



SURVEY ON “SCAMS AND FRAUD EXPERIENCED BY CONSUMERS”

Final Report

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Directorate E Consumers — Unit E.3 Consumer enforcement and redress

E-mail: JUST-E3@ec.europa.eu

*European Commission
B-1049 Brussels*

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Country codes

BE	Belgium	LU	Luxembourg
BG	Bulgaria	HU	Hungary
CZ	Czechia	MT	Malta
DK	Denmark	NL	Netherlands
DE	Germany	AT	Austria
EE	Estonia	PL	Poland
IE	Ireland	PT	Portugal
EL	Greece	RO	Romania
ES	Spain	SI	Slovenia
FR	France	SK	Slovakia
HR	Croatia	FI	Finland
IT	Italy	SE	Sweden
CY	Cyprus	UK	United Kingdom
LV	Latvia	IS	Iceland
LT	Lithuania	NO	Norway

Introduction

Existing evidence suggests that consumers are targeted by increasingly sophisticated misleading or fraudulent practices and scams, via different channels, both offline and online. Consumers can be targeted while shopping online, on social media, via telephone, text messages, e-mails or face to face through doorstep sales¹. This potentially has far reaching and damaging consequences for individuals and broader society alike.

Scams and fraud can expose individuals, their friends and relatives, to serious emotional, financial or physical harm. Moreover, scams and fraud can affect consumer confidence, lead to a reduction in consumer expenditure and consequently can significantly affect growth and job creation. This holds particularly true in relation to online shopping. It is estimated that a fully functioning European Digital Single Market (DSM) can create up to €415 billion in additional growth, hundreds of thousands of new jobs, and a vibrant knowledge-based society². The DSM's potential can only be realised, however, if consumers in the European Union (EU) trust online services and feel protected, including when shopping cross-border. And this trust cannot be taken for granted. Earlier studies showed a substantial level of concern among online consumers about, for example, potential misuse of their personal data or theft of their credit card details³.

Consumer complaints data points towards a relatively low prevalence of scams and fraud officially reported by consumers, at least in relative terms⁴. This is, however, hardly reassuring. The same complaints data suggests that the incidence of reported misleading or fraudulent practices and scams is growing, especially with regard to online scams and fraud. A 2019 Ipsos' survey found that people around the world, including in nine EU countries, fear "being hacked for fraud/spying purposes" more than attacks to their personal safety⁵. It is also crucial to take into account that in general consumer scams and fraud are considered to be largely under-reported and online scams and fraud even more so. Some people might not know to whom to report scams and fraud, might not feel it is worth the effort to report, or might not even be aware that they are victim of a crime. This might in particular affect more vulnerable groups of consumers. Moreover, even if scams and fraud appear to be a fairly limited phenomenon in terms of the proportion of the population directly affected, the negative consequences for society can still be serious, due to the very large number of Europeans buying goods or services, either online or offline.

About this study

The overall purpose of the Scams and Fraud survey is to deliver statistically reliable and comparable results related to the types of fraud experienced by consumers and the economic and other detriment caused by these types of fraud. The survey considers different fraudulent practices without taking into account whether the type of fraud experienced is a criminal offence or a misleading and deceptive practice under consumer law, and if the infringement is of criminal, civil and administrative nature.

The key objectives of the survey are:

¹ See e.g.: https://ec.europa.eu/info/sites/info/files/online_fraud_2017.pdf

² See: https://ec.europa.eu/commission/sites/beta-political/files/dsm-factsheet_en.pdf

³ The 2015 DG JUST study on "Perceived and actual barriers with online (cross-border) purchases" found that 30% of online consumers were concerned that personal data may be misused and 25% that payment card details may be stolen while shopping online domestically.

⁴ See e.g.: https://ec.europa.eu/info/sites/info/files/online_fraud_2017.pdf

⁵ See: <https://www.ipsos.com/en/more-dangerous-world-people-fear-hackings-over-attacks-their-personal-safety>

- To map the most frequent types of fraud/scams and understand which types of fraud/scams are most common;
- To map the channels most frequently used by fraudsters to deceive consumers;
- To identify financial and nonfinancial impact of fraud/scams;
- To identify to which extent consumers report scams and fraud and if they are aware of any awareness raising in relation to scams and if they have acted to protect themselves from scams;
- To identify to which extent online scams and fraud impact online behaviour.

Survey Methodology

The survey was conducted in the 28 EU Member States, Iceland and Norway. The target population included all residents aged 18 and above.⁶ In 26 of the 30 countries surveyed, at least 1,000 interviews were conducted. In the remaining four countries with the smallest populations, a minimum of 500 respondents were interviewed.⁷ In total 28,239 interviews were completed across all countries, with 26,735 concluded in the EU28. Fieldwork was conducted between August and October 2019.

The survey was executed using Computer Assisted Telephone Interviewing (CATI) in all countries.⁸ In every country, a random sample representative of the national population aged 18 or over was drawn. To ensure a homogenous approach across countries and minimise potential errors, questionnaire programming, data cleaning and analysis were fully centralised.

Report structure

This report looks at scams and fraud from the consumer perspective. In chapter 1, we will look at the incidence rates of those who have experienced or were exposed to fraud, broken down by the different types of fraud. In chapter 2 we analyse the level of financial and non-financial detriment experienced, and how this varies depending on the type of fraud. In chapter 3, we explore the characteristics of the people who experienced and have suffered from fraud, as well as their online behaviour. Chapter 4 elaborates on which communication channels consumers experienced scams and fraud. In chapter 5, we look in more detail at the level of reporting of scams and fraud and the drivers behind reporting by consumers. Chapter 6 is about EU citizens' exposure to campaigns warning about misleading or fraudulent practices and scams. Finally, chapter 7 summarises the key findings of the study.

This report focuses on the key findings from the survey, with the aim to provide a concise and comprehensible report, suitable for a general audience. Socio-demographic and country differences are provided where relevant and significant⁹. For the full results at country and socio-demographic level, please refer to the data tables provided separately.

⁶ Respondents were residents in the surveyed country and had sufficient command of at least one of the respective national languages. In addition, only persons "living in private households" were selected, excluding prisoners, as well as residents of retirement homes, etc. who are difficult to contact in a telephone survey.

⁷ Cyprus, Luxembourg, Malta and Iceland.

⁸ The overall telephone penetration in the EU28 countries, Iceland and Norway is high, which ensures that a majority of the population has a chance to participate in the survey and thus ensures high representativeness of the results.

⁹ All statistical differences mentioned in the report are statistically significant unless otherwise mentioned. Statistical significance is calculated at the 95% confidence level, meaning that the null hypothesis of no difference has been rejected at 5% probability level.

1 How extensive is the issue of fraud?

Box 1: Key findings section 1

- *Exposure to the nine types of scams and fraud covered by this survey is commonplace: More than half (56%) of Europeans surveyed experienced at least one of these types of fraud/scams in the last two years.*
- *'Monetary fraud' was the type of fraud that was most frequently encountered, followed by 'identity theft' and 'buying scams'; respectively 39%, 33% and 23% reported to have experienced these types of fraud over the last two years.*
- *Experience with the fraud and scams covered by the survey varied substantially across EU Member States, ranging from 69% in Denmark to 17% in Bulgaria.*

Whilst earlier research has explored the topic of scams and fraud, prior to this study little was known about how big the problem of scams and fraud is across EU Member States. Furthermore, the study includes not only those that have become victim of a scam or fraud (defined here as having suffered financial or other harm), but also cases where they have been confronted with or exposed to a scam or fraudulent practice but did not necessarily suffer any financial harm or otherwise from this exposure, for example because they did not act on the request for payment or information. Therefore, the survey captures those who were the target of a scam or fraud and are aware of this exposure to a scam or fraud and not only those who fall 'victim' to a scam or fraud.

Given this broad scope, the survey questions consumers in the EU about whether they personally experienced any of nine different types of scams and fraud in the last two years, when purchasing goods and services online or offline, see box 1. The aim was to cover a broad spectrum of criminal offences or misleading and deceptive practices prohibited by European Consumer Law (e.g. Unfair Commercial Practices Directive 2005/29/EC (UCPD)), including what can be qualified as 'buying scams' (items 1 to 3), 'identity theft' (items 4 and 5), and 'monetary fraud' (items 6 to 9). This includes both scams and fraud experienced by consumers when purchasing goods or services online or offline (items 1, 2 and 7), as well as cases in which people received malicious or fraudulent requests for payments and/or personal information, which could happen when purchasing goods or services online or offline, or related to the invitations to purchase products or services or while using particular products and service (items 3, 4, 5, 6, 8 and 9).

Some of such practices are directly forbidden in the "black list" of the UCPD Directive as commercial practices that are in all circumstances considered unfair such as "claiming that products are able to facilitate winning in games of chance"; "claiming in a commercial practice to offer a competition or prize promotion without awarding the prize described or a reasonable equivalent"; "making a materially inaccurate claim concerning the nature and extent of the risk for the consumer or his family if the consumer does not purchase the product"; "including in a marketing material an invoice or similar document seeking payment, which gives the consumer the impression that he has already ordered the marketed product when he has not" or are even indicated in the "black list" as aggressive practices such as the fact to make persistent and unwanted solicitations by telephone, fax or e-mail. In other cases, the practices can also be assessed as unfair under consumer law, or even constitute other type of civil or criminal offence.

It is important to note that the terminology at the beginning of the survey when introducing it and when introducing the first question did not already label these practices as either

fraudulent or as a scam. Rather, interviewees were only asked whether these practices had happened to them in the last two years. It was only after this question that the terminology of scam or fraud was used to label these practices.

Box 1: Types of scams and fraud covered by the study

Buying scam



1. You ordered free or relatively cheap products or services, but it turned out you had been tricked into a costly monthly subscription.*
2. You bought what you thought was a good deal, but you never received the goods/service or the goods /services turned out to be fake or non-existent.*
3. You received a fake invoice for products that you had not ordered and you were asked to pay the cost.

Identity theft



4. You were contacted - by phone, face to face, by email or by another mean - by someone pretending to be from a legitimate organisation such a bank, telephone or internet service provider, or government department, and asked to provide (or confirm) personal information.
5. You were approached - by phone, face to face, by email, by another mean - or you accessed a website and were informed that you had a computer or internet problem. Then you were asked for your personal details and your bank or credit card details to have the problem solved.

Monetary fraud



6. You were promised you would receive a good, a service, a rebate or an important investment gain if you transferred or invested money.
7. You bought tickets for an event, concert or travel but it turned out the tickets were not genuine and/or you never received them.*
8. You were contacted by someone pretending to be from a legitimate organisation, such as a bank, internet provider or government, who claimed there were problems with your account or other documentation and threatened you with harm if you did not pay to resolve the problem.
9. You received notification of a lottery win or a competition win but were informed you would need to pay a fee or buy a product in order to collect your prize.

* Scams and Fraud experienced when buying goods or services online or offline

Exposure to the nine types of scams and fraud outlined in box 1 is commonplace in the EU. Slightly more than half (56%) of Europeans¹⁰ personally experienced at least one of the nine types of scams or fraud in the last two years, when purchasing goods or services, either online or offline or when they were invited to purchase goods and services by fraudsters. Furthermore, a significant minority of Europeans were exposed to more than one scam or fraud during that time period. Roughly a third (34%) experienced two or more types of scams and fraud. On average, Europeans experienced 1.26 cases of scams and fraud over the last two years.

¹⁰ The total results reported on in this report refer to the results for the EU28.

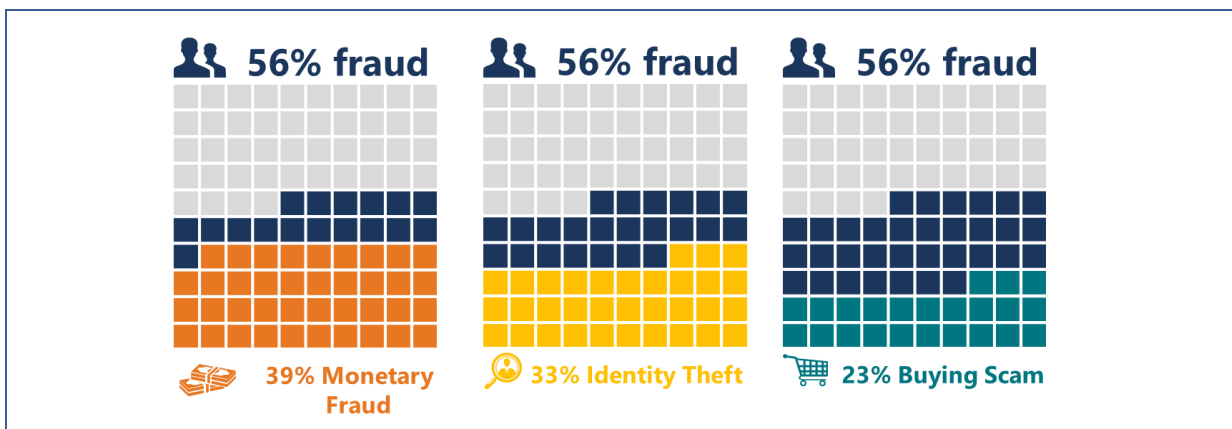
Figure 1: Overall experience with fraud in the past two years



Derived from: Q1. In the last 2 years, have you personally experienced any of the following when purchasing goods or services either online or offline?
%, EU28 (total), Base: All respondents (n=26,735)¹¹

What were the most common types of scams and fraud Europeans were confronted with? As a category of fraud and scams, 'monetary fraud' was the most common with 39% being exposed to such a fraud/scam in the last two years. Least common, but still almost a quarter (23%) of Europeans found themselves exposed to a 'buying scam', whilst a third (33%) were aware of being exposed to 'identity theft'.

Figure 2: Experience with fraud in the past two years, by groups of scams and fraud



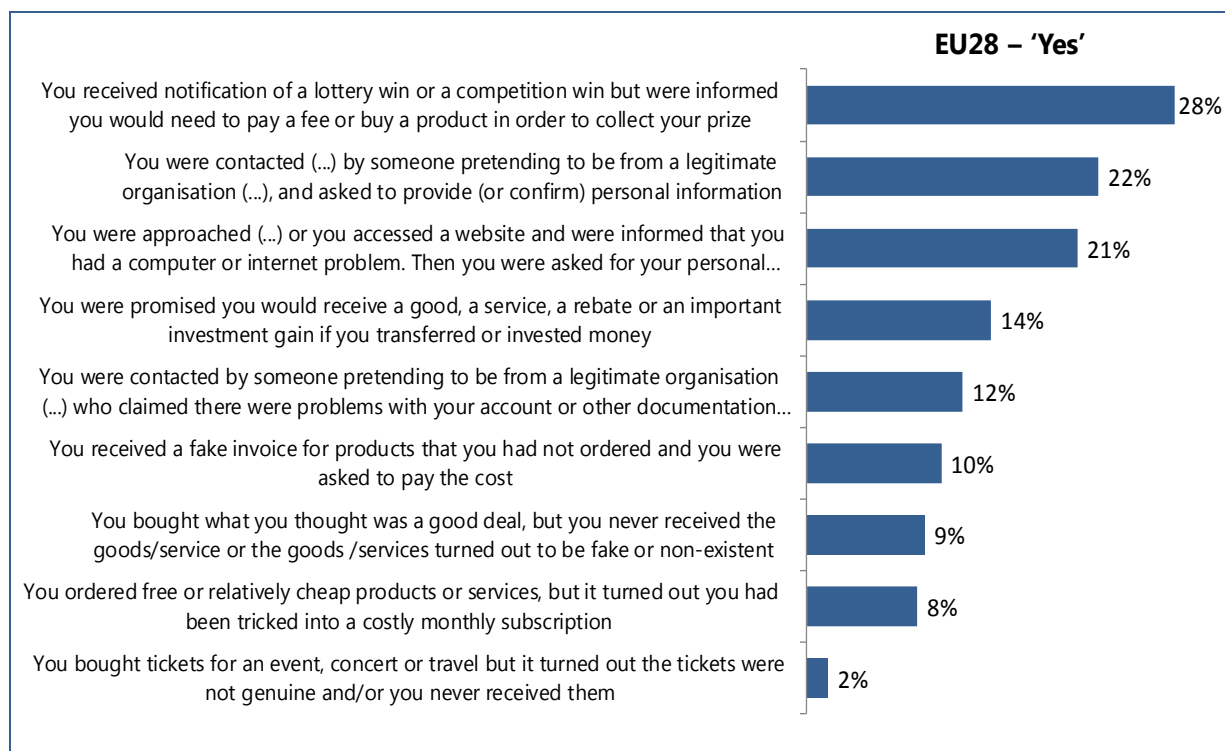
Q1. In the last 2 years, have you personally experienced any of the following when purchasing goods or services either online or offline? (see Annex 1 for the complete questions)
% (multiple response), EU28 (total), Base: All respondents (n=26,735)

When looking at the results in more detail, the types of scams and fraud that were most frequently experienced were either those notifying the person of a lottery/competition win (that they needed to pay a fee/buy a product for to claim the prize) at almost a third (28%), or those who were contacted in various different formats and were asked to share personal information (22% via someone pretending to be a legitimate organisation and 21% when informed they had a computer/internet problem). Least common were scams

¹¹ With "EU28 total" we refer to the fact that for the overall results, we looked at EU28 results, excluding the results for Iceland and Norway. "Base" refers to the subgroup of respondents who answered the specific question.

relating to tickets, not receiving goods/services, or receiving fake goods/services, see figure below.

Figure 3: Experience with fraud in the past two years, detailed results

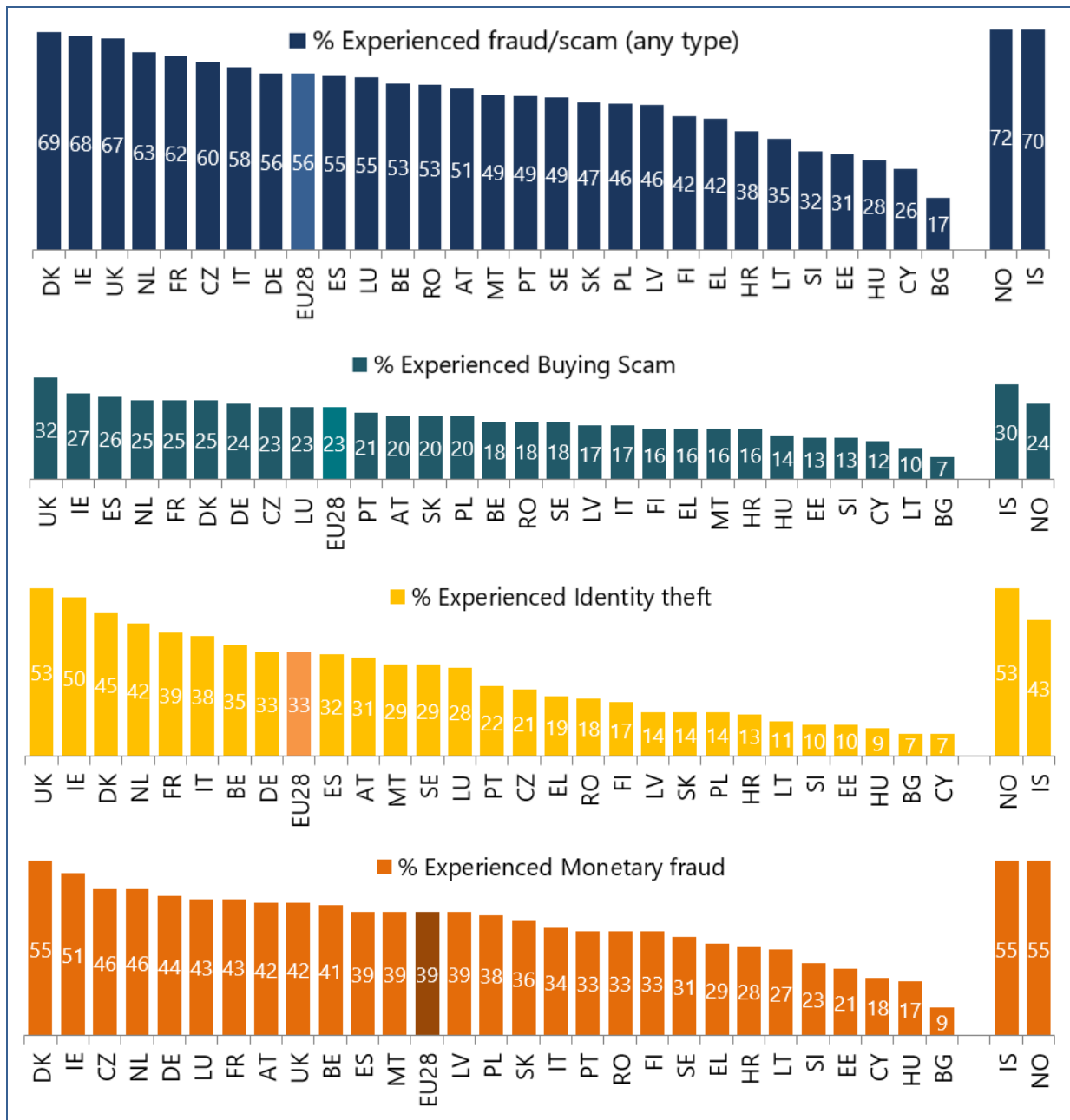


Q1. In the last 2 years, have you personally experienced any of the following when purchasing goods or services either online or offline? (see Annex 1 for the complete questions)
% (multiple response), EU28 (total), Base: All respondents (n=26,735)

Whilst this paints the picture of how commonly Europeans are exposed to scams and fraud overall, there are considerable differences between EU Member States. The figure overleaf shows the country level results for each of the three groups of scams and fraud outlined above, as well as the overall results. Compared to other regions – particularly Eastern Europe, Western Europeans were more likely to have experienced scams or fraud in the past two years. The levels of exposure to scams and fraud were highest in Denmark, Ireland and the United Kingdom¹²: between 67% and 69% in these countries have personally experienced at least one of the nine types of scams and fraud in the last two years. In Bulgaria, Cyprus and Hungary, on the other hand, only between 17% and 28% personally experienced scams and fraud during this time span.

¹² When excluding Norway and Iceland, as non-EU countries.

Figure 4: Experience with fraud in the past two years, detailed results



Q1. In the last 2 years, have you personally experienced any of the following when purchasing goods or services either online or offline?

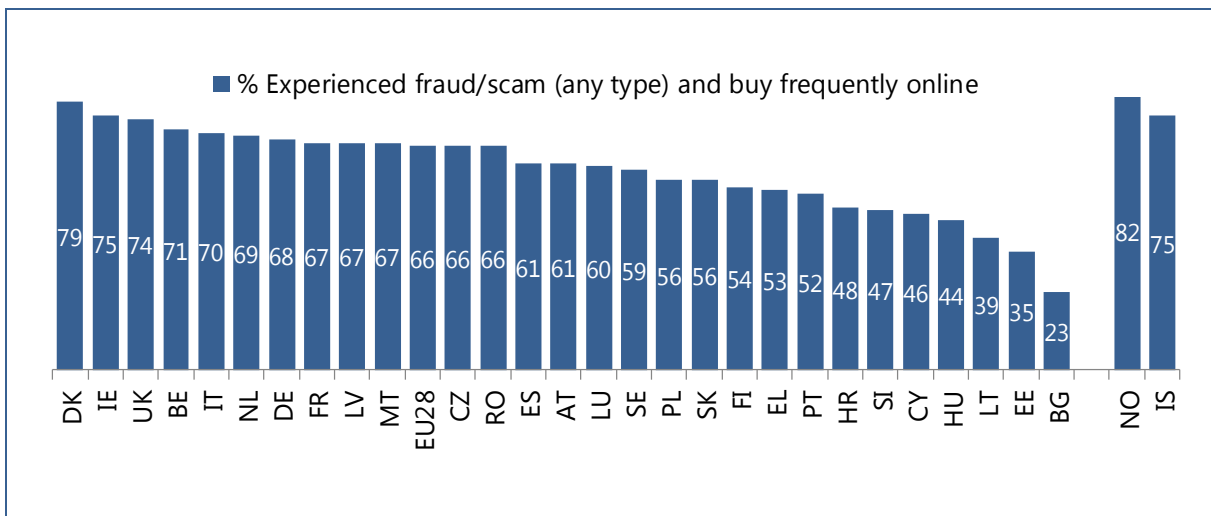
%, by country, Base: All respondents (EU28: n=26,735; NO: n=1,004; IS: n=500)

The countries with a lower overall prevalence of scams and fraud also tend to be countries with a relatively low intensity of e-commerce, as shown by Eurostat data¹³. Because consumers experience scams and fraud primarily by online channels (see

¹³ The most recent Eurostat data from 2018 on the “Percentage of individuals who ordered goods or services, over the internet, for private use, in the last year”, shows that e-commerce intensity was lowest in Romania (20%), Bulgaria (21%) and Cyprus (32%). See Eurostat isoc_ec_ibuy, “Percentage of individuals who ordered goods or services, over the internet, for private use, in the last year” (2018). Available at: https://ec.europa.eu/eurostat/statistics-explained/index.php/E-commerce_statistics_for_individuals#General_overview

Chapter 4), hypothetically this could mean that in countries like Bulgaria, Cyprus and Hungary, the *relative* incidence of online scams and fraud could actually be high. This hypothesis is, however, not confirmed by the findings from the survey: The country ranking remains largely the same if only looking at the results for those who frequently buy online, see figure below. Of course, other factors might be at play that are driving the results, such as a potentially lower awareness about scams and fraud in countries with a low intensity of e-commerce (Chapter 6 provides some indications in this direction), or countries with a low intensity of e-commerce being less attractive targets for fraudsters (both elements would necessitate additional research).

Figure 5: Experience with fraud in the past two years, proportion of those who frequently buy online, by country



Q1. In the last 2 years, have you personally experienced any of the following when purchasing goods or services either online or offline?

%, by country, Base: All respondents who frequently buy online (EU28: n=9,563; NO: n=371; IS: n=211)

2 How big is the impact?

Box 2: Key findings section 2

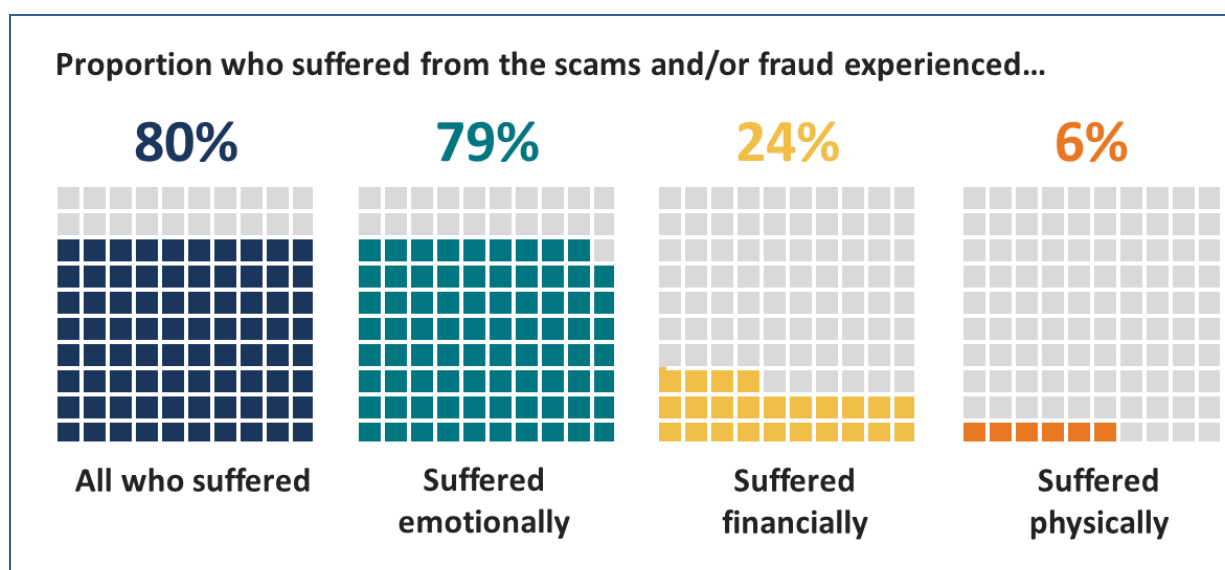
- *The great majority of those exposed to a scam or fraud felt a negative impact. Close to eight out of ten (79%) suffered emotional or physical harm, whereas 24% suffered financial detriment.*
- *Of those who experienced financial harm, most suffered between 0 EUR and 500 EUR of loss (20%, versus 3% who suffered more financial harm).*
- *Whilst the average financial detriment caused by scams and fraud appears not extremely high, when extrapolating this to the EU population as a whole amounts are very substantial. An approximate estimation is that the EU adult (18+) population incurred 24 billion EUR of financial losses resulting from scams and fraud over a two-year period.*
- *Moreover, scams and fraud have an important impact on buying behaviour: Close to four in ten who experienced fraud (38%), noted that this was the case. Importantly, this figure was notably higher for those affected by a buying scam (53%) or who suffered financial harm (66%).*

If exposed to scams and fraud, the impact can be significant. People can potentially suffer financial and/or non-financial detriment, both of which can affect their personal wellbeing and erode trust in the market. This section looks at the level of financial and non-financial consumer detriment caused by scams and fraud, and to what extent this impacted consumers' online purchasing behaviour.

2.1 Overall impact

The vast majority of those who were exposed to a scam or fraud, also felt a negative impact. Overall, eight out of ten (80%) of those who experienced a fraud or scam, suffered financially, emotionally or physically as a result. In particular emotional harm was common: Close to eight out of ten (79%) suffered some form of emotional harm as a result of the fraud or scam. Financial harm was less common; 24% of those who experienced a fraud or scam, suffered financial loss. This is, however, still substantial, considering the broad definition of scams and fraud applied for this survey, which includes occasions where people may have seen a fraud or scam but did not become a victim by reacting to it. A small group (6%) suffered physically from the scam or fraud they had been exposed to.

Figure 5: Experienced negative impact from a scam or fraud in the past 2 years, by type of harm



Q9. What was the total financial loss, if any, you experienced as a result of this fraud? Please include any money you had to spend getting a new laptop, software or other equipment because of Malware. Was it ...

%, EU28 (total), Base: Respondents who experienced / were exposed to fraud, excluding refusals (n=12,731)

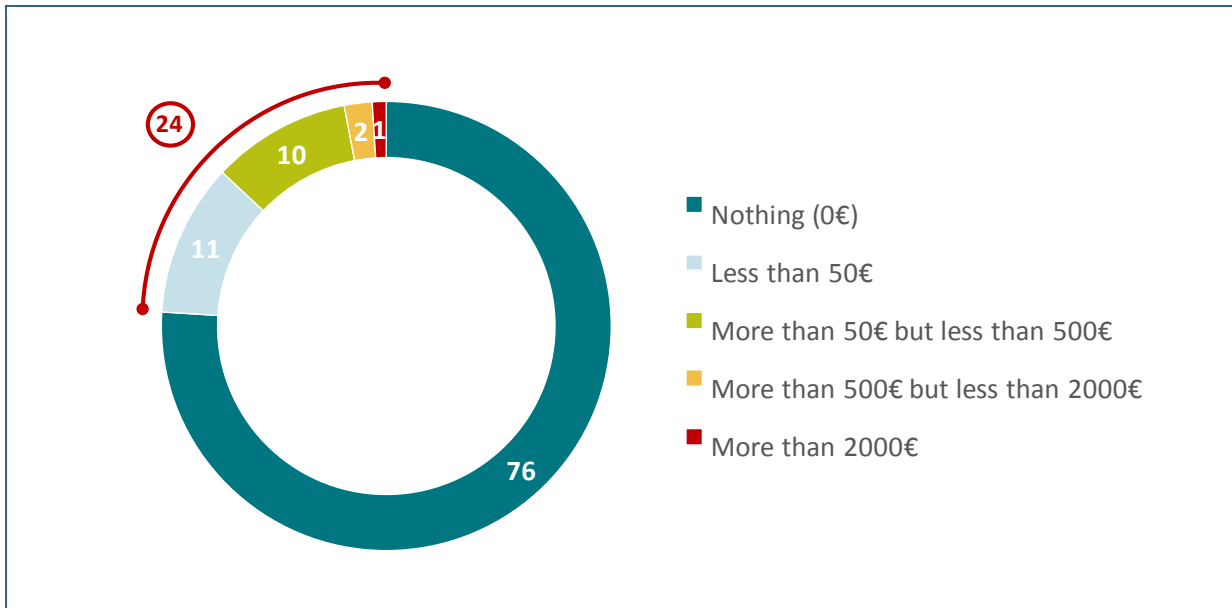
Q10. Aside from the financial loss, what other negative effects did the fraud have on you? I'll read some items please say yes to each that applied to you. You felt...

% (multiple answer), EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

2.2 Financial detriment

As noted above, slightly less than a quarter (24%) of those who experienced a fraud or scam, suffered a degree of financial loss. This included 11% who lost less than 50 EUR (but did lose some money), and a similar proportion (10%) who lost between 50 and 500 EUR. Higher financial losses were less common (3% who experienced fraud lost more than 500 EUR as a result of a fraud or scam). Of course, this more limited number of high losses can still have a big impact for both individuals and society due to the high amounts involved, as shown further below. As mentioned previously, it is also important to put these results in the context of the study. This financial loss is reported by all those who were exposed to scams and fraud and not only those who were a 'victim'. For example, it includes all those who are aware of having received a notification of a lottery win but were prompted to pay to receive the prize, not only those who actually made the payment. Moreover, some people may not consider the indirect costs they made related to the scam or fraud they experienced as financial loss, for example when they had to pay to renew their identity card or bank card because of a scam or fraud (for more information on the profile of those suffered financial harm, please refer to Chapter 3).

Figure 6: The level of financial loss experienced as a result of a fraud/scam



Q9. What was the total financial loss, if any, you experienced as a result of this fraud? Please include any money you had to spend getting a new laptop, software or other equipment because of Malware. Was it ...
%, EU28 (total), Base: Respondents who experienced / were exposed to fraud, excluding refusals (n=12,731)

The magnitude of financial losses varied markedly, depending on the type of fraud experienced. Perhaps unsurprisingly given the nature of these scams, victims of a buying scam relatively often suffered financial loss. Moreover, experience of a buying scam was more commonly associated with considerable financial detriment: Slightly more than a quarter (26%) of those exposed to a buying scam suffered more than 50 EUR of financial loss.

Table 1: Total financial loss, by type of fraud

	Base (EU28) – Exp. / exposed to fraud, excluding refusals	Financial loss (excl. refusals)				
		Nothing (0€)	At least 1€ but less than 50€	More than 50€ but less than 500€	More than 500€ but less than 2000€	More than 2000€
Avg. (EU28)	12,731	76%	11%	10%	2%	1%
Type of fraud (experienced in the last 2 years)						
Buying scam	4,028	49%	25%	20%	4%	2%
Identity theft	4,146	87%	5%	6%	1%	1%
Monetary fraud	4,557	84%	7%	7%	2%	0%

Q9. What was the total financial loss, if any, you experienced as a result of this fraud? Please include any money you had to spend getting a new laptop, software or other equipment because of Malware. Was it ...
%, EU28 (total), Base: Respondents who experienced / were exposed to fraud, excluding refusals (n=12,731)

2.2.1 Financial impact on broader society

It is not within the scope of this study to provide a detailed estimation of the wider impact of scams and fraud on the economy and broader society. An exact estimation is also not feasible, as 1) respondents were asked to provide an estimation of their financial losses using answer bands¹⁴, and 2) answered only for the last scam/fraud experienced. Nonetheless, a rough estimation can be made of the magnitude of the *direct* financial impact of scams and fraud for consumers in the EU, based on an assumption of the suffered losses per individual. This assumption can for example be based on the mid-points of the answer bands: Those who answered that they suffered less than 50 EUR of financial detriment (but did lose money), can be assumed to have lost on average 25 EUR, those who lost more than 50€ but less than 500€, can be assumed to have lost on average 275 EUR, and so forth¹⁵. Those who lost more than 2,000 EUR (for which we do not know the upper limit of the loss), can be assumed to have lost on average 2,500 EUR.

If applying these assumptions, at the EU28 level respondents who were exposed to fraud suffered on average 82.39 EUR of financial loss as a result of the fraud and scam they were asked about. When also including those who were not exposed to fraud and scams, which of course can be assumed to have suffered no financial detriment, the average loss of the fraud asked about was 45.53 EUR.

As noted in Chapter 1, if we take everyone in the EU and look at how many scams and fraud were experienced and spread these across the full population, it would be an average of 1.26 cases of fraud per person. Hence the total average losses per respondent over the two year period were 57.37 EUR (45.53 EUR * 1.26).

If extrapolating this figure to the adult (18+) population of the EU28 (of 416 million people, as of October 2018)¹⁶, this would amount to a total of approximately 24 billion EUR of financial losses resulting from scams and fraud incurred by the EU adult population over a two-year period.

2.3 Emotional and physical detriment

The impact of scams and fraud is not limited to financial harm. As noted above, overall, close to eight out of ten (79%) suffered some form of emotional harm as a result of the scam or fraud they experienced. This included irritation (68%), anger (56%), stress (30%) and embarrassment (16%). A more limited number who experienced fraud (6%), reported that this fraud affected their physical health.

Most people who experienced scams or fraud (57%) suffered 'only' emotional or physical harm (see figure below). A further 22% suffered financial *and* emotional or physical harm, whereas 20% did not suffer financial, nor emotional/physical harm, even though they did experience fraud or a scam. Perhaps unsurprisingly, just 1% *only* experienced financial

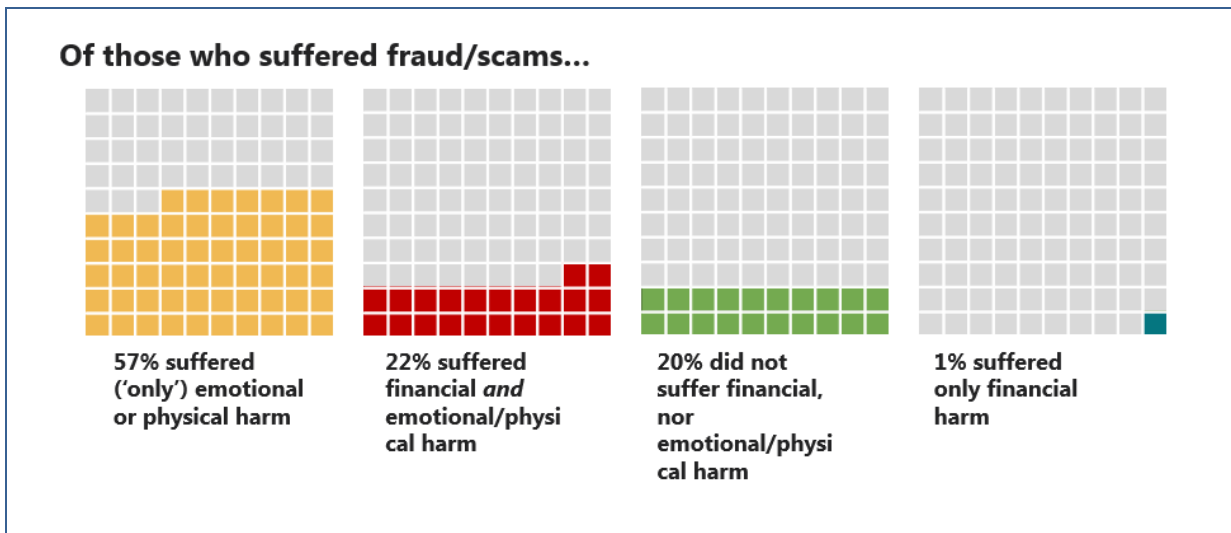
¹⁴ Q9 was asked as follows: What was the total financial loss, if any, you experienced as a result of this fraud? Please include any money you had to spend getting a new laptop, software or other equipment because of Malware. Was it ...0€, Less than 50€, More than 50€ but less than 500€, More than 500€ but less than 2000€, More than 2000€?

¹⁵ The following midpoints were applied: 25€ (>0 and <50€); 275€ (>50€ and <500€); 1250€ (>500€ and < 2000€) and 2500€ (>2000€). 'No answers' (for those who did not experience fraud) were recoded to 0€. Refusals were excluded from the sample. The total sample for the EU28 is n=26,595.

¹⁶ Or 419,977,121. See Eurostat, Population on 1 January by age, sex and NUTS 2 region [demo_r_d2jan], October 2018.

harm, which shows that financial harm goes hand in hand with emotional and physical detriment.

Figure 7: Suffered from emotional, physical or financial harm



Q9. What was the total financial loss, if any, you experienced as a result of this fraud? Please include any money you had to spend getting a new laptop, software or other equipment because of Malware. Was it ...

%, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

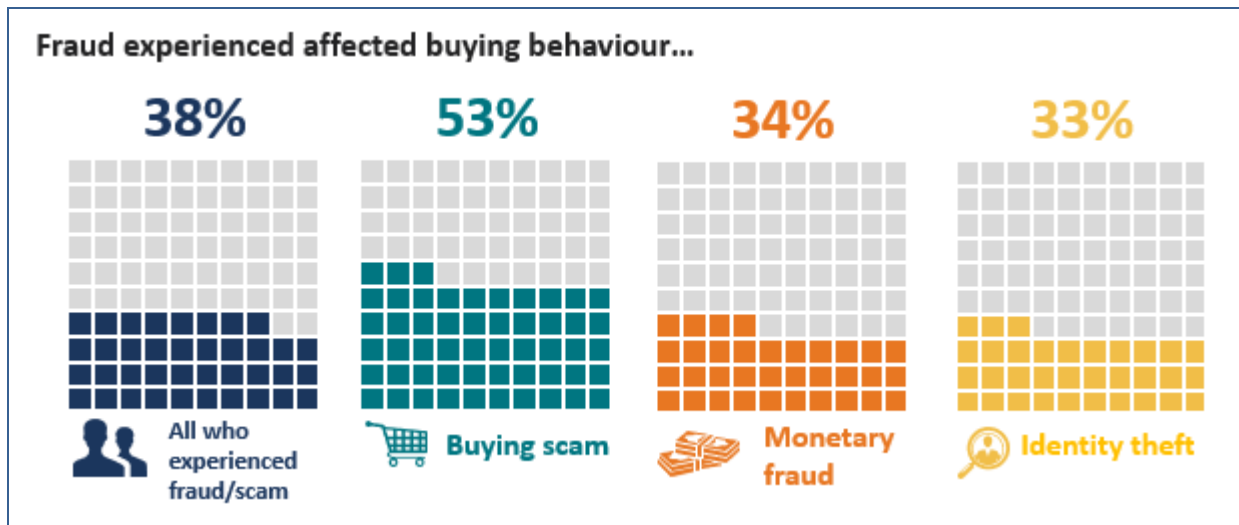
Q10. Aside from the financial loss, what other negative effects did the fraud have on you? I'll read some items please say yes to each that applied to you. You felt...

% (multiple answer), EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

2.4 Impact of fraud on buying behaviour

As noted in the introduction, scams and fraud do not only cause direct harm to those exposed; they also can have an impact on buying behaviour and hence potentially the functioning of the Internal Market. With this in mind, it is important that almost four in ten who experienced fraud (38%), felt that this affected their online buying behaviour (see figure below). Even more striking is that more than half (53%) of those who experienced a buying scam changed their online buying behaviour, showing that scams and fraud, and in particular buying scams, can have a very substantial impact on consumers' trust in the market.

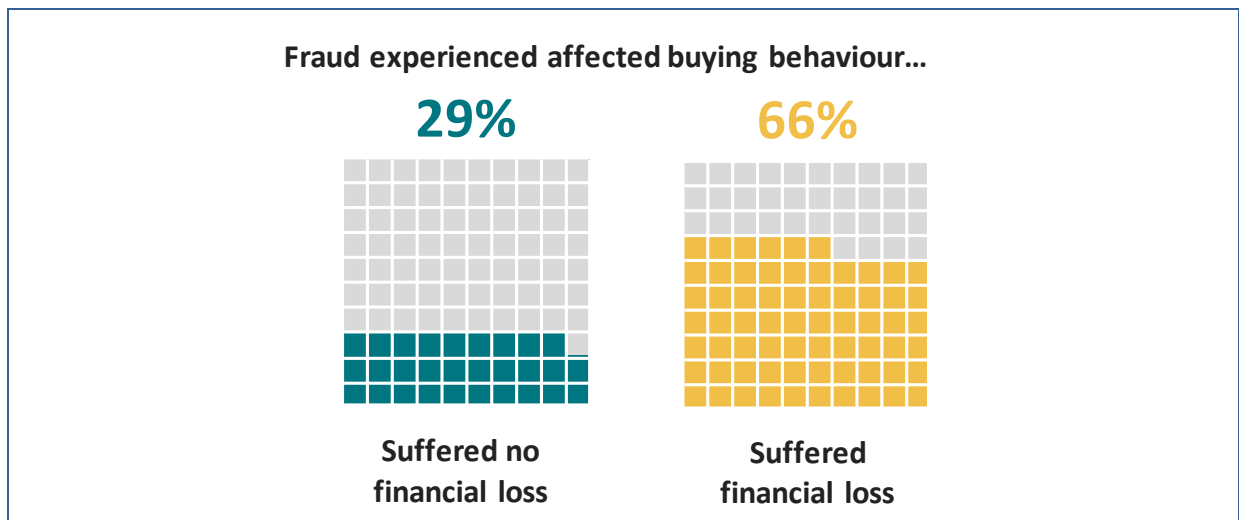
Figure 8: Effect of fraud on online buying behaviour, by type of fraud experienced



Q11. Has this experience of fraud affected your online purchasing behaviour at all? %, EU28, Base: All respondents who experienced fraud (n=12,850)

The big impact of buying scams on buying behaviour is likely related to the fact that buying scams are often associated with financial harm (see table 1 above). In general, the impact of having experienced fraud on online buying behaviour is high when that fraud resulted in financial detriment. Two thirds (66%) of those who suffered financial loss because of the fraud they experienced changed their online buying behaviour. This compares to slightly less than a third (29%) who changed their online buying behaviour amongst those who did not suffer financial loss as a result of the fraud they experienced (see figure below).

Figure 9: Effect of fraud on online buying behaviour, by size of financial loss



Q11. Has this experience of fraud affected your online purchasing behaviour at all? %, EU28 (total), Base: All respondents who experienced / were exposed to fraud, excluding refusals (n=12,731)

3 The characteristics of those exposed to / victims of scams and fraud

Box 3: Key findings section 3

- *Of the background variables measured in the survey, frequent internet use is the most important predictor of experiencing a scam or fraud covered by the survey. Controlling for the other socio-demographic characteristics, the probability of someone experiencing fraud goes up 25 percentage points for frequent internet users (at least once a week) compared to someone who hardly ever uses the internet.*
- *Whilst those in a financially difficult situation are less exposed to scams and fraud (i.e. are less likely to have experienced a scam or fraud in the last two years), when a scam or fraud is experienced being in a financially difficult situation is the strongest predictor to experience a financial loss due to the scam or fraud. This highlights that the financially vulnerable are particularly at risk of suffering financial detriment. Controlling for the other socio-demographic characteristics, the probability of experiencing financial detriment due to a scam or fraud (amongst those who experienced a scam or fraud) is 12 percentage points higher for someone in a financially difficult situation compared to someone whose financial situation is very easy.*
- *Those who experienced fraud in the last two years can be described as relatively cautious in their online/offline behaviour in comparison to those who have not. This might be due to a change in behaviour caused by the fraud/scam.*

To shed more light on the socio-demographic profile of those who experienced fraud (any type) in the last 2 years (Q1), and those who experienced financial loss (any amount) as a result of the fraud experienced (Q9), a logistic regression was performed. The results allow us to explore whether characteristics such as gender, education, etc. are more or less associated with experiencing fraud/financial detriment whilst controlling for the effects of other socio-demographic characteristics.

Looking first at the experience of fraud, in the table with the results, the binary variable showing whether a respondent reported experiencing fraud in any of the nine situations or not, is regressed on the predictor variables (i.e. the characteristics) of age, gender, education level, internet use, urbanisation and subjective income. The positive values in the table show higher odds of experiencing fraud *compared to the base category in each predictor*, controlling for other predictors. Similarly, negative log odds indicate lower probability of experiencing fraud compared to the base category. The base (reference) categories have 0 log odds.

The table also includes the net percentages which show the percentage of each socio-demographic characteristic that experiences fraud/financial loss, **after controlling for the effects of the other socio-demographic characteristics**¹⁷. Of most interest is the calculation of the net differences (in percentage points) of experiencing fraud/financial loss

¹⁷ The analysis was run in Stata 16 using the logistic regression command `logit` with `svyset`. The weighting variable `weightAGPEU28` was used when analysing the likelihood of experiencing fraud (Q1) and `Weight_rFraud_EU28` was used when analysing the likelihood of experiencing financial loss (Q9). As a sensitivity check, additional models with country dummies were compared to the models without country effects. The resulting odds ratios were not sensitive to the inclusion of country effects (in the form of country dummy variables) in the model.

which is the difference of that category compared to the base category within a socio-demographic variable whilst controlling for the effects of the other variables.

As shown in the table and figures overleaf, to summarise the results from the logistic regression model (run at the EU28-level) is that they show that more frequent internet users, higher educated and those aged between 34 and 54 are more likely to experience fraud. On the other hand, females compared to males, and those who reported that it is very difficult for them to make ends meet financially compared to those who are financially comfortable are less likely to have experienced fraud.

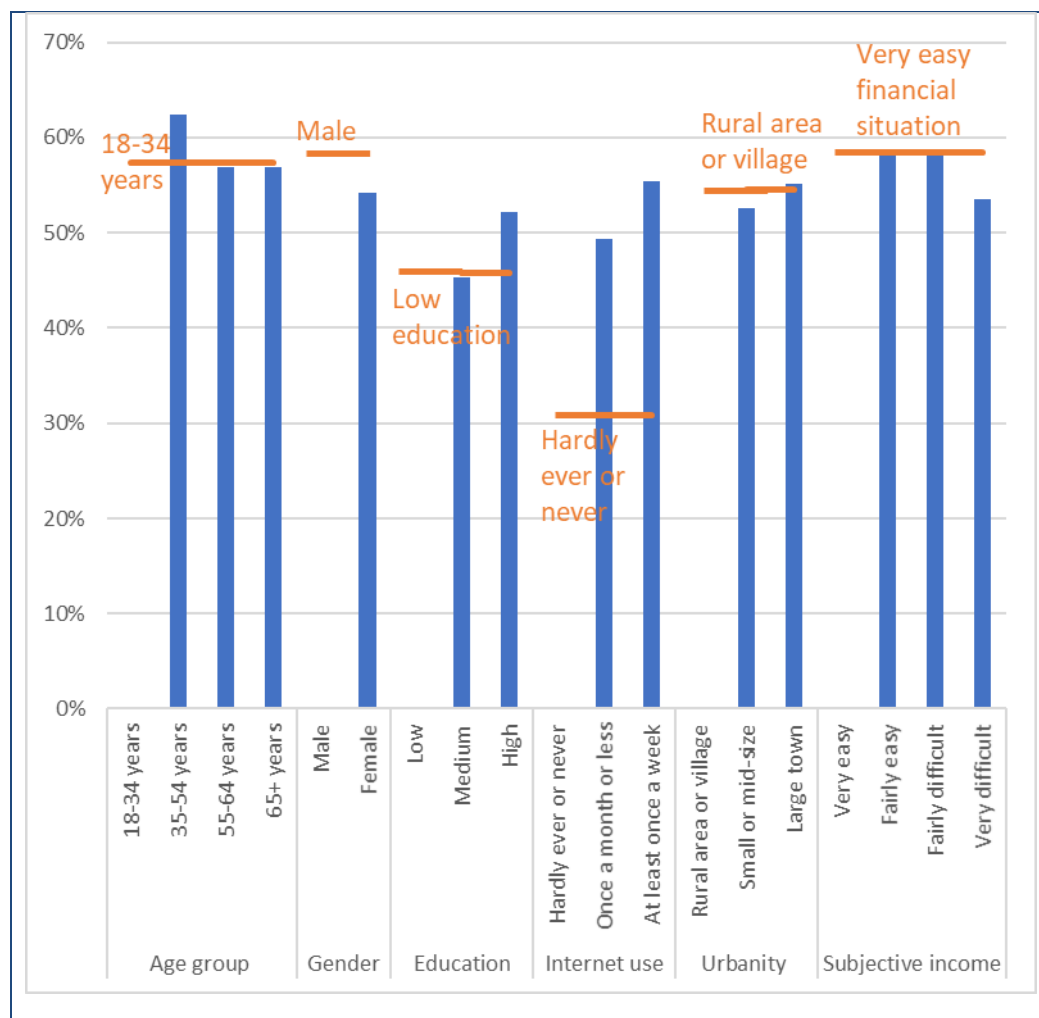
The most important predictor of **experiencing** a fraud is the frequency of internet use. Controlling for other characteristics, the probability of experiencing fraud goes up by 25 percentage points for someone who uses the internet at least once a week compared to someone who uses it hardly ever. This of course is not unexpected, as many of the types of scams and fraud covered by the survey are particularly likely to occur online (see Chapter 4).

What the results also show, is that the probability that those in a very difficult financial situation experience a fraud goes down by five percentage points compared to those in a very easy financial situation (controlling for the other characteristics). Furthermore, the probability of experiencing a fraud goes up by seven percentage points for those with a higher education compared to the lower educated. These results are also illustrated in the following Figure with the orange lines representing the base category and the blue bars illustrating the net differences in comparison to the base categories.

Table 2: Log odds, the net percentages and net difference of experiencing fraud by socio-demographic groups

	Model 1: Log odds of experiencing fraud	(NET percentages)	NET difference (in percentage points) compared to base category
# of observations	25,439		
Prob > F	0.00		
Age group			
1. 18-34 years	(base)	57.3%	
2. 35-54 years	0.213***	62.4%	5.1***
3. 55-64 years	-0.016	56.9%	-0.4
4. 65+ years	-0.014	56.9%	-0.3
Gender			
1. Male	(base)	58.7%	
2. Female	-0.185***	54.2%	-4.5***
Education			
1. Low	(base)	45.8%	
2. Medium	-0.02	45.3%	-0.5
3. High	0.259**	52.2%	6.5**
Internet use			
1. At least once a week	1.027***	55.4%	24.6***
2. Once a month or less	0.788***	49.4%	18.7***
3. Hardly ever or never	(base)	30.8%	
Urbanity			
1. Rural area or village	(base)	54.5%	
2. Small or mid-size	-0.076	52.6%	-1.9
3. Large town	0.021	55.1%	0.5
Subjective income			
1. Very difficult	-0.200*	53.5%	-4.9*
2. Fairly difficult	-0.012	58.2%	-0.3
3. Fairly easy	-0.014	58.1%	-0.3
4. Very easy	(base)	58.5%	
Note: * p<0.05; ** p<0.01; *** p<0.001			

Figure 10: Experienced fraud in the past 2 years, NET percentages showing the NET difference in percentage points compared to a base category within each socio-demographic characteristic after controlling for the effects of the other variables in the model.



Derived from: Q1. In the last 2 years, have you personally experienced any of the following when purchasing goods or services either online or offline?
%, EU28 (total), Base: All respondents, excl. 'Don't knows' (n=25,439)

The analysis then turns to those who experienced a **financial loss** as a result of a fraud/scam (therefore, the base here is of those who did experience a fraud/scam). Previously, the results showed that the probability of those in a very difficult financial situation meant they were less likely to experience fraud compared to those in a very easy financial situation (controlling for the other characteristics). However, when it comes to experiencing financial loss as a result of fraud experienced, the probability of those in a very difficult financial situation suffering a financial loss is 12 percentage points higher compared to those in an easy financial situation (controlling for other characteristics).

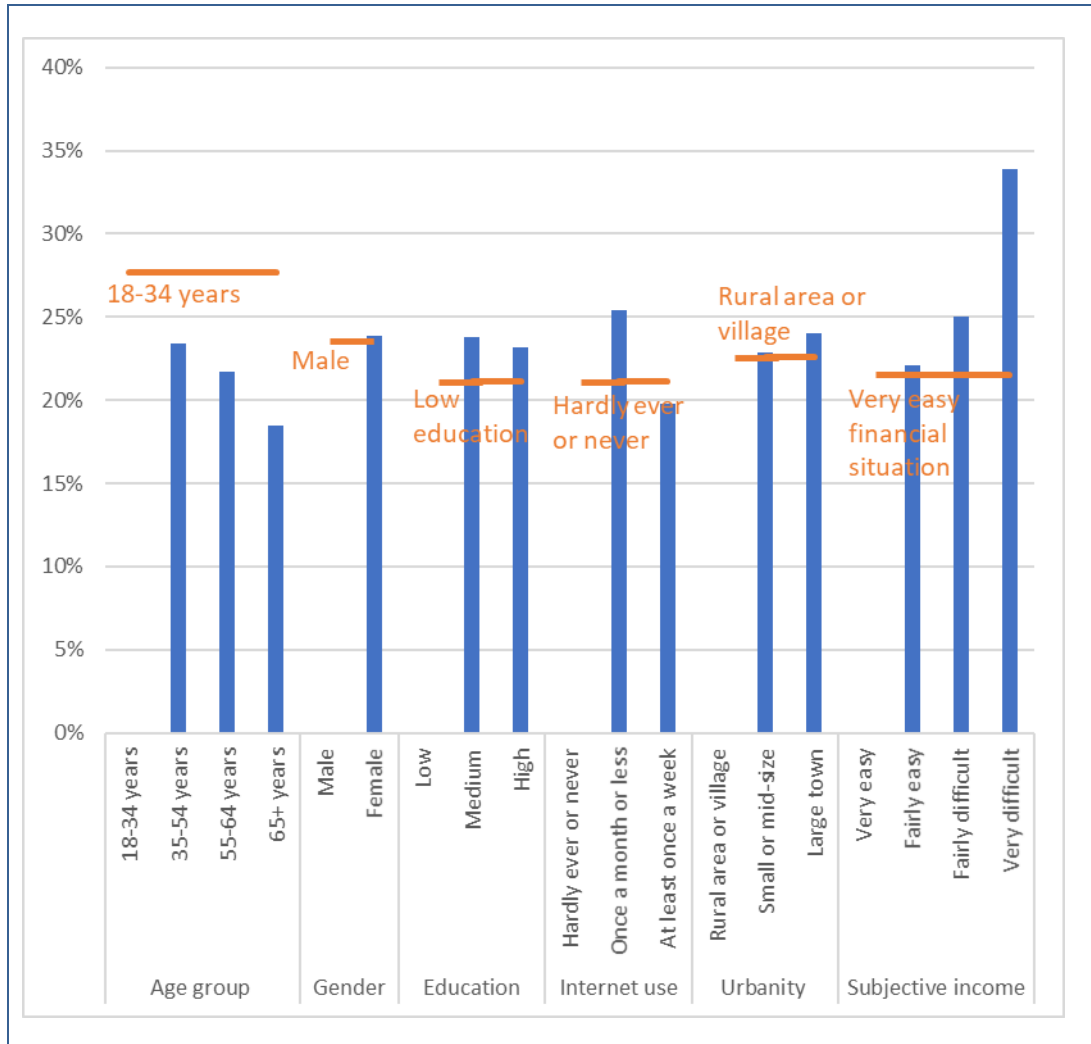
Other differences within predictors are relatively small in terms of net percentage differences. With the exception of age where the probability of the oldest age group experiencing a financial loss is nine percentage points lower compared to the youngest age

group of 18-34 (whilst controlling for other characteristics). The probability of experiencing a financial loss due to fraud decreases as the age categories get older.

Table 3: Log odds, the net percentages and net difference of experiencing a financial loss due to fraud by socio-demographic groups

	Model 2: Log odds of experiencing financial loss	(Odds of experiencing financial loss)	(NET percentages)	NET difference (in percentage points) compared to base category
# of observations	12,195			
Prob > F	0			
Age Groups				
1. 18-34 years	(base)	(base)	27.7%	
2. 35-54 years	-0.227*	0.797	23.4%	-4.3*
3. 55-64 years	-0.327**	0.721	21.7%	-6.1**
4. 65+ years	-0.521***	0.594	18.5%	-9.2***
Gender				
1. Male	(base)	(base)	23.5%	
2. Female	0.022	1.022	23.9%	0.4
Education				
1. Low	(base)	(base)	21.1%	
2. Medium	0.155	1.168	23.8%	2.7
3. High	0.124	1.132	23.2%	2.1
Internet use				
1. At least once a week	-0.080	0.923	19.8%	-1.3
2. Once a month or less	0.243	1.275	25.4%	4.3
3. Hardly ever or never	(base)	(base)	21.1%	
Urbanity				
1. Rural area or village	(base)	(base)	22.6%	
2. Small or mid-size	0.019	1.019	22.9%	0.3
3. Large town	0.077	1.080	24.0%	1.4
Subjective income				
1. Very difficult	0.629***	1.876	33.9%	12.4***
2. Fairly difficult	0.199	1.220	25.0%	3.5
3. Fairly easy	0.038	1.039	22.1%	0.6
4. Very easy	(base)	(base)	21.5%	
Note: * p<0.05; ** p<0.01; *** p<0.001				

Figure 11: Experienced **financial** loss as a result of experiencing a fraud in the past 2 years, NET percentages showing the NET difference in percentage points compared to a base category within each socio-demographic characteristic after controlling for the effects of the other variables in the model.



Q9. What was the total financial loss, if any, you experienced as a result of this fraud? Please include any money you had to spend getting a new laptop, software or other equipment because of Malware. Was it ...
 %, EU28 (total), Base: Respondents who experienced / were exposed to fraud, excluding refusals and 'Don't knows' (n=12,195)

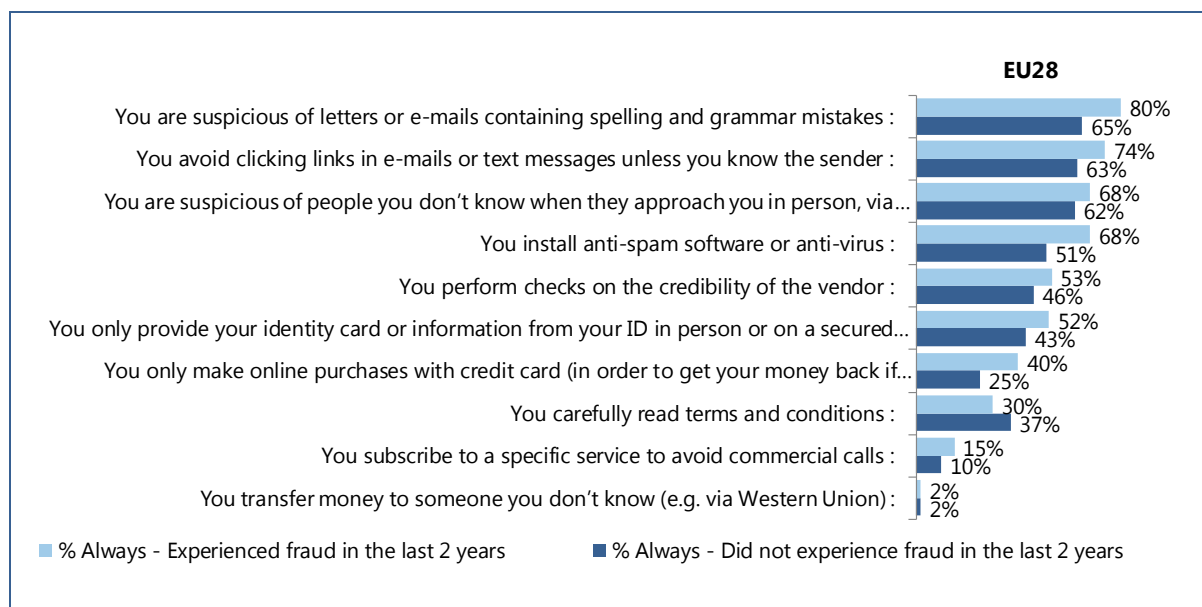
Is there a link between online and offline behaviour and experience with fraud? Figure 10 below shows the proportion who always undertake certain actions to protect their safety online or offline. The proportion that take a given action are presented for two groups—those who experienced a scam or fraud in the last two years and those who did not. As illustrated in the figure, those who *experienced* fraud in the last two years are generally more likely to say they undertake these actions to protect their safety online or offline. For example, higher proportions of those who experienced fraud are suspicious of letters/emails with spelling/grammar mistakes in comparison to those who did not experience fraud – 80% and 65% respectively. An interesting exception is the item “You carefully read terms and conditions”; those who always read terms and conditions carefully were more likely *not* to have experienced scams and fraud (see figure below).

Interestingly, there is no clear difference in terms of the actions taken by those who suffered (either financially, or otherwise) from scams and fraud, and those who were ‘merely’ exposed (and did not suffer) – both groups are equally likely to undertake actions to protect their safety¹⁸. Meaning that cautious behaviour is not more likely to be associated with those who experienced some detriment due to a scam or fraud.

These findings can suggest two things: either those who experienced scams and fraud became more cautious / changed their behaviour after they were exposed to a fraud, or alternatively cautious people who undertake actions to protect their safety online and offline are more aware of scams and fraud (and hence are more likely to be aware and state that they experienced a scam or fraud more often). Which of these two options is the case cannot be answered with this survey, but it could be interesting to examine further through behavioural research the link between awareness, exposure to scams/fraud and behaviour to protect safety online/offline.

¹⁸ An exception is that those who did not suffer from the fraud they were exposed to were more suspicious of letters or e-mails containing spelling and grammar mistakes. These results are not illustrated in Figure 12.

Figure 12: Online and offline behaviour and experience with fraud in the last two years¹⁹



Q14. I'd like to ask you a bit more about your online and offline behaviour? Please can you tell me whether you do each of the following: always, sometimes or never.
 %, EU28 (total), Base: All respondents (n=26,735)

The socio-demographic level findings (for Q14) suggest that older, lower educated people from Eastern Europe, who do not shop online, were to some degree less cautious (results not shown here). However, this finding should be interpreted with care. In general, those with the mentioned characteristics were also less active online, which means that they less often encounter many of the situations described, in particular online (after all, there is for example no reason to avoid clicking on emails when you do not use email).

If looking only at those who were active online at least once a week, differences between socio-demographic groups were not very marked (see table below). For example, 78% of 55+ year olds *who are online at least once a week* indicated to be always suspicious of letters or e-mails containing spelling and grammar mistakes, which was the same proportion as that for all who are online at least once a week.

¹⁹ All differences between the two groups shown in the figure are statistically significant, with the exception of 'you transfer money to someone you don't know'.

Table 4: Online and offline behaviour and experience with fraud in the last two years, by socio-demographic groups – respondents who are online at least once a week²⁰

	Base (EU28) – Respondents online at least once a week	Always are suspicious of letters or e-mails containing spelling and grammar mistakes	Always avoid clicking links in e-mails or text messages unless know the sender	Always are suspicious of people they don't know when they are approached in person, via phone, e-mail or other means
	% of respondents who are online at least once a week			
Avg. (EU28)	22,154	78%	75%	66%
Age				
18 – 34 yo	5,046	75%	73%	61%
35 – 54 yo	8,894	80%	78%	66%
55+ yo	8,214	78%	73%	71%
Gender				
Male	10,965	77%	73%	65%
Female	11,180	78%	77%	68%
Education level				
Low	1,406	68%	69%	64%
Medium	9,570	74%	73%	64%
High	10,957	82%	78%	68%
Online buying behaviour				
Frequent	9,340	82%	78%	68%
Occasional	9,909	75%	73%	65%
Never	2,866	61%	62%	63%
Region				
North	5,071	82%	73%	62%
East	6,460	65%	67%	58%
South	4,178	74%	76%	63%
West	6,445	84%	77%	72%

Q14. I'd like to ask you a bit more about your online and offline behaviour? Please can you tell me whether you do each of the following: always, sometimes or never.

%, EU28 (total), Base: All respondents who are online at least once a week (n=22,154)

²⁰ Statistically significant differences between categories of a socio-demographic variable are indicated with letters (e.g. a, b, c) next to each figure. Values in the same column letter (for a given characteristic) that do not share the same letter are significantly different at the p<.05 level.

4 Through what channels do people experience or are exposed to fraud?

Box 4: Key findings section 4

- *Fraud and scams were most often experienced by means of online communication channels, including by email (43%) and online advertisements (11%). However, phone calls remain an important channel for scams and fraud (28%).*
- *The channels through which scams and fraud were experienced differ depending on the socio-demographic group and the related internet use. Those who are typically more active online (younger, higher educated people who buy online) were more exposed to online fraud, whilst those who are less active online (older, lower educated people who do not buy online), often were exposed to fraud by phone.*

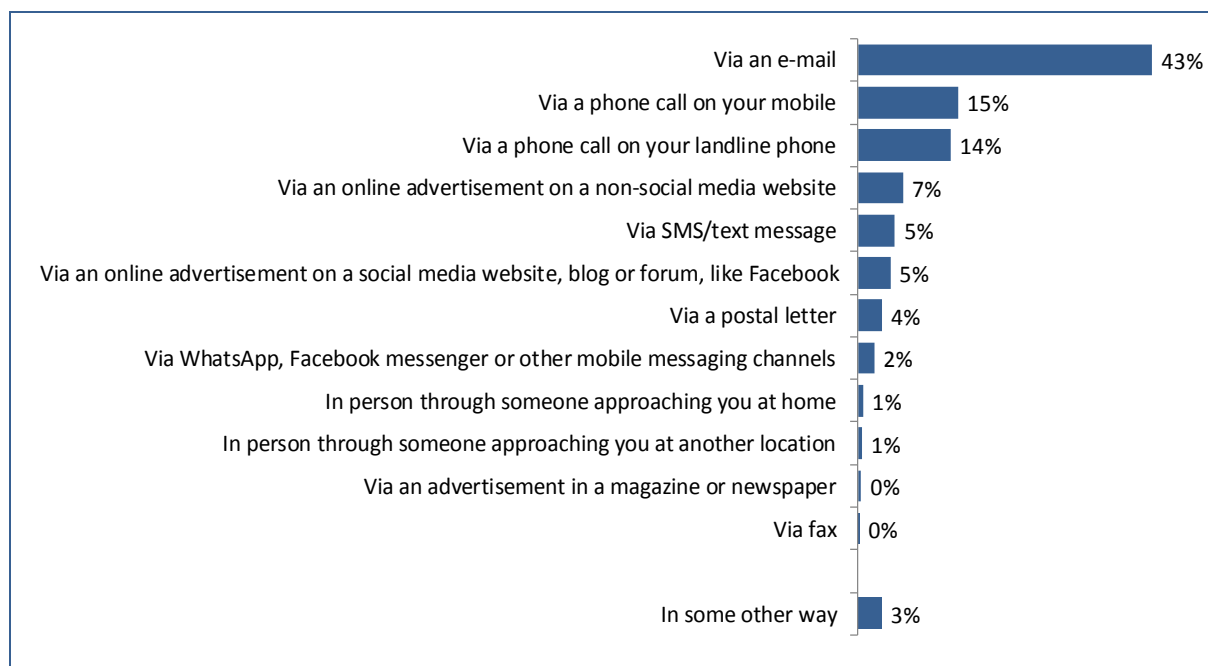
What are the most common communication channels through which people experience misleading or fraudulent practices? Those who experienced scams and fraud most often reported to have experienced the scam or fraud by:

1. e-mail (43%);
2. phone (28%²¹ – 15% by their mobile phone 14% by their landline phone); and
3. online advertisements (11% – 7% on a 'non-social media' website and 5% on social media, a blog or forum).

Scams and fraud were most often experienced by means of online communication channels: Email is the most important channel for scams and fraud, whilst online advertisements come third, substantially ahead of other channels, such as SMS/text messages or postal letters. Even so, phone calls remain an important channel for scams and fraud and the results clearly highlight that scams and fraud are not primarily isolated to online behaviour only, but are also often carried out by phone (whether it be mobile or landline).

²¹ 28% and not 29% due to rounding; this applies elsewhere as well.

Figure 13: Channels through which consumers experienced / were exposed to fraud



Q3. Through which channel did you experience this? I'll read some possibilities, please say yes if applicable to you.

%, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

The communication channels through which scams and fraud were experienced differed considerably depending on the socio-demographic group (see table below). It is no surprise to see that those who were typically more active online (younger, higher educated people who frequently buy online) were more exposed to online fraud by emails or online advertisements. Those who were less active online (older, lower educated people who do not buy online), relatively often reported to have been exposed to fraud by phone. For example, 55+ year olds more frequently experienced fraud by phone than by email (39% compared to 35% of 55+ year olds reported this). These findings likely have more to do with the behaviour of these demographics rather than fraudsters/scammers utilising different channels depending on their targeted demographic.

Table 5: Channels through which consumers experienced fraud, by socio-demographic groups

	Base (EU28) – Exp./exposed to fraud	Channels of fraud (top 3 + other)			
		Email	Phone (mobile or fixed)	Online advertisements (on social media or other)	Other
Avg. (EU28)	12,850	43%	28%	11%	17%
Age					
18 – 34 yo	2,775	46%	21%	16%	17%
35 – 54 yo	5,196	49%	25%	12%	15%
55+ yo	4,879	35%	39%	7%	19%

	Base (EU28) – Exp./exposed to fraud	Channels of fraud (top 3 + other)			
		Email	Phone (mobile or fixed)	Online advertisemen ts (on social media or other)	Other
Gender					
Male	6,684	47%	26%	12%	16%
Female	6,163	40%	31%	11%	18%
Education level					
Low	950	34%	38%	10%	19%
Medium	5,283	41%	30%	11%	18%
High	6,455	47%	26%	12%	15%
Online buying behaviour					
Frequent	5,919	50%	23%	12%	15%
Occasional	5,405	40%	30%	12%	17%
Never	1,504	18%	53%	5%	24%
Region					
North	2,644	48%	25%	9%	18%
East	3,227	30%	28%	12%	30%
South	2,474	44%	26%	15%	15%
West	4,505	46%	30%	10%	14%

Q3. Through which channel did you experience this? I'll read some possibilities, please say yes if applicable to you.

%, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

Are the three groups of fraud (buying scam, identity theft and monetary fraud) covered by this study associated with specific communication channels of fraud? This appears to be the case, at least to a certain extent. E-mail was used by fraudsters/scammers for all types of scams and fraud, but for the other channels the picture was more mixed. Noteworthy is for example that those who experienced identity theft relatively often experienced this scam or fraud by phone (39% did so). Importantly, buying scams, the type of fraud most often associated with financial detriment and with most impact on consumers' buying behaviour (see section 2), were often experienced via online advertisements. Roughly one fifth (22%)²² of those who were exposed to a buying scam experienced this scam via an online advertisement, either via an online advertisement on a non-social media website (12%) or via an online advertisement on a social media website, blog or forum, like Facebook (9%).

²² 22% and not 21%, due to rounding.

Table 6: Channels through which consumers experienced fraud, by type of fraud

	Base (EU28) – Exp./exposed to fraud	Channels of fraud (top 6 + other)						
		Email	Call on Mobile phone	Call on Landline phone	Via an online advertisement on a non-social media website	Via SMS/text message	Via an online advertisement on a social media website, blog or forum, like Facebook	Other
Avg. (EU28)	12,850	43%	15%	14%	7%	5%	5%	11%
Type of fraud (experienced in the last 2 years)								
Buying scam	4,061	41%	10%	5%	12%	3%	9%	19%
Identity theft	4,176	45%	18%	21%	5%	4%	3%	6%
Monetary fraud	4,4613	44%	14%	13%	5%	8%	4%	12%

Q3. Through which channel did you experience this? I'll read some possibilities, please say yes if applicable to you.
%, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

5 Reporting scams and fraud

Box 5: Key findings section 5

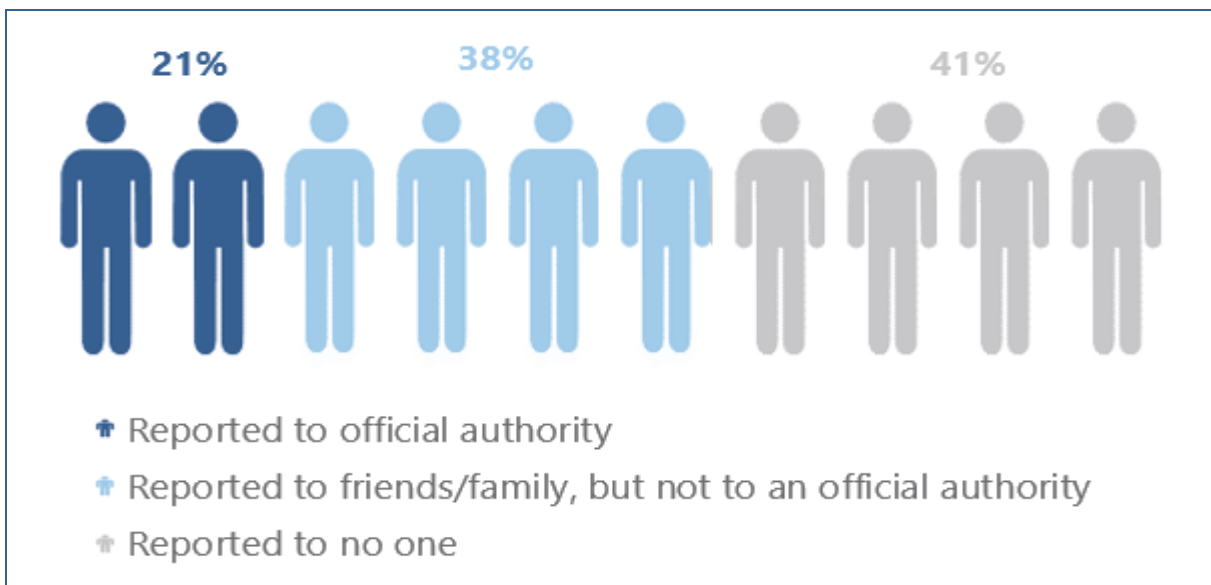
- *On average, only about a fifth (21%) of those who experienced fraud reported this to an official authority. This figure was markedly higher for those who suffered more than 50 EUR of financial harm (44%).*
- *The official authorities to which scams and fraud were most commonly reported were banks / credit card companies (7%) and the police (6%)*
- *Important drivers for reporting / not reporting fraud and scams are the existence of financial or other harm, and the feeling that it can make a difference or not / can prevent it from happening again. Knowing or not to whom to report the scam or fraud experienced is the third most important driver for reporting fraud or not.*
- *Favoured channels for reporting fraud are a dedicated free phone number operated by the government (38% reported this), and a dedicated governmental website (29% reported this).*

As noted in the introduction, scams and fraud, and especially their online varieties, are considered as under-reported by consumers. To explore whether this is indeed the case and for what reason, this section looks at the level of reporting by those who are aware of having being exposed to a scam or fraud, their preferred channels for reporting scams and fraud, and their reasons for / the drivers behind reporting or not reporting.

5.1 Channels used for reporting

Earlier studies suggest that most do not report being targeted by scams and fraud to official authorities²³. The current survey confirmed this: Only about a fifth (21%) of those who experienced fraud, reported the fraud they experienced to an official authority. One in four (41%) who experienced fraud reported the fraud to no one, whilst a similar proportion (38%) reported the fraud to friends or family, but not to an official authority.

Figure 14: Reported fraud to official authority, friends/family or no one

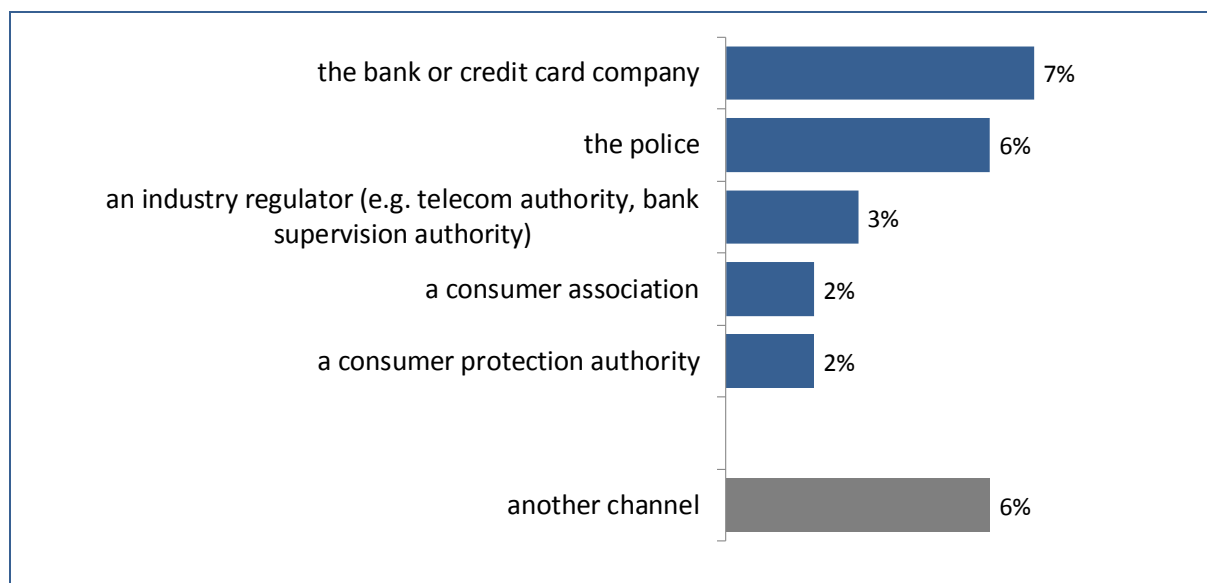


Q6. The experience we are talking about can be categorized as 'fraud'. Please say yes, each time applicable to you. You reported the fraud to...
%, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

Those who reported the fraud they experienced to an official authority also were asked to whom they did so. As can be seen below, respondents most often reported the fraud to a bank or credit card company and/or the police: Between 7% and 6% of all respondents who experienced a scam or fraud reported this to these two authorities. Between 3% and 2% reported the scam or fraud they experienced to an industry regulator, a consumer association or a consumer protection authority.

²³ As noted by ECC-Net in its study on 'Fraud in cross-border e-commerce' (2017) as well as various other studies, such as for example the report 'The growing threat of online fraud' for the House of Commons Committee of Public Accounts (2017), available at: <https://publications.parliament.uk/pa/cm201719/cmselect/cmpubacc/399/399.pdf>

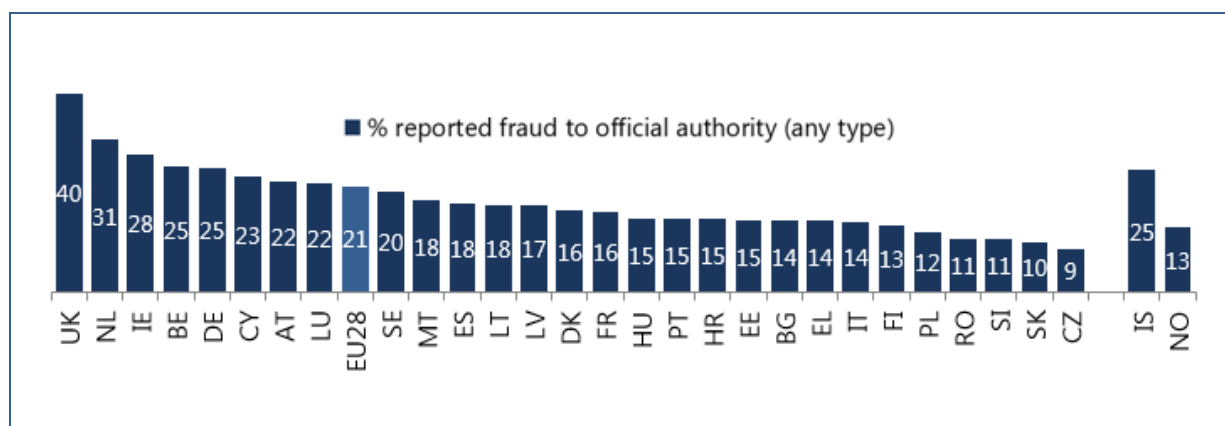
Figure 15: Reported fraud to official authority, by type of authority (multiple answer)



Q6. The experience we are talking about can be categorized as 'fraud'. Please say yes, each time applicable to you. You reported the fraud to...
% (multiple answer), EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=3,172)

The level of reporting of scams and fraud to official authorities differed substantially across countries. In Germany, Belgium, Ireland, the Netherlands and the UK, around a quarter or more reported the fraud experienced to an official authority. In Poland, Romania, Slovenia, Slovakia and Czechia, on the other hand, only about one in ten reported the fraud to an official authority.

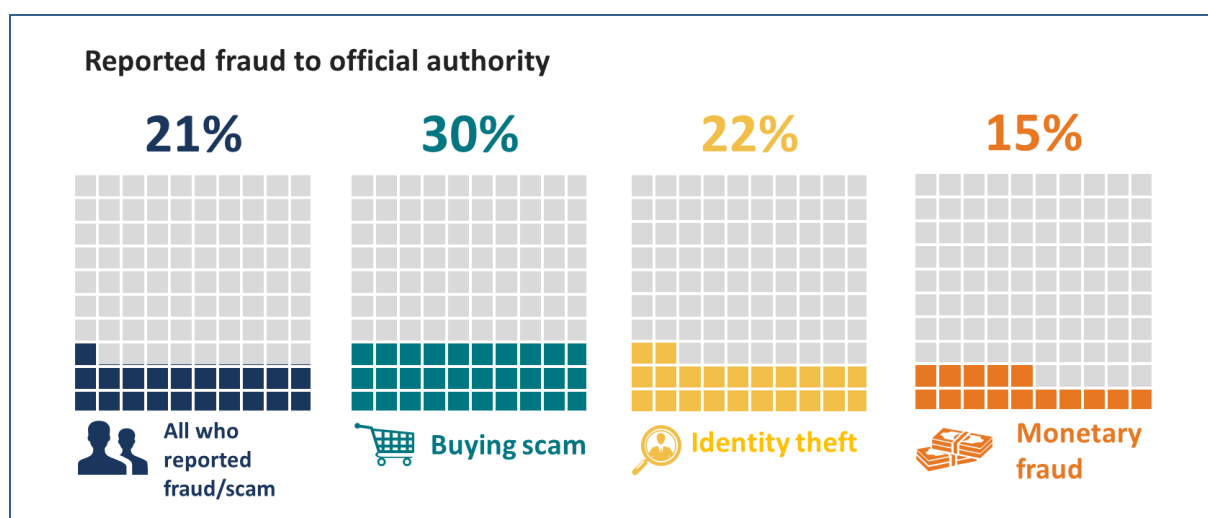
Figure 16: Reported the fraud to official authority, by type of fraud and country



Q6. The experience we are talking about can be categorized as 'fraud'. Please say yes, each time applicable to you. You reported the fraud to...
%, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

Those who experienced a buying scam were somewhat more likely to have reported this to an official authority, compared to those who experienced identity theft or monetary fraud (see figure below). This might be related to the higher financial impact of buying scams, as noted in the section on consumer detriment.

Figure 17: Reported fraud to official authority, by type of fraud



Q6. The experience we are talking about can be categorized as 'fraud'. Please say yes, each time applicable to you. You reported the fraud to...
 %, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,850)

Those who suffered financial harm were more like to have reported the scam or fraud to an official authority. This was especially the case when the financial loss was substantial. More than four out of ten (44%) of those who suffered more than 50 EUR of financial loss reported this to an official authority (note that this figure was not notably different for those who suffered between 50 EUR and 500 EUR of loss and those who suffered higher losses).

Table 7: Reported fraud to official authority, by size of financial loss

	Financial loss (excl. refusals)		
	Nothing (0€)	At least 1€ but less than 50€	More than 50€
Base (EU28) – Exp. / exposed to fraud, excluding refusals	9,415	1,629	1,687
Reported to official authority	17%	23%	44%
Not reported to official authority	83%	77%	56%

Q6. The experience we are talking about can be categorized as 'fraud'. Please say yes, each time applicable to you. You reported the fraud to...
 %, EU28 (total), Base: Respondents who experienced / were exposed to fraud (n=12,731)

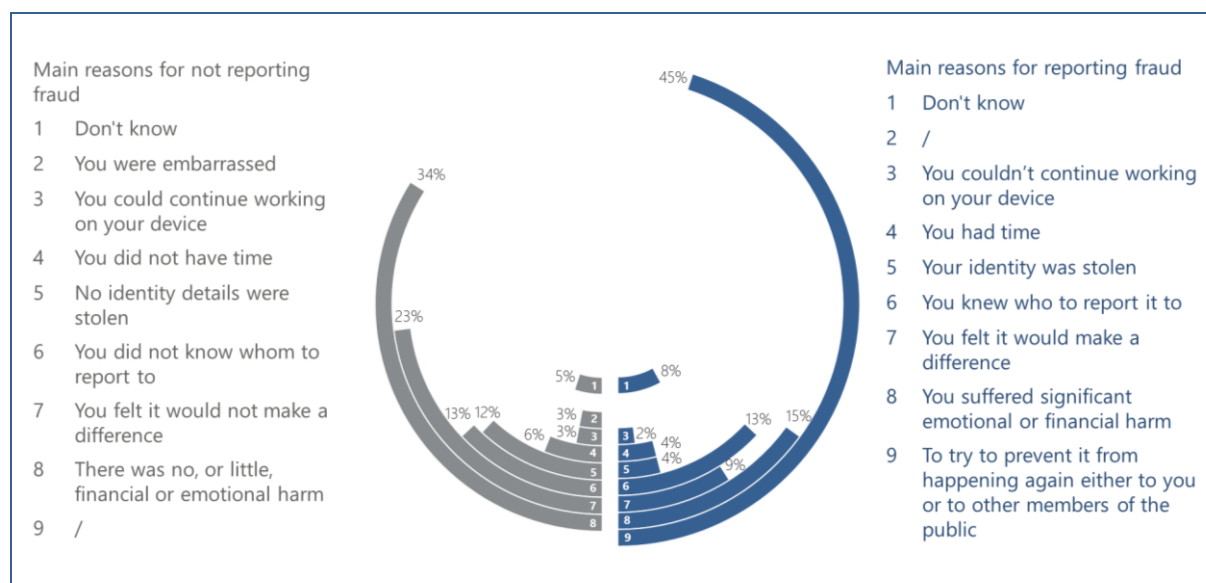
5.2 Reasons for reporting or not

As mentioned several times throughout this report, the survey includes all those who are aware of having been exposed to a fraud or scam. Therefore, the level of reporting of fraud could always be expected to be quite low amongst this demographic. It is unsurprising that the results confirmed the fact that most who did *not* report fraud (34%), noted that they did not do so because the fraud or scam experienced caused little or no financial or emotional harm for them. Mirroring this, the experience of significant financial or other harm was the second most important reason for *reporting* fraud: 15% mentioned this as their main reason for reporting fraud.

Apart from financial or emotional harm, the most important driver for reporting fraud or not was the feeling that reporting makes a difference. Those who did report fraud often did so because they tried to prevent it from happening again to themselves or to other members of the public – almost half (45%) of those who reported fraud answered this. On the other hand, almost a quarter (23%) of those who did not report the fraud they experienced, did not do so because they felt that reporting would not make a difference. Therefore, there is an important message in this if the aim is to improve reporting rates that those who report scams and fraud must feel like there is sufficient action taken.

Knowing to whom to report the scam or fraud experienced, or not knowing, was the third most important driver for reporting fraud or not. For both those who reported the scam of fraud and those who did not, 13% mentioned that they *did* do so / *did not* do so because they *knew* / *did not know* who to report it to. The latter could explain the low prevalence of reporting to official authorities and suggests that promoting more accessible channels for reporting scams and fraud, or creating more awareness about existing channels, could be policy options worth considering.

Figure 18: Main reasons for reporting or not reporting fraud – Alternative presentation



Q7a. I'll read you 7 options please indicate:

%, EU28 (total), Base: Respondents who did not report fraud (n=10,245)

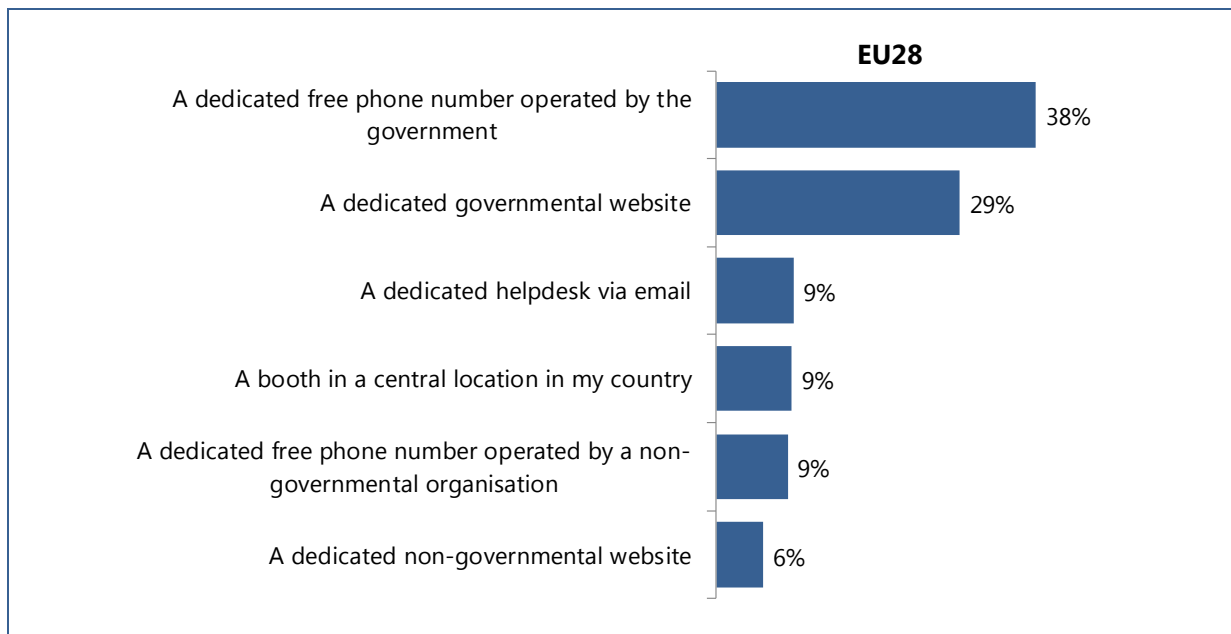
Q7b. I'll read you 7 options please indicate, what was the main reason you reported the fraud?

%, EU28 (total), Base: Respondents who reported fraud (n=2,605)

5.3 Preferred channels for reporting

The surveyed Europeans were quite divided on whether they reported a scam or fraud they experienced. Should the decision be taken to report the fraud, it is important who they then would have a preference to report the scam or fraud to. Europeans appear to prefer reporting fraud to the government / a government agency, either by means of 1) a dedicated free phone number operated by the government (38% those surveyed preferred this), or 2) a dedicated governmental website (29% preferred this).

Figure 19: Preferred channels for reporting fraud



Q17. I am going to read six options. Please tell me through which channel would you prefer to report fraud? %, EU28 (total), Base: All respondents (n=26,735)

It is important to note that the preferred channels for reporting fraud differed substantially across sociodemographic groups. For example, older, lower educated people in Eastern and Southern Europe preferred reporting fraud through a dedicated free phone number operated by the government, whereas younger, higher educated, Western and Northern European people preferred reporting fraud by means of a dedicated governmental website. The latter group is also more active online which is likely reflected in this preference to report fraud via a governmental website rather than a free phone number.

Table 8: Preferred channels for reporting fraud, by socio-demographic groups

	Base (EU28)	A dedicated free phone number operated by the government	A dedicated governmental website	A dedicated free phone number operated by a non-governmental organisation	A booth in a central location in my country	A dedicated helpdesk via email	A dedicated non-governmental website
Aver. (EU28)	26,735	38%	29%	9%	9%	9%	6%
Age categories							
18 – 34 yo	5,217	33%	32%	9%	6%	12%	9%
35 – 54 yo	9,514	34%	36%	7%	7%	11%	6%
55+ yo	12,004	46%	21%	10%	13%	7%	4%
Education							
Low	2,530	48%	17%	10%	14%	6%	4%
Medium	11,897	42%	25%	9%	10%	9%	5%
High	11,973	33%	35%	8%	7%	10%	7%
Online buying							
Frequent	9,563	30%	38%	7%	6%	12%	7%
Occasional	10,925	41%	27%	9%	9%	9%	5%
Never	6,177	53%	11%	11%	18%	4%	3%
EU Region							
North	6,047	37%	33%	7%	6%	12%	4%
East	8,087	43%	16%	14%	10%	10%	7%
South	5,044	42%	30%	7%	8%	9%	5%
West	7,557	35%	33%	7%	10%	9%	6%

Q17. I am going to read six options. Please tell me through which channel would you prefer to report fraud? %, EU28 (total), Base: All respondents (n=26,735)

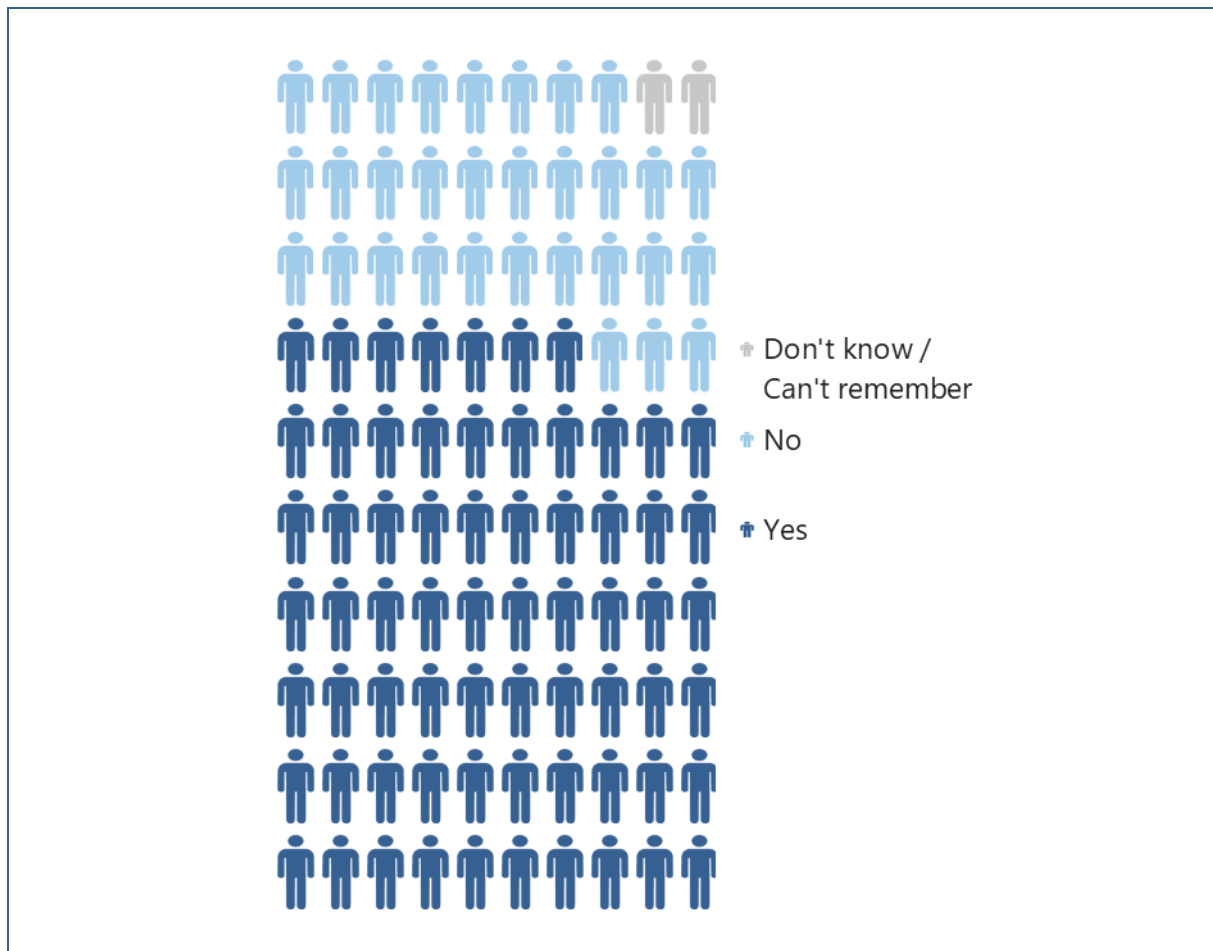
6 Are scams and fraud a topic that Europeans are aware of having been warned or informed about through communication campaigns?

Box 6: Key findings section 6

- Roughly two thirds (67%) recalled having seen a campaign to warn or inform them about fraud in the last two years.
- In some countries (Estonia, Finland, the Netherlands, Poland and the UK) eighty percent or more noted having seen such a campaign. In other countries (Romania, Cyprus and Bulgaria) this figure was just forty percent.

Given that the first step in tackling fraud is to be able to recognise it, the survey looked at how aware the population in Europe is of any communication campaigns around the issue of fraud and scams. The findings highlight that Europeans' awareness of commercial, advertisement or other campaigns to warn or inform them about fraud is quite high. Roughly two thirds (67%) recalled having seen such a campaign in the last two years.

Figure 20: The proportion of Europeans who have seen a commercial, advertisement or other campaign to warn about fraud in the past two years

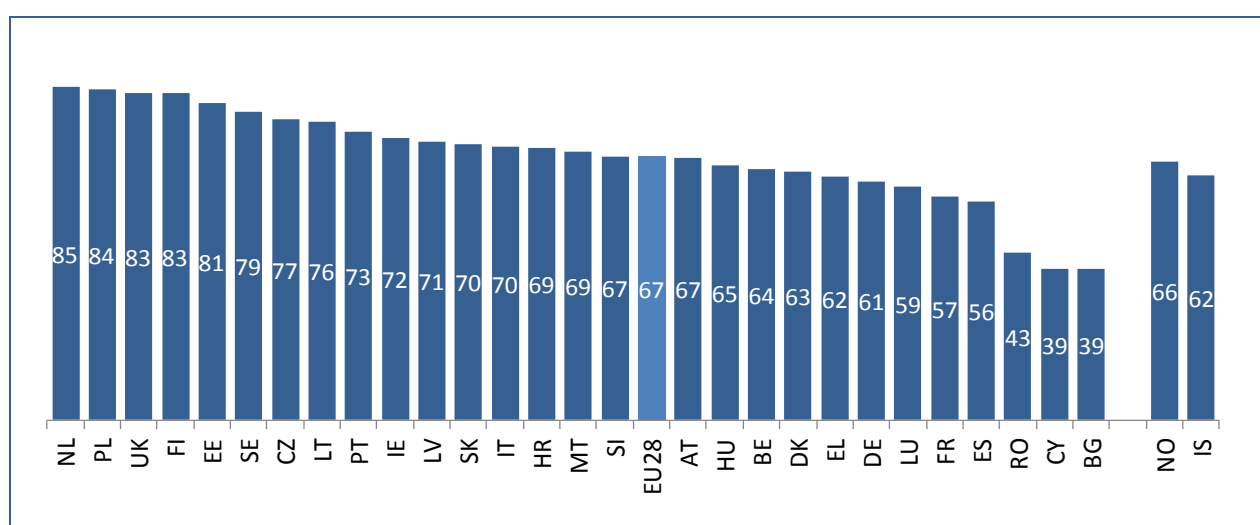


Q15. In the past 2 years, have you seen a commercial, advertisement or other campaign to warn or inform you about fraud?

%, EU28, Base: All respondents (n=26,735)

However, the awareness/recall of commercials, advertisements or other campaigns to warn or inform the public about fraud varied substantially between countries (see figure below). Whereas in five countries (the Netherlands, Poland, United Kingdom, Finland and Estonia) eighty percent or more noted to have seen such a campaign, this figure was around forty percent in Romania, Cyprus and Bulgaria. The latter two countries are also countries where only a limited number of scams and fraud was reported, but for Romania this is not the case (see Chapter 1). In view of the results, it is interesting to note that, according to information received by the European Commission, there were recent campaigns warning consumers about scams and fraud in among others Finland, the Netherlands and the UK²⁴, which could be related to the higher levels of awareness in those countries.

Figure 22: The proportion who have seen a commercial, advertisement or other campaign to warn about fraud in the past two years, by country



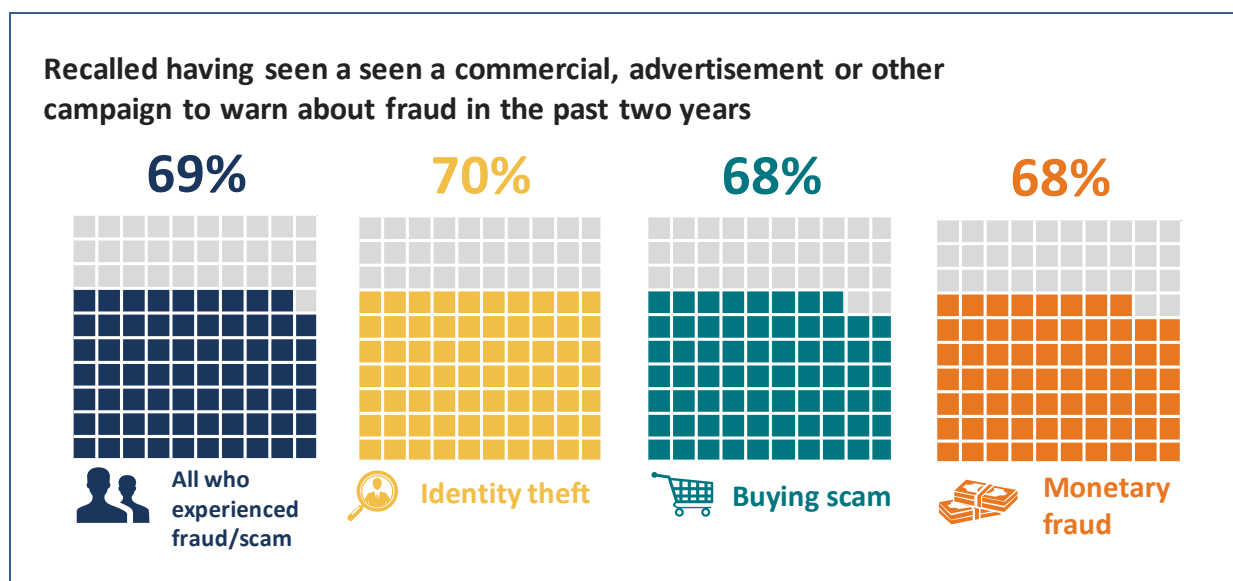
Q15. In the past 2 years, have you seen a commercial, advertisement or other campaign to warn or inform you about fraud?

%, by country, Base: All respondents (EU28: n=26,735; NO: n=1,004; IS: n=500)

Those who experienced scams or fraud, slightly more often recalled having seen a commercial, advertisement or other campaign to warn or inform the public about fraud in the last two years: 69% of this group noted this, compared to 65% of those who did not experience scams or fraud. There were no important differences between the different types of scams and fraud experienced, see figure below.

²⁴ Other countries for which the European Commission has information about recent campaigns are Belgium and Ireland.

Figure 22: Proportion who have seen a commercial, advertisement or other campaign to warn about fraud in the past two years, by type of fraud



Q15. In the past 2 years, have you seen a commercial, advertisement or other campaign to warn or inform you about fraud?

%, by country, Base: Respondents who experienced / were exposed to fraud (EU28: n=12,850)

Compared to the average, those who recalled having seen a commercial, advertisement or other campaign to warn or inform about fraud in the last two years were somewhat more often between 35 and 54 year old and buy frequently online. Younger (34 year old and below), lower educated people, who never buy online and have a difficult financial situation, had a somewhat lower recall of a commercial, advertisement or other campaigns to warn or inform about fraud in the last two years. This is potentially interesting, as those who are younger and financially vulnerable are also more likely to experience financial detriment (see Chapter 3).

Table 9: Proportion who have seen a commercial, advertisement or other campaign to warn about fraud in the past two years, by socio-demographic groups

	Base (EU28)	Recalled having seen such a campaign	Did not recall having seen such a campaign	Don't know / Can't remember
Avg. (EU28)	26,735	67%	31%	2%
Age				
18 – 34 yo	5,217	62%	36%	2%
35 – 54 yo	9,514	71%	28%	2%
55+ yo	12,004	67%	31%	2%
Gender				
Male	12,722	68%	31%	2%
Female	14,004	67%	31%	2%
Education				
Low	2,530	62%	36%	2%

	Base (EU28)	Recalled having seen such a campaign	Did not recall having seen such a campaign	Don't know / Can't remember
Medium	11,897	66%	32%	2%
High	11,973	69%	29%	2%
Online buying behaviour				
Frequent	9,563	70%	28%	2%
Occasional	10,925	67%	31%	2%
Never	6,177	60%	38%	2%
Financial situation				
Difficult	9,124	64%	34%	2%
Easy	16,661	69%	29%	2%

Q15. In the past 2 years, have you seen a commercial, advertisement or other campaign to warn or inform you about fraud?

%, by country, Base: All respondents (EU28: n=26,735)

7 Key insights

Being exposed to a scam or fraud is widespread in the EU28 with more than half having experienced at least one scam or fraud in the last two years. Of the three types / groups of scams and fraud covered by the survey, 'monetary fraud' was the type of fraud that was most often experienced (39%), followed by 'identity theft' (33%) and 'buying scams' (23%) during the last two years.

Fraudsters and scammers appear to use mostly online channels (including email, social media and online advertisements) and buying scams, the type of fraud most often associated with financial detriment and with most impact on consumers' buying behaviour (see below) are often experienced via online advertisements, including on social media. - Not surprisingly, frequent internet use appears to be the most important predictor of being exposed to the types of fraud covered by the survey. The probability of experiencing at least one of the types of fraud goes up by 25 percentage points for frequent internet users (at least once a week) compared to someone who hardly ever or never uses the internet. Nonetheless, phone calls (on either mobile phones or fixed telephone lines) remain an important channel for scams and fraud.

Those who have experienced a scam or fraud are more likely to be cautious in their online behaviour, for example avoiding clicking on links from unknown senders. Though it cannot be said with certainty that it was the experience of being exposed to a scam/fraud that resulted in this cautious behaviour online, many of those who did experience a scam or fraud (38%) said this did have an impact on their online buying behaviour and this rises to the majority of those who experienced a buying scam and/or any financial loss as a result of the fraud they experienced (53% and 66%, respectively). Therefore, the impact of scams and fraud is not only personal for consumers in the EU but also affects e-commerce as consumers change their behaviours in the market as a result.

Being exposed to a scam or fraud often results in some kind of negative impact on the consumer. Around a quarter (24%) of those who experience a scam or fraud experience a negative financial impact as a result and this is almost never the only negative impact they

feel. Primarily (whether coupled with a financial loss or not) experiencing a scam or fraud results in either emotional or physical harm (79%) for consumers. Importantly, whilst those from a financially difficult situation are less exposed to fraud, amongst those who do experience a fraud, suffering a financial loss as a result of that experience is associated with those experiencing income difficulties, meaning that the financially vulnerable might be particularly at risk. The survey showed that the probability of experiencing a financial loss due to a scam or fraud (amongst those who experienced such a fraud) is 12 percentage points higher for someone in a financially difficult situation compared to someone whose financial situation is very easy.

Despite the fact that the vast majority of those who experience a scam or fraud suffer some kind of detriment as a result, reporting of scams and fraud amongst consumers is low, particularly to official authorities. Only 21% of those who experienced a scam or fraud reported it to an official authority, although this figure was notably higher when respondents suffered more than 50 EUR of financial loss. Amongst the official channels, people are most likely to report it to the bank/credit card company (7%) and the police (6%) rather than consumer associations/authorities. When asked what their preferred channel for communication would be, Europeans would like a phone or website that is government run to be able to report scams and fraud that they experience.

Europeans are far more likely to tell their family and friends about experienced scams and fraud (38%). Those who do report the scam or fraud are motivated by wanting to prevent it happening to themselves or others (45%), and similarly amongst those who do not report it, this is commonly (23%) because they do not think it will make a difference.

Interestingly, the level of awareness in terms of having seen a campaign warning them of scams and fraud is quite high. Though these campaigns are not reaching all profiles, especially not those who can least afford to be the victim of a scam or fraud in terms of their socio-economic situation.

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