

NAME: _____

DATE: _____

ACTIVITY

Spotting Fraud

What + Why: Fraud doesn't announce itself or make a grand entrance . . . it hides in small signals (urgent messages, unexpected account activity, unfamiliar links, or requests for personal information).

**Instructions:**

1. For each situation, fill out the chart by briefly answering the following questions. Use the Legal Protections & Helpful Agencies information to help guide your answers.
 - What are the fraud warning signals?
 - What is the credit risk? (If ignored, how could this affect this individual's credit or finances?)
 - What is the prevention strategy? (How might this have been prevented?)
 - What is the response strategy? (What is the safest next step this person should take?)

Scenario	Fraud Warning Signal(s) (select all that apply)	Credit or Financial Risk	Prevention Strategy	Response Strategy & Legal Protection
Scenario 1: Luna is approved for a student credit card. When reviewing the first monthly statement, Luna sees a purchase from a retailer that is not recognized.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 2: Anthony receives a text message from “Buy Now, Pay Later Services” stating that payments have fallen behind and a link must be clicked to pay immediately and avoid legal action. Anthony has not missed any payments.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 3: Riley applies for a payday loan while using public Wi-Fi at a local coffee shop. A week later, a review of credit activity shows two new credit inquiries that Riley does not recognize.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 4: Diego finds a discounted laptop through an online marketplace. The seller requests payment using an unknown mobile payment platform and refuses secure payment or an in-person exchange.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			
Scenario 5: Mariam uses a credit card with a \$2,000 balance to make a \$150 purchase in store. The next day, the account shows the card is maxed out with charges that were not authorized.	☐ Urgency ☐ Request for personal info ☐ Unfamiliar links ☐ Unexpected account activity			

Legal Protections & Helpful Agencies

- **Consumer Financial Protection Bureau (CFPB):** a federal agency that protects consumers. Accepts complaints about credit cards, loans, credit reporting errors, and debt collection.
- **Fair Credit Reporting Act (FCRA):** gives consumers the right to dispute inaccurate or unauthorized credit report information. File disputes directly with the credit bureaus (Equifax, Experian, and TransUnion) at their individual websites, or file a complaint with the CFPB.
- **Fair Credit Billing Act (FCBA):** allows disputes of unauthorized credit card charges within 60 days. Contact the credit card issuer directly in writing to initiate a dispute. If unresolved, file a complaint with the CFPB.
- **Federal Trade Commission (FTC):** a federal agency that investigates fraud, deceptive practices, and identity theft.

Key Term

- **credit bureau:** a company that gathers and shares credit information with lenders