

FTC Recommendations for Avoiding Check Scams



The Federal Trade Commission (FTC), the nation's consumer protection agency, wants you to be aware of fraudulent check scams. To avoid becoming a victim of check fraud, follow the FTC's recommendations below.

Know who you're dealing with.

In any transaction, independently confirm the buyer's name, street address and telephone number.

Don't accept a check for more than your selling price, no matter how tempting.

Ask the buyer to write the check for the correct amount. If the buyer refuses to send the correct amount, return the check. Don't send the merchandise.

Consider an alternative method of payment.

As a seller, you can suggest an escrow service or online payment service. There may be a charge for an escrow service. If the buyer insists on using a particular escrow or online payment service you've never heard of, check it out. Visit its website, and read its terms of agreement and privacy policy. Call the customer service line. If there isn't one or if you call and can't get answers about the service's reliability, don't use the service.

If you accept payment by check, ask for a check drawn on a local bank, or a bank with a local branch.

By doing this, you can make a personal visit to make sure the check is valid. If that's not possible, call the bank where it was purchased and ask if the check is valid. Get the bank's phone number from directory assistance or an Internet site that you know and trust, not from the person who gave you the check.

If the buyer insists that you wire back funds, end the transaction immediately.

Legitimate buyers don't pressure you to send money by Western Union or a similar company. In addition, you have little recourse if there's a problem with a wire transaction.

Resist any pressure to "act now".

If the buyer's offer is good now, it should be good after the check clears the issuing bank.

Throw away any offer that asks you to pay for a prize or a gift.

If it's free or a gift, you shouldn't have to pay for it. Free is free.

Resist the urge to enter foreign lotteries.

Most foreign lottery solicitations are phony. What's more, it's illegal to play a foreign lottery through the mail or the telephone.

If you think you've been targeted by a check overpayment scam, file a complaint with the FTC at www.ftc.gov or by calling 1.877.FTC.HELP (1.877.382.4357).

The FTC works for the consumer to prevent fraudulent, deceptive and unfair business practices in the marketplace and to provide information to help consumers spot, stop and avoid them. To file a **complaint**, or to get **free information on consumer issues**, visit www.ftc.gov or call toll free, 1.877.FTCHELP (1.877.382.4357); TTY 1.866.653.4261. The FTC enters Internet, telemarketing, identity theft, and other fraud related complaints into Consumer Sentinel, a secure online database available to hundreds of civil and criminal law enforcement agencies in the U.S. and abroad.

Source: Federal Trade Commission, Bureau of Consumer Protection, Office of Consumer & Business Education, December 2012.