

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Internet Auction Fraud

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- Understand as much as possible about how the auction works, what your obligations are as a buyer, and what the seller's obligations are before you bid.
- Find out what actions the web site/company takes if a problem occurs and consider insuring the transaction and shipment.
- Learn as much as possible about the seller, especially if the only information you have is an e-mail address. If it is a business, check the Better Business Bureau where the seller/business is located.
- Examine the feedback on the seller.
- Determine what method of payment the seller is asking from the buyer and where he/she is asking to send payment.
- If a problem occurs with the auction transaction, it could be much more difficult if the seller is located outside the US because of the difference in laws.
- Ask the seller about when delivery can be expected and if there is a problem with the merchandise is it covered by a warranty or can you exchange it.
- Find out if shipping and delivery are included in the auction price or are additional costs so there are no unexpected costs.
- There should be no reason to give out your social security number or drivers license number to the seller.

Non-Delivery of Merchandise

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- Make sure you are purchasing merchandise from a reputable source.
- Do your homework on the individual or company to ensure that they are legitimate.
- Try to obtain a physical address rather than merely a post office box and a phone number, call the seller to see if the number is correct and working.
- Send them e-mail to see if they have an active e-mail address and be wary of sellers who use free e-mail services where a credit card wasn't required to open the account.
- Consider not purchasing from sellers who won't provide you with this type of information.
- Check with the Better Business Bureau from the seller's area.
- Check out other web sites regarding this person/company.
- Don't judge a person/company by their web site.
- Be cautious when responding to special offers (especially through unsolicited e-mail).
- Be cautious when dealing with individuals/companies from outside your own country.
- Inquire about returns and warranties.
- The safest way to purchase items via the Internet is by credit card because you can often dispute the charges if something is wrong.
- Make sure the transaction is secure when you electronically send your credit card numbers.
- Consider utilizing an escrow or alternate payment service.

Credit Card Fraud

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- Don't give out your credit card number(s) online unless the site is a secure and reputable site. Sometimes a tiny icon of a padlock appears to symbolize a higher level of security to transmit data. This icon is not a guarantee of a secure site, but might provide you some assurance.
- Don't trust a site just because it claims to be secure.
- Before using the site, check out the security/encryption software it uses.
- Make sure you are purchasing merchandise from a reputable source.
- Do your homework on the individual or company to ensure that they are legitimate.
- Try to obtain a physical address rather than merely a post office box and a phone number, call the seller to see if the number is correct and working.
- Send them e-mail to see if they have an active e-mail address and be wary of sellers who use free e-mail services where a credit card wasn't required to open the account.
- Consider not purchasing from sellers who won't provide you with this type of information.
- Check with the Better Business Bureau from the seller's area.
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- Be cautious when dealing with individuals/companies from outside your own country.
- The safest way to purchase items via the Internet is by credit card because you can often dispute the charges if something is wrong.
- Make sure the transaction is secure when you electronically send your credit card numbers.
- You should also keep a list of all your credit cards and account information along with the card issuer's contact information. If anything looks suspicious or you lose your credit card(s) you should contact the card issuer immediately.

Investment Fraud

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- Don't invest in anything based on appearances. Just because an individual or company has a flashy web site doesn't mean it is legitimate. Web sites can be created in just a few days. After a short period of taking money, a site can vanish without a trace.
- Don't invest in anything you are not absolutely sure about. Do your homework on the investment to ensure that it is legitimate.
- Do your homework on the individual or company to ensure that they are legitimate.
- Check out other web sites regarding this person/company.
- Don't judge a person/company by their web site.
- Be cautious when responding to special investment offers (especially through unsolicited e-mail).
- Be cautious when dealing with individuals/companies from outside your own country.
- Inquire about all the terms and conditions.
- If it sounds too good to be true it probably is.

Nigerian Letter Scam

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- Be skeptical of individuals representing themselves as Nigerian or foreign government officials asking for your help in placing large sums of money in overseas bank accounts.
- Do not believe the promise of large sums of money for your cooperation.
- Guard your account information carefully.

Business Fraud

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- Purchase merchandise from reputable dealers or establishments.
- Try to obtain a physical address rather than merely a post office box and a phone number, call the seller to see if the number is correct and working.

- Send them e-mail to see if they have an active e-mail address and be wary of those that utilize free e-mail services where a credit card wasn't required to open the account.
- Consider not purchasing from sellers who won't provide you with this type of information.
- Purchase merchandise directly from the individual/company that holds the trademark, copyright, or patent.
- Beware when responding to e-mail that may not have been sent by a reputable company.