



Financial Crime Trend Bulletin :

Loan Scams

2020-04-27

#KNOWFRAUD

#SHOWMETHEFRAUD

Fraud: Recognize. Reject. Report.

Purpose

This bulletin was prepared to warn Canadians about an increase in fraudulent loan scams.

Overview

Many Canadians are experiencing financial hardship as a consequence of the current pandemic. While funding options are available through the Government of Canada, some Canadians are looking for loans. Unfortunately, the reporting of fraudulent loan websites is increasing.

These websites are designed to look like legitimate lending institutions. Their fraudulent loan applications are used to collect your personal information. This can result in identity theft and fraud. Once quickly approved, the fraudsters will request a fee to secure the loan. The victim never receives any money.

Warning Signs – How to Protect Yourself

- In most provinces, it is illegal for a company to request an upfront fee before you receive your loan. You should never send money first.
- Beware of companies that offer guaranteed loans; even if you have bad credit or no credit.
- Beware of instant approvals.
- Do your research before you provide your personal information.
- Contact your provincial consumer protection agency and/or financial regulator to confirm that a company is a legitimate lender.
- End all contact if the company requests payment by email money transfer, money service businesses or pre-paid credit cards.

Discover everything there is to know about Canada's COVID-19 Economic Response Plan at: <https://www.canada.ca/en/department-finance/economic-response-plan.html>. Read more about loans scams at: <https://antifraudcentre-centreantifraude.ca/scams-fraudes/loan-pret-eng.htm>. If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1-888-495-8501 or report online at www.antifraudcentre.ca.