

Protecting Yourself from Scams

We have all received a call or email from someone telling us they represent a company we do business with and there is a problem with our account. Most of the time, we recognize red flags with the communication, such as, the email contains misspelled words, or the caller asks questions that make you uncomfortable. The vast majority of fraudulent calls, emails, social media messages and other communications are ignored, but every once in a while, a scammer can have just enough information that can cause you to feel comfortable engaging with them. In these rare situations, preparation and precautions you take today can help keep you safe if a scammer calls.

The first step of keeping yourself safe from scammers is to understand how scammers operate. Scammers are no longer individuals selling nonexistent magazines door to door. Scammers have sophisticated operations, sometimes with numerous individuals, creating the illusion of a genuine business. Scammers have technology that can disguise email addresses, phone numbers or websites to make them look legitimate, a technique called [Spoofing](#). Scammers tell convincing tales to win your trust, often because they have information you believe is confidential, such as your account number. Finally, scammers will create urgency by asking you to quickly comply with their instructions and induce a sense of fear if you do not.

Whether the scammer is asking for your bank information to deposit winnings from a contest, threatening legal action if you do not settle an outstanding debt, or notifying you that your account has been breached and you must move your assets immediately to avoid loss, their objective is the same, to separate you from your money.

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To protect yourself, if you receive an unexpected call, request a reference number, name or extension, then call the organization back at a publicly listed number. Scammers usually know that their deception will be found out if you hang-up and will pressure you to take immediate action. They will advise you not to seek counsel from your family, friends or professionals, such as your attorney or financial advisor. These are all red flags. Rarely are there situations where you cannot wait a few minutes while you confirm the details or seek guidance. Also, scammers will insist on payment or money movements in specific ways, often wire or cryptocurrency, as these are less likely to be tracked or returned to you.

Understanding how scammers operate and watching for red flags is just one step in protecting yourself, but taking proactive action is also important. Freezing your credit with the three major credit reporting bureaus can reduce the likelihood of identity theft. [USA.gov](https://www.usa.gov) provides information about freezing your credit as well as links to the credit agencies. Scammers will use information you share on social media against you. Many answers to common security questions are easily available on Social Media profiles. For example, if you are linked to your uncle, they can guess your mother's maiden name. Please remember that anytime you answer some type of questionnaire, you are sharing personal info that could compromise your security. Additionally, as we outlined in our article, [Your Online Security](#), ensuring you have protected your online accounts with strong and unique passwords as well as using multifactor authentication is critical for online safety.

If you suspect you are a victim of fraud, notify your financial institutions, such as your bank, investment firms and retirement plan custodians immediately. Additionally, file reports with your local police, the [Federal Bureau of Investigation, \(FBI\)](#) and the [Federal Trade Commission, \(FTC\)](#). Finally, rely

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on your trusted individuals and seek counsel instead of trying to fix this on your own. The sooner you submit a report, the more likely you may be able to get some or all of your money back.

Being taken advantage of by a scammer is not something to dwell on. These are trained individuals who have perfected their story over dozens of interactions. Scammers have successfully targeted individuals of every age bracket and socio-economic group so you are not alone. The Internet Crime Compliance Center (IC3) reported \$2.7 billion of reported losses in 2018 which increased to \$10.3 billion of reported losses in 2022 (Internet Crime Compliance Center (IC3), n.d.).

Understanding how the businesses you work with protect your information is as important as the personal security you have implemented. Ask the businesses questions about security and confidentiality policies. When you interact with the company, find out what measures they take to verify your identity. Also, when you enter the business, take a look around for potential areas of vulnerability. Did a person walk away from an unlocked computer? Are there papers with confidential information easily accessible? What kind of security is observable?

Wagner Planning takes confidentiality seriously. Our team receives regular training regarding security. We vet the vendors we hire to ensure their standards meet or exceed our own. We provide clients with secure ways to deliver information to our office electronically, then immediately remove and secure the data from the cloud-based storage system. Additionally, our network is monitored 24/7 by professionals scanning for any suspicious or unusual activity.

You may also notice that Wagner Planning will never take instructions over email, always requiring, at a minimum, your verbal authorization, and sometimes your written authorization. We are a boutique office and we know you as individuals and recognize when transactions are outside your

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normal activities. As such, we may ask additional questions that are intended to ensure you are not under duress. We monitor your accounts daily, looking for unusual transactions. We are here for you as a resource and encourage you to ask us questions or seek our counsel. Finally, if your information has been compromised, we will work with you to establish alternative verification methods.

To protect yourself from scammers, be suspicious of unsolicited calls, request a reference number for a call back or just hang-up. Take precautions and do not feel that you must take immediate action, because if you have any doubt, you should consider your options and seek counsel. Finally, if you believe that you are a victim of a scam, tell a loved one and report the crime. You are not alone, and we are here to help.

This article was written by Sandra J. Wagner, CFP®. Sandra has been helping people with their finances since 2001. She is a CERTIFIED FINANCIAL PLANNER™ professional, as well as president and CEO of Wagner Planning.

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