

## **BNZ Scam Savvy Week – Case Studies**

### **A doctor saving lives in a warzone, or a fake found on Google?**

Relationship scams are not the most common of scams, but they are some of the most damaging, both financially and mentally, and BNZ is again warning people to be careful when meeting people online.

Earlier this year a customer tried to transfer \$30,000 to the United States. As is standard with international transactions, especially large ones, BNZ staff questioned the woman about the purpose of the transfer. After the story changed a couple of times, the customer eventually revealed it was so that her boyfriend, who she had never met, could come to New Zealand.

BNZ head of Financial Crime, Ashley Kai Fong says, “The customer had unfortunately fallen victim to a relationship scam. She had started an internet relationship with a man who she believed was the head surgeon in a hospital in Kabul.

“She provided a faked letter purporting to be from the United Nations demanding a payment of \$30,000 to secure a new surgeon to replace him and to pay for his travel out of Afghanistan so that he could come and live with her in New Zealand.

“The customer even had a photo of the man, but unfortunately it was found through a google image search to be a plastic surgeon working on the west coast of the United States,” says Kai Fong.

Like with many relationship scams however, the customer sadly refused to believe the facts in front of them.

“These scams are meticulously built over many months, with the scammer creating what feels like a totally genuine and real relationship and strong emotional bond with their victim before they pull off the scam itself.

“We presented her all the facts, and she just didn’t want to accept it. In her mind, and in her heart, this was a genuine relationship. She so intently believed in the relationship that our facts didn’t register with her.

“This is sadly all too common with relationship scams. Even when we do get a good result and the customer accepts they’ve been duped, the emotional fallout is intense – it feels every bit as real as a breakup and their lives are turned upside down. There are ongoing repercussions in their lives and with subsequent relationships with others,” says Kai Fong.

BNZ was unable to stop the customer from making transfers to the scammer but applied lower transfer limits to her account to try to stem the losses for her.

### **Crypto’s growing role**

Kai Fong also says the bank is seeing a rise in the role of cryptocurrencies in investment scams, and nearly a third of people under the age of 44 have been targeted by a crypto scam.

“Everyone knows there’s no such thing as a get rich quick scheme, but this year we’ve all seen the stories about crazy crypto valuations and it’s starting to affect people’s judgement.

“In that context, otherwise outlandish claims of huge returns that would normally be filtered out, now seem almost plausible. We’re seeing people promised huge double or even triple digit returns for crypto investing.

“But instead of a clever new investment product delivering them riches at the other end, there’s a scammer taking their money and giving them nothing in return,” says Kai Fong.

Cryptocurrencies are also beginning to show up in other scams as the scammers rely on its anonymity and lack of regulation to extract stolen money.

“We’re now seeing scammers make direct transfers to cryptocurrency exchange services from victims accounts. At that point the money is as good as gone, quickly transferred on market to a traceless cryptocurrency like Bitcoin, and then transferred on again to a totally unidentifiable ‘wallet’ elsewhere in the world, where the scammer can easily and cleanly transfer it back into a currency of their choice,” says Kai Fong.