

# Social engineering and social media scams highlighted as major risks this Fraud Awareness Week

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Over the years, social media has become such a significant part of our lives that 56% of the world's population has a social media presence of some description.



Manie Van Schalkwyk, CEO of the Southern African Fraud Prevention Service

With over 2.8 billion active users, Facebook is the largest social media platform in the world. Facebook not only helps people connect and keep in touch with loved ones, but Facebook Marketplace has also become a significant online sales platform. Current statistics show that the global social commerce market will reach \$2.9tn by 2026. Currently, 46% of the world's consumers use social media to learn about the solutions available to them in any given market, and an additional 40% of these consumers use social media platforms to compare solutions. In fact, almost 35% of basic users use these platforms to obtain their need-to-know information before they complete a purchase.

However, there are a lot of risks associated with Facebook.

"This week is Fraud Awareness Week (14-21 November) and the Southern African Fraud Prevention Service wants to warn people that while social media has changed our lives significantly, the fraud risk landscape associated with social media is significant," says Manie van Schalkwyk, CEO of the Southern African SAFPS.

## Social engineering is a growing problem

Van Schalkwyk and other members of the SAFPS recently attended a conference where the threat of social media fraud was highlighted.

Statistics show that 51% of all fraud cases in Indonesia were conducted over social media. Statistics also show that 23% of the fraud scams conducted in Pakistan over a six-month period (January to June 2022) were all facilitated over Facebook. Finally, the Gaza Foundation, which collects statistics from various law enforcement agencies from around the world (including Interpol and Europol), found that one in four people are victims of social media fraud.

"It is important to know how these scams are conducted and what some of the red flags for these situations might be, so that people can look out for them before they become victims," says Van Schalkwyk.

The most common tactic used by fraudsters is social engineering. Most social media users are aware of targeted advertising, where advertisements for products that they search online are packed and presented to them on their timeline. But not all of these links are genuine. Fraudsters are using targeted advertising to lure consumers to a proxy site where all of their personal information is provided. From there, the fraudsters can easily assume the consumer's identity and use this identity to commit fraud.

Another common social engineering tactic used by these fraudsters, but not exclusively through social media platforms, is where fraudsters phone consumers with the premise that they are representatives from the consumer's bank. They offer information to the consumer (which was gained by a data breach) so that consumer feels comfortable that they are dealing

with a bank representative. The consumer is then sent one-time pins (OTP's) which they pass onto fraudsters, or they give the fraudsters access to their bank account by volunteering private information believing that the person is from the bank

"This is a significant issue and can lead to impersonation on a massive scale," warns Van Schalkwyk, "it is important to note that these scams are not being run by opportunistic criminals. These are well-run syndicates where the fraudsters are motivated and very clever. Further this fraud is not localised, South Africans often become involved in broad, internationally based fraud scams," says Van Schalkwyk.

### **Increased statistics**

Over the past year, South Africans have faced increased risk when it comes to becoming a victim of fraud. These trends are reflected in the latest statistics recently released by the SAFPS.

One of the crimes the SAFPS has noticed an increase in is what is called a money mule. This is when a person approaches someone else and asks them if they can use their account to send money to a relative in another country. "While this should immediately be a red flag, you will be surprised at how many people willingly comply in the hope that they can be of assistance," says Van Schalkwyk. Unfortunately, this then opens the door for fraudsters to take significant advantage of their victims.

When it comes to the misuse of accounts through fraudulent conduct, the risk of money muling has increased by 97% over 2021.

"This is a significant problem and not only limited to South Africa. Money muling is a global risk. Reports from Cifas in the UK point out that money muling funds illegal activity such as money laundering, terrorism and human trafficking. Obviously, this is concerning, particularly within the South African context," says Van Schalkwyk.

Impersonation has always been a significant crime in South Africa as fraudsters prey on their victims through phishing, smishing and vishing.

"Impersonation increased by 264% for the first five months of the year compared to 2021 and could be linked to recent major data breaches. The various data breaches have all highlighted the vulnerability of personal information and how easily accessible they are to the motivated criminal," says Van Schalkwyk.

South Africa has one of the highest reported unemployment rates in the world. Current statistics from Stats SA reports that the official unemployment rate is 34.5%.

"In an effort to increase employability, we are seeing an increase in false qualifications, with these crimes increasing by 158% over 2021," says Van Schalkwyk.

### **Stats by province**

Gauteng is the country's economic hub and is the province with the highest fraud status. The SAFPS points out that Gauteng makes up 62% of the country's total fraud incidents and that the number of fraud incidents recorded in 2022 increased by 117% over 2021.

KwaZulu-Natal contributed 18% of the fraud incidents in 2022 and the SAFPS points out that the number of incidents reported this year increased by 106% over 2021.

### **Protective Registration**

"South Africans should always be aware of the statistics regarding fraud, but they should also make sure they know what to do if they become a victim of fraud. The SAFPS has a range of services that are tailor made to help South Africans to avoid becoming victims of fraud and to move on from being victims," says Van Schalkwyk.

Protective Registration provides an added layer of protection and peace of mind regardless of whether the identity of the applicant has been compromised.

“If a member of the public wants to become proactive in the fight against fraud, the SAFPS is there to serve them. Visit our website on [www.safps.org.za](http://www.safps.org.za). Click on the fraud prevention tab and protect yourself against identity theft with Protective Registration. For best results, use your smartphone to go to our website. Once you have uploaded key pieces of information, you will add another layer of protection against potential ID fraud,” says Van Schalkwyk.

### **Victim Fraud Registration**

The SAFPS also offers Fraud Victim Registration, which is designed to assist applicants in preventing fraud resulting from identity theft or impersonation.

This protects applicants from associated financial implications. The SAFPS will issue applicants with a Victim of Impersonation Letter which they can share with future credit providers to assist in any verification processes.

Consumers are urged to visit the SAFPS website at [www.safps.org.za](http://www.safps.org.za) and click on protect your identity. It is recommended that a smart phone is used in this process and that the applicant has a copy of their ID with them. Alternatively, applicants can follow the manual process explained on the website.

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