

# Gift Cards – How to Avoid Scams

Purchasing a gift card might seem like an easy solution for a last minute gift or the hard-to-buy-for. There is nothing to wrap, the size and color are always right, and it's convenient.

However, the convenience may be undermined by a scam. The scam is simple: Scammers record the gift card information and then call the gift card's toll-free phone number in a few days to check its balance. Once the scammer knows the card is activated and how much it is worth, they cash it in. Scammers quickly use the gift card information to shop online – depleting the value of the card that the purchaser (or its recipient) still possesses.



The same can also be performed in a more sophisticated fashion – scammers use a small handheld scanner to read the serial number embedded in the card and then reprogram used cards with the stolen data. Once activated the reprogrammed cards can be used in stores, online, or even resold to unsuspecting gift card shoppers.

Another variation of this scam includes carefully removing new, inactive cards from their packaging and replacing them with used blank cards. The thieves keep the card numbers of the used card, and when the shopper activates it, the thieves again have access to the money.



## Tips to Protect Yourself

While you may not want to substitute cash or a traditional gift for a gift card, you can take some steps to help protect yourself:

- Carefully inspect the card you wish to purchase; if it appears tampered with, move on.
- When possible, ask for a card from behind the counter, instead of selecting one from a rack available to the public.
- Be sure any activation labels or scratch-off areas are intact.
- Do not give your personal information such as a social security number to the cashier. The store does not need it.
- Immediately after activation, ask the cashier to scan the card so that you can verify that the amount you requested is available.
- Keep your receipt as proof of purchase and value.
- If shopping online, only buy directly from the company issuing the gift card.
- Do not buy from online auction sites as gift cards may be counterfeit, stolen or valued at less than promised.
- Register the gift card if the service is available.

## Additional Gift Card Tips

- Ask about, or read the fine print for expiration dates.
- Be aware of any usage or dormancy fees.
- Consider fees for both the purchaser and the user.
- Check for purchase exceptions. Can the card be used to buy anything?
- Is the card also valid for online purchases?
- Treat the card like cash.