

## **Don't Be a Victim of Cheque Fraud**

### **Common scams include:**

- You have won a lottery requiring you to pay a fee before collecting your prize
- You are promised a percentage for transferring funds to your account for "safekeeping," often from outside the country
- You place an ad selling something and receive a response offering to send more money than you are asking for and then a request to return the overpayment
- You are asked to deposit a cheque and then forward the funds via wire transfer or money order, keeping a portion of the cheque in payment for your help

Usually, the cheque sent to you won't be drawn on an account in the name of the person or company that you have been dealing with. These cheques are counterfeit or stolen and altered. They will be returned to your account unpaid and the full amount will be deducted from your account. Fraudulent cheques can be returned unpaid weeks or even months after deposit. Other payment items such as money orders or traveler's cheques can also be used for fraud.

Although there are many variations to these frauds, one common trait is that they all seem too good to be true and they usually are!

### **Who is responsible for the loss to my account?**

You are responsible for cheque(s) that you deposit into your account. Your agreements with Nelson & District Credit Union make you responsible for overdrafts in your account regardless of whether you are the victim of fraud. Only you can assess the risks related to transactions you conduct. If a cheque is returned unpaid, you are fully responsible for any related loss.

### **Why was I allowed to withdraw the money?**

As a service, access to deposited funds is often allowed immediately or after a short hold. However this is subject to the terms of your account agreement, which includes your responsibility for returned cheques.

### **Why didn't the credit union know the cheque was fraudulent?**

It is not always possible for credit union staff to confirm a cheque's validity. Nelson & District Credit Union can try to confirm the funds in the account that the cheque is drawn on, but the original financial institution may not know whether their member/client actually wrote the cheque. Furthermore, they may not know the original payee of the cheque, so they cannot determine if that information has been altered.

### **More information**

Information on cheque fraud can be found at [www.phonebusters.com](http://www.phonebusters.com) and [www.fakechecks.org](http://www.fakechecks.org)

If you believe you have been the victim of, or are currently being solicited by a fraudster, contact your local police department and/or Phonebusters immediately at [www.phonebusters.com](http://www.phonebusters.com) or 1-888-495-8501. Online reporting can be provided at [www.recol.ca](http://www.recol.ca)

If you believe you have recently deposited a fraudulent cheque or other negotiable item, please contact Nelson & District Credit Union immediately.

Fraud can affect anyone at anytime. Your best protection is to be cautious, aware and responsible with your personal and financial information.