



# GIFT CARD SCAMS

## How to spot, avoid, and resolve gift card scams

Gift cards are great, right? Birthdays, Christmas - no worries about needing to return or exchange anything if it doesn't fit. That's why they are so popular for gift giving. The keyword here is Gift. Gift cards are for giving as gifts. They are not intended as a form of payment. If you are ever asked to make a payment with gift cards, know that you are getting scammed. Neither reputable businesses, nor the government will ever ask to be paid by gift card.

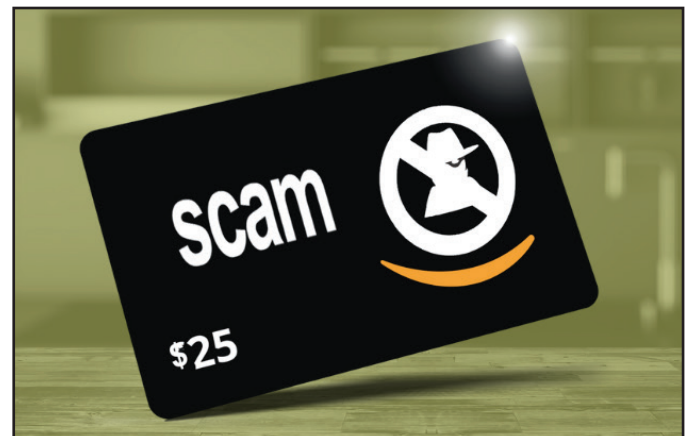
Imposters may call or email, claiming they are from the IRS, saying that you owe taxes or fines. They might pretend to be offering technical computer support. Some even try to impersonate family members in trouble that need some emergency funds. What scammers like this usually have in common is that they demand that you to act **RIGHT NOW!** In the past, these scammers would often ask for a wire transfer of money, but increasingly, they have shifted to gift cards.

Typically, one of the more popular scams goes like this: the caller will instruct that you buy gift cards with a popular brand name like Amazon, Google Play, or iTunes at a retailer near you, like CVS or Walmart. They might even ask to stay on the phone with you while you go into the store. Once you buy the cards, they'll ask you to read the gift card numbers and PINs to them. That allows them immediate access to the money you just put onto them. Once that happens, your money is simply gone.

Another scam reported is one where you list a gift card for sale either in the classifieds or on various online forums. When a "buyer" makes you an offer to pay for the card, they will ask you to put them on a three-way call with the card merchant to confirm there really is the right balance on the card. However, as they listen to the call, they record the touch tones used to verify the card number. Then they can use the card without ever paying for it.

Other kinds of scammers demanding payment by gift card include:

- callers pretending to be from a utility company, telling you to pay your bill by gift card or they'll cut off your power or water
- sellers on online auction sites who ask for gift cards to "buy" big items like cars, motorcycles, boats, RVs, tractors and electronics
- someone posing as a service member to get your sympathy, claiming they have to sell something quickly prior to a deployment and need you to pay by gift card



- callers who say you've won a so-called prize, for a sweepstakes you probably never entered - but first, you have to use a gift card to pay fees or other charges
- someone buying something from you, probably online, who sends a check for more than the purchase price - and asks you to give them the difference on a gift card. (That check, by the way, will turn out to be fake.)

These are all scams. In fact, if anyone tells you to pay by gift card, or by wiring money - for any reason - that's a sure sign of a scam. Without exception.





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continued from page 1

## How do you avoid gift card scams?

If you get or give a gift card, here are some steps to follow:

1. Buy gift cards from sources you know and trust.
2. Inspect a gift card before you buy it.
3. Keep the receipt with the gift card.
4. Read the terms and conditions of the gift card.
5. Use the card as soon as you can.
6. Treat gift cards like cash.

## Quick Tips

### Hang Up on Fake Callers

No reputable company nor government agency (including the IRS) will ever demand payment with gift cards. If someone claims to be from the IRS, hang up. (Don't believe emails either.)

### Balance Check in Private

If someone asks to listen as you call to confirm the balance of a gift card, it is likely a scam.



## Inspect Gift Card Packaging

If the packaging looks tampered with or the PIN is revealed, turn the gift card into the cashier and pick a different card.

## Check the Activation Receipt

Be sure the gift card number listed on the activation receipt matches the gift card you receive. Alert the manager if it's not a match.

## Only Buy from Reputable Resellers

Only buy discount gift cards from a gift card reseller that has customer service and will give you a money-back guarantee on purchases.

## Save Activation Receipt

Whenever you buy a gift card, save the purchase and activation receipt until the gift card is redeemed.

## Where do I report a gift card scam?

In addition to reporting gift cards used in a scam to the companies that issued the gift cards, also report it to the FTC at [ftc.gov/complaint](https://www.ftc.gov/complaint).

## Can you get your money back?

If you paid a scammer with a gift card, report it as soon as possible. Call the company that issued the gift card and tell them the gift card was used in a scam. Ask them if money is still on the card, and if they can refund your money. It's very difficult to get your money back but the sooner you report it, the better your chances. Be aware that some companies will not return any money even if the gift card hasn't been used. Remember to keep the gift card itself, and keep the gift card receipt. Also, tell the store where you bought the gift card as soon as possible.

Lastly, do not be afraid or embarrassed. Scammers are hoping to make you feel this way so you will not ask other people for help. Do not fall for it. These people are very good at what they do (unfortunately), but there are many more good people in the world who are willing and wanting to help.