

## **Fraud Poll Report April 4, 2014**

### **Key Findings**

**Close to half of members have suffered fraud or know someone who has, and this proportion has increased recently. Fraud is usually promoted by someone in trust or is the result of a phony investment scheme. More members would seek restitution than retribution from perpetrators, and return of funds is highest on their minds.**

**Most members say they are acute at recognizing fraud, and most have little use for senior-friendly investment pitches from investment firms, preferring that they were backed by credible responsibility. Members are far more likely to report fraud to police than to anyone else.**

**Most fraud is seen to come through phone pitches or phony investment schemes by e-mail, and very few members see themselves as being susceptible. If they were victimized, however, all would report it.**

**Members agree avoiding fraud starts with protecting private information and being financially literate, as well as seeking trusted advice and not sharing private information online. If these steps are taken, members are not too worried about transacting business online.**

### **Electoral Preference**

**The Liberals maintain their lead over the Conservatives in our latest wave of polling, while the NDP remain an improving third.**

## Detailed Findings

There has been an increase in the incidence of members reporting being defrauded between 18 months ago (31%) and today (44%), and the increase has occurred for both members (10% to 18%) and those they know (21% to 26%).

### *Have you or has anyone you know been the victim of financial fraud?*

	November 2012	March 2014
<b>YES</b>	<b>31%</b>	<b>44%</b>
<b>Me</b>	10%	18%
<b>Someone I know</b>	21%	26%
<b>No</b>	69%	56%

Incidence of fraud by a person in trust has declined (from 32% to 19%), but phony investments schemes (20%) and undelivered goods or services (16%) are still common.

### *What form did this fraud take?*

	November 2012	March 2014
<b>Fraud by person in trust</b>	31%	19%
<b>Phony investment scheme</b>	25%	20%
<b>Goods/services sold/not delivered</b>	14%	16%
<b>Family members embezzle money</b>	11%	9%
<b>Abusing power of attorney</b>	3%	4%
<b>Internet/Nigerian fraud</b>	n/a	7%
<b>ATM/point-of-sale fraud</b>	n/a	8%
<b>OTHER</b>	16%	18%

One fifth of members want to see restitution of their funds first (21%), followed by those who want the perpetrator to pay, either the funds (14%) or by jail time (16%).

### *What did you most want to happen as a result of this fraud?*

<b>Restitution of funds</b>	21%
<b>Perpetrator serves jail term</b>	16%
<b>Perpetrator personally pays back funds</b>	14%
<b>Perpetrator is barred from financial activity</b>	3%
<b>Name and shame perpetrator</b>	3%
<b>Perpetrator's employers pays back funds</b>	3%
<b>OTHER/DON'T KNOW</b>	41%

Almost all members say they have acute fraud detectors, both 18 months ago (78%) and now (83%), though few say very acute (8% and 11%, respectively).

***How would you describe your own internal “fraud detector”?***

	<b>November 2012</b>	<b>March 2014</b>
<b>ACUTE</b>	<b>78%</b>	<b>83%</b>
<b>Very acute, nothing gets by me</b>	8%	11%
<b>Acute, I’m pretty sharp</b>	70%	72%
<b>NOT ACUTE</b>	<b>22%</b>	<b>18%</b>
<b>Not very acute</b>	21%	16%
<b>Not at all acute</b>	1%	2%

Most members are skeptical of senior-focused investment pitches, wishing firms took responsibility (30%) or that they’re just sales pitches (29%). Fewer think it’s a good idea (16%), or that seniors should get the same treatment as other investors (11%).

***Many investment firms offer material on investing specifically for seniors, which emphasize lower risk, shorter time to make up losses, etc. How would you describe these pitches?***

<b>More credible if firms were responsible</b>	30%
<b>Just sales pitches</b>	29%
<b>Good, b/c senior investment different</b>	16%
<b>Treat seniors like any other investor</b>	11%
<b>Promise diligence but advisors don’t provide it</b>	6%
<b>OTHER/DON’T KNOW</b>	9%

Both in the past (48%) and now (58%) half or more of members would report fraud first to the police.

***If you were the victim of financial fraud, to whom would you report this first?***

	<b>November 2012</b>	<b>March 2014</b>
<b>Police</b>	48%	58%
<b>Confront perpetrator</b>	9%	4%
<b>Lawyer</b>	7%	5%
<b>Provincial Securities Commission</b>	7%	7%
<b>Anti-fraud hotline</b>	6%	7%
<b>Perpetrator's employer/sponsor</b>	4%	5%
<b>Consumer &amp; Corporate Affairs</b>	2%	2%
<b>Batter Business Bureau</b>	2%	2%
<b>OTHER/don't know</b>	16%	10%

The sources of fraud are now seen to be the same as they were last time we polled the issue, led by phone pitches (28%) and e-mail spam (20%).

***Where do you think most fraudulent schemes originate?***

	<b>November 2012</b>	<b>March 2014</b>
<b>Unsolicited phone pitches</b>	23%	28%
<b>E-mail spam</b>	16%	20%
<b>Financial adviser</b>	12%	8%
<b>Friend/family</b>	10%	9%
<b>Acquaintance</b>	10%	7%
<b>Door-to-door pitches</b>	5%	5%
<b>Internet spam</b>	3%	4%
<b>OTHER/DON'T KNOW</b>	23%	18%

Few think they are likely fraud victims, then (16%) and now (19%). The largest group say they are not very likely to be victims (58%).

***How likely is it that you could become the victim of fraud?***

	<b>November 2012</b>	<b>March 2014</b>
<b>LIKELY</b>	<b>16%</b>	<b>19%</b>
Very likely	2%	2%
Somewhat likely	14%	17%
<b>NOT LIKELY</b>	<b>81%</b>	<b>78%</b>
Not very likely	59%	58%
Not all likely	22%	20%
<b>DON'T KNOW</b>	<b>4%</b>	<b>3%</b>

All members will report fraud to the authorities (96% in total, 89% very likely).

***If you were a victim of fraud, how likely are you to report it to authorities?***

	<b>November 2012</b>	<b>March 2014</b>
<b>LIKELY</b>	<b>96%</b>	<b>96%</b>
Very likely	85%	89%
Somewhat likely	11%	7%
<b>NOT LIKELY</b>	<b>2%</b>	<b>78%</b>
Not very likely	1%	1%
Not all likely	1%	1%
<b>DON'T KNOW</b>	<b>2%</b>	<b>2%</b>

In one half of cases, others prepare members' taxes (53%), but most who file use Quicken or other tax software for prep, then file with NETFILE (27%), while some prepare and send them manually (10%).

***How do you file your taxes?***

<b>Someone else prepares my taxes</b>	<b>53%</b>
<b>Use Quicken etc then file through NETFILE</b>	<b>27%</b>
<b>Prepare manually, submit by mail</b>	<b>10%</b>
<b>Prepare and file online</b>	<b>5%</b>
<b>Prepare manually, then file with NETFILE</b>	<b>3%</b>
<b>OTHER</b>	<b>2%</b>

Protecting personal information is seen as the best step to prevent fraud (39%), followed by financial literacy (20%), seeking trusted advice (19%) and not sharing information online (18%).

***What one thing can an individual do to avoid being defrauded?***

<b>Protect privacy of all information</b>	39%
<b>Be financially literate</b>	20%
<b>Seek advice before big transaction</b>	19%
<b>Don't share information online</b>	18%
<b>Use only non-captive advisors</b>	1%
<b>OTHER/DON'T KNOW</b>	3%

Just more than half agree doing business online invites fraud (55%), and as many as 4-in-10 think it doesn't (39%).

***Do you agree or disagree you open yourself up to fraud by conducting financial business online?***

<b>AGREE</b>	<b>55%</b>
<b>Agree strongly</b>	16%
<b>Agree</b>	39%
<b>DISAGREE</b>	<b>39%</b>
<b>Disagree</b>	35%
<b>Disagree strongly</b>	4%
<b>DON'T KNOW</b>	6%

Members are not vindictive, and would much rather see restitution of their funds (80%) than a jail term for the perpetrator (18%).

***If you were a victim of fraud, which one of these two outcomes would you most like to see?***

<b>Restitution of funds</b>	80%
<b>Jail term for perpetrator</b>	18%
<b>OTHER/DON'T KNOW</b>	2%

## **Electoral Preference**

Since the surge in Liberal popularity noted five months ago, when they peaked at 49%, the Conservatives and the Liberals have converged again, with the Liberals in the lead at 39% and the Conservatives in second at 33%. The NDP are the third party at 18%.

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decompressor  
are needed to see this picture.

***More than 1900 CARP Poll™ panel members responded to this poll between March 21 and 23, 2014. The margin of error for a probability sample this size is about plus or minus 2%, 19 times out of 20***