



Public Service Announcement

FEDERAL BUREAU OF INVESTIGATION



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GIFT CARD SCAMS

While it is very popular to purchase, spend, and give others gift cards, the FBI would like to warn consumers of the potential for fraud. The online presence of the Secondary Gift Card Market has grown significantly in recent years. The Secondary Gift Card Market provides a venue for consumers to resell unwanted gift cards. However, criminal activity has been identified through sites facilitating such exchanges.

There are both online and in-store venues for reselling gift cards. Kiosks and pawn shops are an option for consumers who prefer to handle a transaction in person. Secondary Gift Card Market websites exist to exclusively buy and sell gift cards.

Some of the various types of gift card scams reported to the IC3 are as follows:

- Victim sells a gift card on an auction site, receives payment for the sale, and sends the PIN associated with the gift card to the buyer, who disputes the charge after using the gift card.
- Victim purchases an item on an auction site and is advised by the seller to purchase gift cards to pay for the transaction. After purchasing thousands of dollars in gift cards, the victim finds out the auction transaction is a scam.
- A Secondary Gift Card Market site agrees to pay a victim for a discounted merchant gift card. The victim sends the code on the gift card, and the payment for the transaction was reversed. Thus, the buyer uses the gift card code to purchase an item and stops payment to the seller.

Consumers should beware of social media postings that appear to offer vouchers or gift cards, especially sites offering deals too good to be true, such as a free \$500 gift card. Some fraudulent offers may pose as Holiday promotions or contests. The fraudulent postings often look as if a friend shared the link. Oftentimes, these scams lead to online surveys designed to steal personal information. Never provide your personal information to an unknown party or untrustworthy website.

Tips to Prevent Gift Card Fraud:

Consumers can take several steps to protect themselves when buying and selling gift cards in the Secondary Gift Card Market, as listed below:

- Check Secondary Gift Card Market website reviews and only buy from or sell to reputable dealers.
- Check the gift card balance before and after purchasing the card to verify the correct balance on the card.
- The re-seller of a gift card is responsible for ensuring the correct balance is on the gift card, not the merchant whose name is on the gift card.
- When selling a gift card through an online marketplace, do not provide the buyer with the card's PIN until the transaction is complete. Online purchases can be made using the PIN without having the physical card.

- When purchasing gift cards online, be leery of auction sites selling gift cards at a discount or in bulk.
- When purchasing gift cards in a store, examine the protective scratch-off area on the back of the card for any evidence of tampering.

If you believe you have been a victim of a gift card scam, you may file a complaint, providing all relevant information, with the IC3 at www.IC3.gov.