

STORY:
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It can take just one mistake to get scammed out of your life savings. With older Australians making up the fastest growing group of internet users in the nation, they have become a particular target for cybercriminals.

The next time your phone rings it may not be the call you are expecting and, if you are not careful, it could lead to all sorts of trouble.

Internet scams that start with a call to a landline or mobile are the latest tool in the arsenal of cybercriminals, and often it's older Australians in their sights.

A typical phone scam involves a caller claiming to be from a large telecommunications or computer company such as Telstra, Big Pond or Microsoft. Victims are led to believe their computer has a virus and they need to provide the caller with personal details and even remote computer access so the problem can be fixed.

Cybercriminals can then access bank accounts, credit cards or even superannuation information, or use personal details to establish false identities that can take years to be erased.

According to the Australian Competition and Consumer Commission (ACCC) reports of scams delivered by phone soared from just over 2,000 in 2009 to more than 14,000 in 2010.

Some scammers claim to be representatives of government departments such as the Department of Veterans' Affairs or the non-existent Government Grants Department, offering fake government grants, false energy rebates or bogus refunds for overpaid taxes.

There was even a scam offering to list a consumer's phone number on the Australian government's (free) Do Not Call register for a fee.

Older Australians are particularly vulnerable to these types of tricks, according to Val French, president of the advocacy group Older People Speak Out (OPSO).

"Most elderly people are more trusting and they can easily be beguiled into providing financial information that unscrupulous scammers can use to steal their money," Mrs French says.

"Being robbed online is probably the most dangerous form of abuse of the elderly."

The Australian Crime Commission (ACC) is urging retirees to protect themselves against this growing threat and is working with law enforcement agencies to stop criminals getting their hands on Australia's extensive retirement and superannuation savings.

The commission estimates that more than 2,400 people, 800 companies and 51 superannuation funds have lost a total of \$93 million so far this year because of the scams. The cost to each scammed individual averages around \$1,000, but can be as high as \$4 million.

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The fraudsters use highly sophisticated websites to trick investors into thinking their offers are legitimate. Typically based offshore, the ACC warns the scammers are also operating locally, for example on Queensland's Gold Coast, where police recently swooped on a fraudulent investment company known as West Trade or Atlas Lead Generation and closed it down.

"There are a significant number of offshore operations still active and thousands of Australians are still at risk," says ACC official Carey Stent.

"I urge potential investors to carefully consider all investment opportunities and seek professional advice before making investment decisions," he says.

Federal parliament is also taking the issue seriously. Following an inquiry into cybersafety and the young which reported last June, the Joint Select Committee on



BBA



Cyber-Safety has begun an investigation aimed at making the cybersphere a safer place for older people.

After all, older Australians have become the most rapidly expanding group of internet users. The Australian Communications and Media Authority found that nearly half those aged 65-plus had used the internet in an average week in June 2010 compared with just over a quarter five years earlier.

The parliamentary committee is looking at ways to keep senior Australians safe while still encouraging them to get online, arguing that online activity can enrich and simplify the lives of older people by removing barriers of time, distance and physical limitation.

Dating and romance scams are a particular field of online fraud the committee is interested in investigating. These are causing significant harm and embarrassment to Australian consumers, with people from all walks of life, education, background and age groups targeted — but especially those in the 65-plus bracket.

“Often older Australians have more money than younger people and they are more vulnerable to being approached by these sorts of scams,” says committee chair, Senator Catryna Bilyk (Tas).

“Many use the internet for friendship and companionship and that’s when concerns about scamming come in. Online dating and romance schemes are the number one consumer fraud according to the Australian Competition and Consumer Commission.”

D CALL

Between January and October last year, more than 1,600 complaints and more than \$17 million in losses were reported to the ACCC, compared with \$15 million in 2010.

According to the commission, dating scams typically involve a genuine user of a website being contacted by an ‘admirer’ who is a scammer in disguise. After forming a relationship with the victim, the scammer plays on emotional triggers to get the victim to provide money, gifts or personal details.

In response, the ACCC has released guidelines to help dating websites protect their users from scams. The guidelines were developed by a working group chaired by the ACCC and including representatives from a number of dating websites.

Senator Bilyk hopes the parliamentary inquiry can help deliver a positive message about safety on the internet so as to increase the number of seniors who go online.

“The committee will seek out best practice measures to build consumer confidence, increase skills, as well as to reduce online risks,” she says.

“The underlying message will be equity of access while addressing the particular challenges facing the frail elderly, aged migrants and refugees, and Indigenous people.”

A recent study into older Australians and the internet notes that the main barriers to older people taking to the internet are lack of knowledge and skills, confusion about the technology, and concerns about security and viruses. More than 40 per cent of participants also identified cost as a barrier.

Principal researcher for the study, Dr Sandra Haukka, proposes a national action plan, similar to the European Commission’s ‘Plan for ageing well in the information society’. She says Australia could follow the commission’s plan to break down barriers to online use by raising awareness, building consensus, overcoming technical and regulatory barriers, accelerating take-up and boosting research and development.

“A plan for Australia would include targets to reduce the gap in internet usage between the Australian population [in general] and older people, along with indicators of digital literacy and competence,” Dr Haukka says. “The plan would offer strategies and initiatives to improve digital literacy based on the types of support and services preferred by older people. It could also include incentives to encourage internet use by older Australians who have ‘nil’ or ‘low’ interest.”

With researchers finding that 38 per cent of older Australians who use the internet are highly or extremely concerned about information security when logging on to the web, compared with 28 per cent of all users surveyed, any plan would also need to address those concerns.

As the parliamentary committee begins gathering its evidence, all Australians, including seniors, would be well advised to heed the simple warning from the Australian Securities and Investments Commission (ASIC): if something seems too good to be true, it probably is.

ASIC advises Australians to always check the business register on the ASIC website to see if a company or individual selling a product is licensed or authorised to



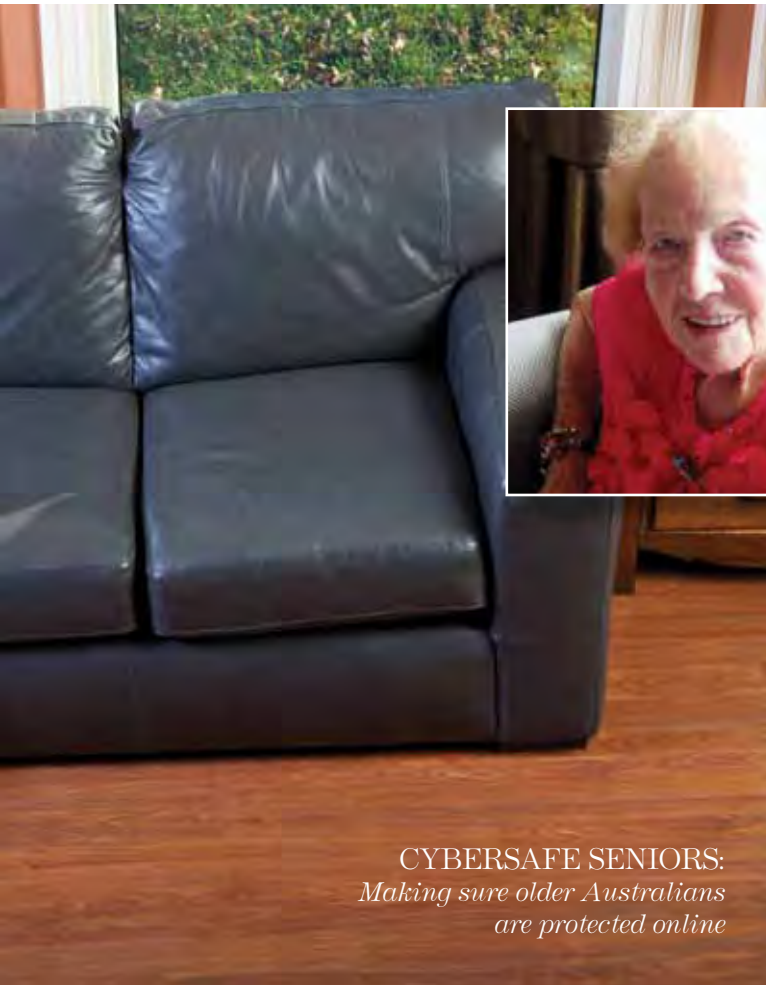
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do so. It also advises to call the company back using the details on the ASIC register to verify its identity.

“These fraudsters operate without Australian financial services licences and use false addresses and phone lines often routed to another address,” ASIC commissioner Peter Kell says.

“The moment you receive a cold call, ask yourself, where did they get my number, how did they get my name, and why are they contacting me.” •

FOR MORE INFORMATION on the inquiry into cybersafety for senior Australians, visit www.aph.gov.au/jssc or email jssc@aph.gov.au or phone (02) 6277 4202.



CYBERSAFE SENIORS:
*Making sure older Australians
are protected online*

Google granny

Growing up in Toowoomba in the first half of last century, Eva Woodrow (pictured left) used to ride her horse to school and go to silent movies for a treat.

Now five children, 11 grandchildren and 16 great-grandchildren later, this Google-loving granny enjoys surfing the net and is quite possibly Australia's oldest Facebook user.

From 1910 when she was born to her 101st birthday in December, Eva Woodrow has seen some incredible changes.

She has lived through two world wars and two depressions, and remembers listening to her first radio as a 16-year-old and being amazed to hear Big Ben strike the time in London.

Today she lives in a residential home in Nambour where she plays the piano for "the old people" and uses her laptop to write a newsletter, check emails, internet bank and keep in touch with family and friends.

"Years ago when my children were overseas it would take two weeks for an aerogram to reach them. I like the instant communication," she says.

"One granddaughter is an opera singer in Germany, one is a professor of Russian history in London, one is a doctor in Sydney, a grandson is a lawyer in Perth and one granddaughter is a high-flying businesswoman in Kenya. Her baby is just a year old and she posts videos of her first steps."

It was her granddaughter Jodie's idea to sign her up for Facebook, and they almost immediately hit a snag when the drop down menu to enter the year of her birth didn't go back as far as 1910.

"I had to just pick a random year to join up, but my granddaughter sorted it out later with a phone call," she says.

"I don't think many people my age — or even half my age — use Facebook," she says.

Not too concerned about security and privacy — "I have a virus protector and privacy settings" — Eva Woodrow encourages all ages to embrace the information superhighway.

"I use Google a lot, if I just want to look up a poem or something and I know a few words, I put them into Google and the whole poem comes up," she says. "It's like having a library at your fingertips and it keeps you informed and in touch.

"Just do it," she says. "You can always ask your grandchildren for help."

Seniors in the cyber world

- Just over half of all Australians aged 65 and over have used the internet compared with almost 90 per cent for all age groups; less than half have a home internet connection compared with an average of almost 80 per cent for other age groups, and fewer than one in three have a broadband connection.
- A mere four per cent of those aged 65 or more who have never used the internet say they are likely to use it in the future compared with 15 per cent of those aged between 14 and 49. Only three per cent of the 65-plus age group say they are likely to connect to the internet in the next six months compared with 20 per cent of those aged between 14 and 34.
- Older people are significantly less likely to use emerging online communication technologies such as user-generated content and instant messaging or chat rooms. They are also less likely to use the internet for entertainment purposes such as downloading music or videos and playing games online.

SOURCE: *Australian Communications and Media Authority*