

Fake credit

In this type of consumer credit fraud, companies claiming to be lenders attract consumers with advertisements of credit offered on very favourable terms. The application procedure for credit is very simple. Before obtaining a loan, the consumer has merely to pay a given amount in advance.

That amount is said to be necessary to cover certain costs. The fraudsters cite management fees, legalization costs, administrative charges or the cost of purchasing payment protection insurance.

Once the consumer has paid the requested amount, the 'lender' disappears and the victim never recovers the money transferred.

The means of payment used is typical of this form of fraud: the consumer is invited to pay the sum requested via a so-called 'cash transfer', or international money transfer. This payment technique means that the recipient of the funds cannot be traced. In this way, fraudsters elude detection.

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