

Is it too good to be true?
How to recognise a scam

BEWARE!

S SCHEMING
C CRAFTY
A AGGRESSIVE
M MALICIOUS

Don't let them con you

How to recognise a scam

1. What is a scam?



Fair play is essential for the proper functioning of the free market. Misleading, particularly aggressive or obscure business practices used to con or trick consumers are outlawed. Yet there are still economic actors who seek to con consumers out of their money using such methods. This leaflet is intended to draw attention to the most common scams currently doing the rounds:

- Misleading promises of high returns
- Product registration forms disguised as invoices
- Clairvoyant or psychic services
- Insistent calls to participate in TV quiz shows calling premium rate 09xy numbers
- Spam

The following information outlines the best attitude to adopt and what action can be taken against such scams. Self-help is usually more effective than drawn-out legal action with an uncertain outcome. If no one falls for these scams in the first place they will disappear as quickly as they popped up. This leaflet is part of a joint campaign on the part of the International Consumer Protection and Enforcement Network ICPEN (www.icpen.org). More than thirty countries launched a campaign in February 2005 with the aim of informing consumers, as well as SMEs, worldwide on how to recognise scams, report them and put a stop to them:

Recognise them!
Put a stop to them!

2. How do scams work?



2.1 Misleading promises of high returns



A personally addressed mailing promising huge returns (for example CHF 30,000) or a capital gain provided the addressee purchases a product for a specific amount (possibly CHF 40). Payment of a “negligible” service charge is sometimes also required. Based on experience, you will never hear from the company in question again once the required amount has been paid, let alone receive anything in return. In many cases the addressee never even receives the product that was ordered.

So what should you do?

- Throw the mailings straight into the bin!

Promises of high returns are also made over the phone. This approach is similar to the mailings.

The same applies:

- Don't be drawn in and make it clear that you're not interested.

Some businesses invite addressees to pick up the promised gains at a specific restaurant. Occasionally, the option of a travel voucher for an even higher amount is proposed. However, once at the restaurant, instead of receiving a payout or travel voucher, addressees find themselves at a sales event, and often end up leaving the restaurant having purchased products for large amounts of money.

Anyone seeking information on the promised returns generally has to dial a premium rate number. After being held in a pre-programmed queue, conversations are intentionally drawn out, thereby increasing the operator's earnings via the premium rate number. Customers are often unaware that by making the call they are paying money to the operator, which will only appear on their next phone bill. In addition to not paying out any profits, the companies actually make a sizeable profit through the premium 09xy numbers.

What should you do?

- There is nothing to be gained from calling premium rate numbers to enquire about promised high returns. You're best off not calling these numbers at all.

2.2 Registration forms for companies or trademarks disguised as invoices



The creation of or changes to a company are registered with the cantonal commercial registry, and trademarks are registered in the trademarks register at the Federal Institute of Intellectual Property. There is an official fee for entries in both types of register. Registrations of both new companies and company changes, as well as new trademarks, are published in the Swiss Official Gazette of Commerce.

Once the company or trademark registration is published in the Swiss Official Gazette of Commerce, private companies often send the newly created company or the new trademark proprietor offers resembling an invoice. The

clue indicating that these invoices are actually offers can be found in the small print. These companies try to fool the addressees that they must pay an official fee for registering or changing the company or trademark. These offers actually refer to a private register or database that have nothing to do with the cantonal commercial registry or the Federal Institute of Intellectual Property and are of questionable use. Some companies send out forms advertising registration in private registers. Free services are highlighted in these forms, however, in most cases signing and returning these forms results in the conclusion of a contract with registration fees for a listing in a private register. The annual service charges often verge on extortion. The relevant clauses are for the most part well hidden and are unlikely to be noticed by anyone merely scanning through the form.

Precautions:

- In many cases these mailings are sent directly to the accounts or administration office of the company concerned and are not queried further. Appropriate instructions should therefore be issued to the people responsible to avoid unpleasant surprises. In particular, staff should be aware of genuine outstanding invoices and be notified about these misleading forms.

What should you do after signing one of these forms by mistake?

- You need to send a registered letter immediately upon discovering your mistake to the sender explaining that you were deceived by the form in question and thereby refute the contract. This will annul the contract.

2.3 Clairvoyant or psychic services



Data on people with a weak spot for astrology, fortune telling, divination, tarot, etc. is compiled and exchanged. Providers offering such services send personally addressed letters to potential customers. The addressees are urged to trust the writers' visionary or psychic powers. These companies generally operate under a false identity. There are endless variations. The following are some examples:

The mystic Maria Stauffer (name changed) sends personally addressed letters warning addressees against imminent disaster that she could avert through advice with her power to foresee the future. She says it is important to contact her by the date indicated in the letter, otherwise it will be too late. She furthermore says she has the ability to help the addressee obtain CHF 100,000, adding that it would be a great pity to miss such a unique opportunity. Maria Stauffer charges a small service charge of CHF 20 for her services. You can pay by sending cash in the return envelope or by Visa, Eurocard, etc. The mystic Marie du Ciel (name changed) informs the addressee that he/she has inherited CHF 17,500 from a certain Alec Kiosma (name changed). She promises a "cosmic inheritance" for CHF 69. This includes in particular profitable lottery numbers.

What should you do?

- Don't take these letters seriously. Throw them away.
- Demand that the sender remove your details from their files.

2.4 Television quiz shows



A number of television stations promise viewers that they can win large sums of up to CHF 30,000 by taking part in quiz shows. Viewers play by calling a premium rate number. The chance of actually being able to give an answer on the show is small. Most of the time viewers end up listening to a recorded message. Every call to the television show costs money. 100 attempts to get through at CHF 1.50 per call amount to CHF 150. The accumulated call charges then appear on the phone bill, which unsuspecting callers only receive after the quiz show.

What should you do?

- You should only take part in television quiz shows if you are fully aware of the conditions and costs to expect.

2.5 Spam



Lately there has been an increase in internet scams, mainly concerning dubious promises of huge returns, lottery advertisements, investment offers or unclaimed accounts of Holocaust victims. Addressees are made to believe that by paying a small amount (compared to what you can win), they will receive the large sums of money promised. Senders operate under false names and can be based anywhere in the world.

The people who send these e-mails have no reservations about providing a false origin. It is not uncommon for senders based abroad to provide a fictitious address in Switzerland or the address of a legitimate Swiss company which is not even remotely involved. These e-mails are usually sent to people who are outside of Switzerland. The following real or fictitious addresses in Switzerland have been used fraudulently:

Lottery companies:

- slotto@swissmail.net
- Swiss Lotto Agency, Zurich
- swiss.lotto@testra.com
- Swiss World Cyber Lottery International-Swiss Lottery
- De Lotto Switzerland 41132, NL-1007 SWISS-ZURICH, www.swisslotto.org
- Swiss Lotto, Gesellschaft Schweizer Zahlenlotto, Postfach, 4002 Basel, used by: Swiss_lotto@swissmail.net
- International Lotto Club Promotion Company AG, Basel
- Swiss Lotto Highstakes
- International Lotto Club Promotion AG, WMM, C.C.International SP IT 5391, 6830 Chiasso

A list of fraudulent lottery companies is available on the website of the World Lottery Association: www.world_lotteries.org

Investment companies

- United Bank Plc, Bahnhofstr. 45A, Zurich
- Zest Investments AG, Bahnhofstr. 45, Zurich
- Mr Davide Hoffmann & Mr Philippe Ludi, c/o Valiant Privatbank AG, Bern
- IMS Holding Group, World Trade Center II, rte de Prébois 29, 1215 Geneva

Abuse of Holocaust victims

Recently, there have been cases of abuse involving unclaimed accounts (dormant accounts) of deceased Holocaust victims. The amounts of money vary but have been as high as USD 100 m. The addressee is prompted to lodge a claim for the money with the sender of the e-mail (the name and e-mail address changes). The sender states he/she belongs to the Independent Committee of Eminent Persons, Switzerland (ICEP).

What should you do?

- Do not respond and delete any e-mails offering prospects of such unrealistic amounts of money.

3. How should I react in such cases?



Personally addressed letters or e-mails, or phone calls from unknown persons offering you a fortune without any apparent reason should always be considered with a critical eye. The fact that nothing is for free in life is a basic truth. In addition, it is also worthwhile to inform the competent personnel that there are companies sending invoices resembling offers for registration in a private register of doubtful value.

How can you protect yourself against such scams?

- You are best off throwing any personally addressed letters with misleading promises or clairvoyant and psychic services into the bin!
- Don't respond to any e-mails advertising unrealistic winnings from lotteries, competitions, etc. and delete them!
- Orders, claims for your promised returns and participating in competitions through premium rate phone numbers can cost a lot of money. Steer well clear!

- Demand that dubious providers remove your personal details from their database!
- Carefully read through any offers concerning registrations! If necessary, make sure staff are properly aware!
- In the event that such a registration form is mistakenly signed, contest the contract immediately on the grounds of deceit. This renders the contract null and void.

4. What can you do against scams?

4.1 Victims of fraud in Switzerland

Neither the federal government nor the cantons have the authority to intervene against scams perpetrated exclusively in Switzerland. Anyone whose economic interests are threatened or damaged by these practices can lodge a complaint with the competent prosecuting authorities or bring a civil suit to the competent civil court judge. You can lodge a complaint with any police station. It is then up to the police to pass the complaint on to the competent investigative authorities.

On a federal level, the **Federal Consumer Affairs Bureau** acts as an intermediary between consumers and the federal administration. A form is available on its website (www.konsum.admin.ch) for consumers to notify the bureau of any problems. The bureau then either provides a first opinion or forwards the information to the appropriate authority. It assesses consumer complaints based on the gravity and urgency of the problem to see what can be done in terms of legislation or application after deficiencies are identified.

Federal Consumer Affairs Bureau
Effingerstrasse 27, 3003 Bern
Tel: +41 (0)31 322 20 21
Fax: +41 (0)31 322 43 70
www.konsum.admin.ch

By law, **consumer organisations** have the right to sue. Consumers who feel they have been wronged can notify these organisations, which in turn intercede against misleading practices. In Switzerland, the right to sue is particularly accessible to the following national consumer organisations:

ACSI

The consumer association of the Italian-speaking part of Switzerland, Associazione Consumatrici della Svizzera Italiana, was created in 1974, and has been publishing the information publication, “La Borsa della Spesa”, eight times a year since 1975.

Associazione Consumatrici della Svizzera Italiana
Segreteria e Redazione “La Borsa della Spesa”
Stabile amministrativo 6932 Breganzona
Tel: +41 (0)91 922 97 55
Fax: +41 (0)91 922 04 71
E-mail: acsi@acsi.ch
Hotline: +41 (0)91 923 53 23
www.acsi.ch/index.cfm

FRC

The Consumer Federation of the French-speaking part of Switzerland, “Fédération des Consommateurs” was created in 1959 and currently has 30,000 members. Its publication, “J’achète mieux” is published ten times a year.

Fédération romande des consommateurs
Secrétariat général
Rue de Genève 7, CP 6151, 1002 Lausanne
Tel: +41 (0)21 312 80 06
Fax: +41 (0)21 312 80 04
E-mail: info@frc.ch
www.frc.ch
Hotline: 0900 575 105, CHF 2.13/minute

KF

The consumer forum "Konsumentenforum" was created in 1961 and publishes a quarterly news bulletin, "Bulletin Kf-info".

Konsumentenforum kf
Grossmannstr. 29, 8049 Zurich
Tel: +41 (0)44 344 50 60
Fax: +41 (0)44 344 50 66
E-mail: forum@konsum.ch
www.konsum.ch
Hotline for the German-speaking part of Switzerland:
Bern: +41 (0)31 961 69 86
Lucerne: +41 (0)41 210 24 50
Eastern Switzerland: +41 (0)71 223 32 71
Zurich: +41 (0)44 251 57 70

SKS

The endowment for consumer protection, "Stiftung für Konsumentenschutz", was created in 1964 and provides information on its activities on its own page in the bi-weekly "K-Tipp".

Stiftung für Konsumentenschutz SKS
Monbijoustrasse 61, Postfach, 3000 Bern 23
Tel: +41 (0)31 370 24 24
Fax: +41 (0)31 372 00 27
E-mail: admin@konsumentenschutz.ch
Hotline: For members at the regular fee:
+41 (0)31 370 24 25
For non-members:
0900 900 440 @ CHF 2.10/min.
www.konsumentenschutz.ch

You can also file a complaint with the **Swiss Commission for Fairness** (Fairness in commercial communication). The Swiss Commission for Fairness is an agency created by the business community itself. It aims to enforce integrity in advertising. You can download forms for filing a complaint from the integrity committee's website (www.lauterkeit.ch).

Schweizerische Lauterkeitskommission
Kappelergasse 14, Postfach 2744, 8022 Zurich
Tel: +41 (0)44 211 79 22
Fax: +41(0)44 211 80 18
E-mail: info@lauterkeit.ch
www.lauterkeit.ch

By law, **trade associations and industrial federations** also have the right to sue. Members can also contact these associations.

4.2 Victims of fraud in a foreign country

The federal government, represented by seco, has the right to sue businesses or private persons who perpetrate scams from within Switzerland with repercussions abroad.

Victims of fraud in a foreign country may contact seco:
State Secretariat for Economic Affairs, seco
Effingerstrasse 1, 3003 Bern
Tel: +41 (0)31 322 56 56
Fax: +41 (0)31 322 56 00
E-mail: info@seco.admin.ch
www.seco.admin.ch

4.3 Residents of Switzerland who are victims of fraud from a foreign country



If you are resident in Switzerland and receive misleading offers from abroad, you can directly contact the appropriate national authorities of the country in question through the ICPEN website (International Consumer Protection and Enforcement Network, www.icpen.org). The ICPEN is an informal network of over thirty countries worldwide that have joined together to tackle international scams.

In the event of **electronic scams (e.g. via e-mail, goods orders over the internet)**, you can also directly file a complaint by filling out a form online at the following website: www.econsumer.gov. www.econsumer.gov is a joint effort on the part of ICPEN members to fight internet scams.

Nineteen countries currently belong to econsumer.gov. Their website contains useful information for consumers interested in doing business over the internet.