NATIONAL TRADING STANDARDS

Scams Team

Fraud, Scams and Consumer Vulnerability.

Louise Baxter MBE

Who am I?

What if we redefined the way we think about consumer vulnerability and victims of fraud and scams?

Louise Baxter MBE

Consumer vulnerability in a broad sense, refers to any situation in which an individual may be unable to engage effectively in a market and as a result, is at a particularly high risk of getting a poor deal. This can be something as severe as becoming a victim of a crime or just not getting the best deal for them at the time.

Our Definition of Consumer Vulnerability

Vulnerability in the UK

9.8 million
people living with a disability

944,000
People living with dementia

1m by 2030
1.6m by 2050

1 in 6 adults
Have experienced a 'common mental health disorder' like depression or anxiety in the last week

18% of children
Aged between 7 to 16 had a probable mental health condition in 2022

23% of us
Suffer anxiety when dealing with service providers

3 million
people living with a cancer

3.5m by 2025
5.3m by 2040

689,308 People divorcing in 2021

461,010 Home moves took place on 2021

689,629 Deaths in the UK in 2021, leaving millions coping with bereavement

1 in 7 people
In the UK have some form of neurodiversity

Types of vulnerability

Situational

- Resilience
- Life events
- Wealth
- Capability

Marketplace

- Switching providers
- Lack of information
- New services
- One off purchases

Myths and stereotypes about fraud and scams

Research reveals misconceptions about scams and fraud still exist:

MYTH: Older people are most at risk
FACT: Young people are most likely to have money stolen through fraud – more than 20% of under 35s were victims of scams in the last year.

MYTH: Scams and fraud only happen online
FACT: As well as online, phone, mail and face to face scams remain a risk – 6% of consumers had money stolen through face to face and phone scams last year.

MYTH: Fraud is easy to spot – look for grammar and spelling mistakes or aggressive, pushy behaviour
FACT: Fraud is highly sophisticated; criminals are experts at emotional manipulation. Anyone can be a victim.

Victims of fraud and cyber crime experiences

86% of respondents experienced anger

73% of respondents experienced stress

63% of respondents experienced anxiety

Over half of victim's experiences financial loss (57%)

18% reported depression as a result of the victimisation

3% reported suicidal thoughts and

1% said that they self harmed

Home Office 2025

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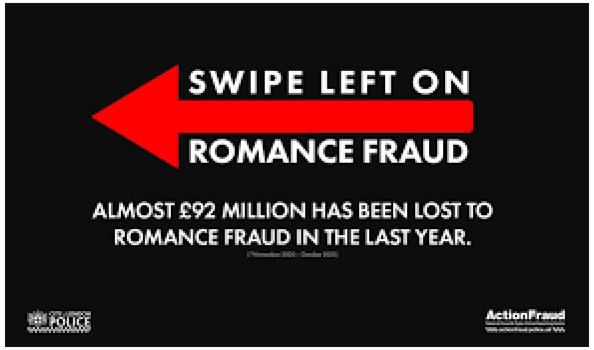
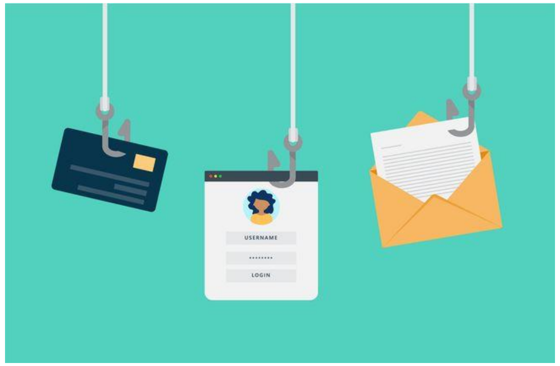
www.justice.gov

Justice Department Coordinates Nationwide Elder Fraud Sweep Of More Than 250 Defendants | USA...

DISRUPTION = CONSUMER EDUCATION

Friends Against SCAMS





TAKE FIVE TO STOP FRAUD™

1.1 million Friends

So, where and what now?

TASKFORCE, work together

Inspire different use of language

Encourage peer to peer support and sharing of stories

Place blame with criminals not victims


Money

We silence people.
We must change how we talk to victims, supporting them.

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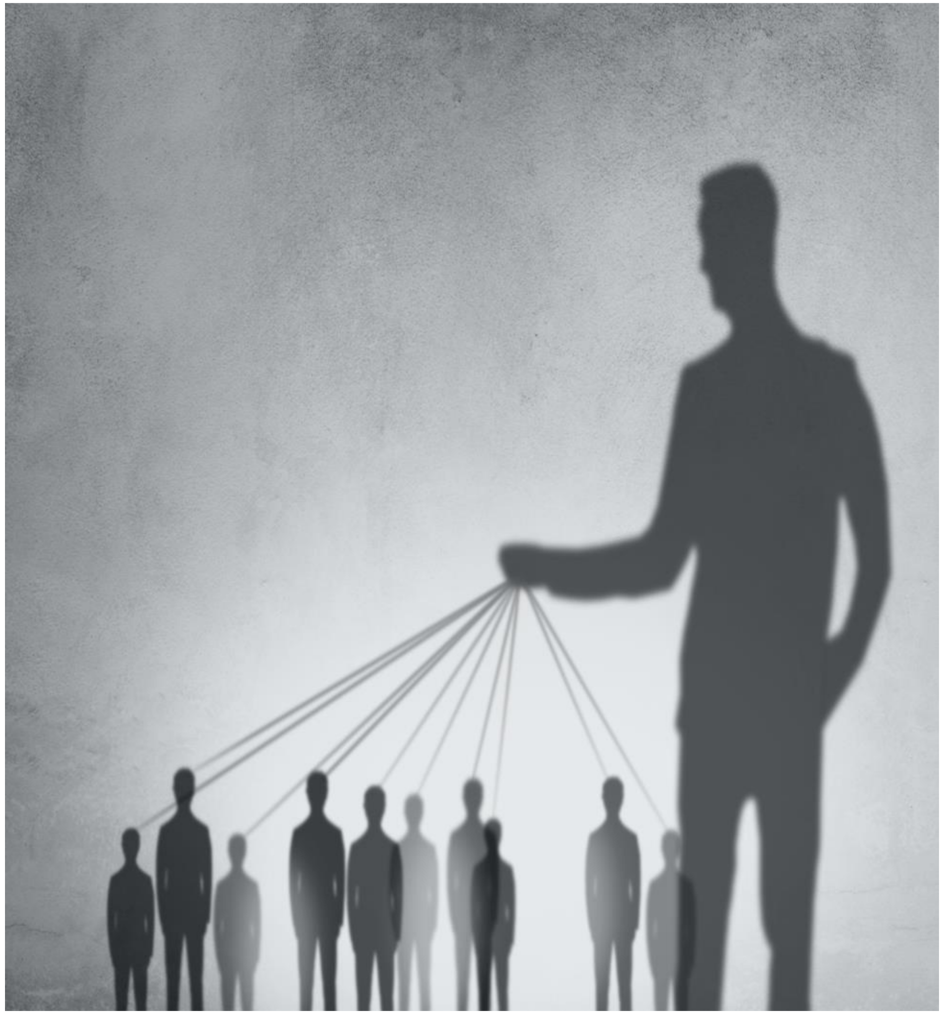
Providing support to fraud and scam victims

What is coerce and control?



*"**Coercive behaviour is** an act or a pattern of acts of assault, threats, humiliation and intimidation or other abuse that is used to harm, punish, or frighten their victim."* [(UK Home Office)]

Statistics

73%	of UK Adults (40 million people) have been targeted by scams
35%	of UK Adults (19 million people) have lost money
£1,730	the average amount lost by scam victims
32%	of those who lost money (6 million people) reported the crime to authorities
42%	(8 million people) did not tell their bank
66%	(13 million people) didn't even tell a relative or a friend they'd become a victim

Tactics used by criminals

Criminals are experts at using befriending and grooming techniques to lure their victims.

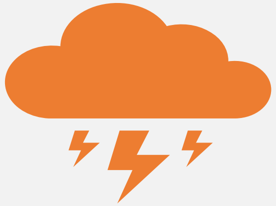
They start like this

- Appearing legitimate
- Helpful
- Friendly
- Charming

and quickly move to this

- Persuasive
- Persistent
- Threatening
- Aggressive
- Intimidating

The time to act is now



‘Perfect storm’ of vulnerability.

Ageing population and cognitive decline, cost of living crisis, mental health pandemic.

New markets, Artificial Intelligence, internet.

We can silence people with our words, blaming, shaming and judgements.

We must change how we talk to scam victims.

We don’t say….

FELL for a mugging!
FELL for a burglary!
FELL for an assault!

So why do we say FELL for a scam?

The impact of shame

Historical victim blaming looks like…

"Why did you fall for it? How could you have been so stupid?"

"How could anyone fall for that? It is obviously a scam"

"Too good to be true"

"Didn't you trust your instincts?"

Secondary Victimisation

Secondary victimisation refers to further victim-blaming from criminal justice authorities following a report of an original victimisation.[1]

https://en.wikipedia.org/wiki/Secondary_victimisation#cite_note-:0-1

Understanding a Hot state v Cold state

A hot state

Emotions are high

Easily influenced

Making decisions we may not usually make

Understanding a Hot state v Cold state

A cold state

More rational

More logical

Not influenced by emotions

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Language

Language we shouldn't use with or about victims of fraud and scams

"Fooled into thinking"

"Too good to be true"

"Scammer"

"Swindled"

"Fell for it"

Language we should use with or about victims of fraud and scams

"Criminals"

"Become a victim of"

"Grooming"

"Manipulation"

"Power and control"

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Collaboration Network

NTS Scams Team Research

STRICT

Neurodiversity and fraud victimhood

- Neurodivergent individuals were 1.5x 50% more likely to become a victims of a scam and to have money stolen
- 14% of respondents were self or medically diagnosed as neurodivergent
- Despite this, neurodivergent individuals were more confident that they would be able to spot a fraud.

Impact of fraud

- Neurodivergent victims of scams were more likely to report that the scam had a severe impact
- Almost twice as likely to report the highest financial impact

Recommendations

1. **Fraud prevention information is clear, inclusive and actionable:** written in language suitable for all.
2. **We provide ways to verify information.** Neurodivergent individuals are more likely to validate information externally.
3. **We recognise the emotional tactics and impact of fraud**. Neurodivergent individuals may be more emotionally vulnerable to the persuasive tactics used in frauds
4. **We myth bust**. Fraud is often highly sophisticated and difficult to spot. It affects all parts of society: young, old, neurodivergent and neurotypical.
5. **Research be commissioned into how different neurodivergent groups uniquely experience fraud victimisation**
6. **Those supporting victims of fraud receive neurodiversity awareness training:** strategies to effectively support neurodivergent victims of fraud.
7. **Adopt a 'no blame, no shame' attitude towards fraud:** Fraud and scams are sophisticated and can affect anyone. Criminals, not victims are to blame. Victims are not stupid; they should be supported not ashamed.

Financial literacy, fraud and scams

- Those lacking financial literacy are more than twice as likely to have money stolen through scams
- Particularly at risk of investment, cryptocurrency, and push payment scams
- 60% of the UK population lack confidence in some aspects of money management, with 13% lacking confidence in three or more basic financial tasks
- Those under 35 are more likely to have lost money, both on and offline

Impact of fraud

- More likely to blame themselves rather than the criminals
- Lose (already low) confidence in ability to manage their finances
- May have lower ability to withstand financial shock

Recommendations

1. **Recognise how low financial literacy can affect victims:** adapt fraud prevention messaging, and provide appropriate support to victims
2. **Integrate financial literacy and fraud awareness efforts**: Schools should educate pupils on financial literacy and how scams work.
3. **Tackle widespread myths about fraud:** acknowledge how common fraud is among younger people and the sophisticated tactics which criminals use to control and manipulate victims.
4. **Adopt a 'no blame, no shame' attitude towards fraud:** Fraud and scams are sophisticated and can affect anyone. Criminals, not victims are to blame. Victims are not stupid; they should be supported not ashamed.

What's next

We will be working with partners to call for more integrated financial literacy and scams prevention education in schools.

We also need to remember not to take ourselves too seriously...

But we need to aim big!!

Questions?