FCA FINANCIAL CONDUCT AUTHORITY

Cold called? ☑

Loan fee fraud
Partner Toolkit
January 2023

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Cold called? ☐

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1.
Overview

1.1
Introduction

Loan fee fraud is when someone who is looking for a loan is asked to pay an upfront fee before receiving it. They pay the fee, but they never get the loan.

This winter the cost of living crisis is squeezing households more than ever, with 3 in 5 of lower income households struggling to cover basic needs like food and energy. This pressure is creating a large spike in people's use of loans, including risky loans that put them in danger of scams. The last 12 months has seen a 1900% increase in searches for 'no refusal payday loans'.

As a result, the FCA are relaunching their campaign to protect people from loan fee fraud. We aim to explain what loan fee fraud is and the steps that people need to take to protect themselves from it.

Thank you for supporting this important campaign. With your help we can raise awareness of this scam and help more people protect themselves.

1.2
When you search for a loan, they search for you

Loan fee fraud is a type of scam that targets people who are looking for loans online. Scammers then contact the victims to offer them a loan but ask for an upfront fee. Scammers often pressure people to pay the upfront fee quickly, or they might ask for payment in an unusual way such as with vouchers or a money transfer. Ultimately, the victim never receives the loan.

Scammers will often target people though cold calls, cold emails and through social media. Often after an individual uses a loan website or interacts with a new page/user on social media they will be contacted and tricked into paying the upfront fee.

All of this threatens already vulnerable families even more. That's why we're shining a light on this issue and helping to protect people against loan fee fraud.
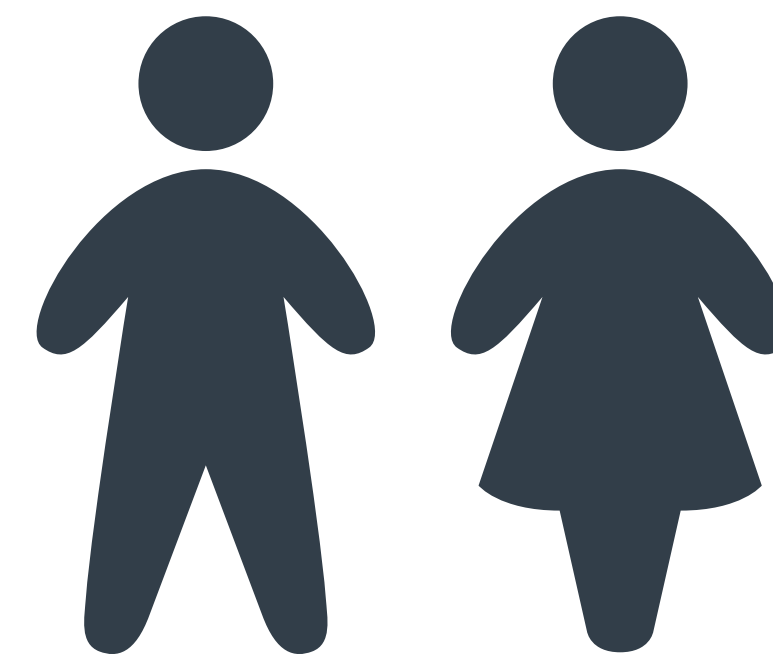
1.3

Who is most at risk

Scammers are cruel. They target society's most financially vulnerable people – those who tend to be on lower incomes, might have lower credit ratings or have limited access to mainstream credit.

They tend to be:

Aged 25-45 (average age of 37)

Slightly more likely to be male (60%) than female (40%)

Working in manual occupations or unemployed

1.4
What we're doing about it

The FCA's campaign launches in January 2023 and will be promoted through partnership and search advertising activity.

We aim to raise awareness of loan fee fraud and encourage our audience to go through the 3-step loan fraud checklist to protect themselves:

- If they are cold called or emailed, it could be a scam

- If they're asked to pay an upfront fee, it could be a scam

- If they're asked to pay quickly or unusually, it could be a scam

1.5
Supporting the campaign

As a partner, your support is invaluable to us. So, we've created a range of resources to make it as easy as possible for you to get involved in the campaign and to help spread the word to your staff, clients and customers.

These include:

• **Campaign copy**

• **Staff briefing sheet**

• **Social media posts**

• **Digital banners**

• **Posters**

You'll be able to download the resources from the links in this toolkit. Please help us raise awareness of loan fee fraud by sharing these resources in your channels.

2.1
Campaign copy

To help you spread the word about the campaign, we've drafted two pieces of copy: one short and one long. They provide an overview of the campaign, what loan fee fraud is and the steps to take to avoid it.

You can choose the length of copy that best suits your purpose, for example on your website, in emails to your audience or in print.

Please feel free to create your own content using our copy as a guide. If you do, please share it with us for FCA approval before going live.

2.2
Short copy

Looking for a loan? Pause and do the 3-step check.

• Cold called?

• Asked to pay an upfront fee?

• Pressured to pay quickly or unusually?

Tick **any** of these? **STOP**

Protect yourself from loan fee fraud.

You can copy and paste the text, or download as a word document using the download button.

DOWNLOAD ASSET

2.3
Long copy

The cost-of-living crisis is making 2023 a harder year financially, putting more people under pressure. In fact, 71% currently have less disposable income compared to an average month before the crisis. There are scammers out there looking to make it even harder. Loan fee fraud is an increasingly common scam, where people as asked to pay an upfront fee but then never receive the loan.

Now, it's even more important to take a moment if you are looking for a loan.

Pause and do the 3-step check before you make any decision and avoid the scammers.

• **Cold called?**

• **Asked to pay an upfront fee?**

• **Pressured to pay quickly or unusually?**

Tick **any** of these? **STOP**

Protect yourself from loan fee fraud.

You can copy and paste the text, or download as a word document using the download button.

DOWNLOAD ASSET

2.4
Helping your staff help others

Your staff play a crucial role in offering advice and help to those most at risk. Whether they operate the phone line or offer ongoing support to individuals, they're a trusted source of information for those they talk to.

We've created this handy briefing sheet to help explain the problem of loan fee fraud to your staff, and to help them pass on the key information to people they think may be vulnerable. It includes a description of what loan fee fraud is and the steps people can take to protect themselves.

DOWNLOAD ASSET

2.5
Social media posts

Social media is one of the best ways to spread the campaign widely. We've crafted some social posts that you can use across your social channels.

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Looking **for a loan?**
Pause and do the 3-step-check

Cold called? ☐
Asked to pay an upfront fee? ☑
Pressured to pay quickly or unusually? ☐

Tick **any** of these? **STOP**
Protect yourself from loan fee fraud

Post copy

Protect yourself from loan fee fraud. Scamming is on the rise during the cost-of-living crisis. It's easy to feel under pressure when taking out loans; pause and do the 3-step-check.

DOWNLOAD ASSET

2.5
Social media posts

There are a selection of images you can use for your posts. They can each be used with the same copy (page 14).

The images are available in Twitter (1200 x 675px) and Facebook or Instagram (1080 x1080px) sizes, and also as a 5-part social media carousel.

Facebook or Instagram (1080 x 1080px)

Twitter (1200 x 675px)

Instagram carousel (1080 x 1080px)

DOWNLOAD ASSET

2.6
Digital banners

Here are some web banners you can use. Use them on your webpages or in your email signature to spread awareness of loan fee fraud.

Leaderboard (728 x 90)

Email Signature (650 x 150)

DOWNLOAD ASSET

2.7
Posters

Here is an A4 poster that you can use. Put it up in your offices or on your webpage to spread awareness of loan fee fraud.

A4 Poster (210x297)

A4 Poster (210x297)

DOWNLOAD ASSET

*"I didn't think twice –
I was too relieved!"*

Thank you

With your help we can prevent more people from falling victim to loan fee fraud scams.

Please let us know if you use any of these materials as it will help us evaluate the campaign.

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