



Financial Crime Trend Bulletin:
Counterfeit Merchandise
2018-01-15

FRAUD: Recognize, Reject, Report

Purpose

This bulletin was prepared to provide information specific to counterfeit merchandise and protecting yourself online.

Overview

Canadians shopping online need to be on the lookout for deals that can be too good to be true. The Canadian Anti-Fraud Centre continues to get reports of Canadians buying merchandise online that turn out to be counterfeit. Websites and advertising of counterfeit goods are often made to mimic legitimate sites, and will use tactics such as “Today Only” or “Limited Time Offer” to justify the drastic discounts. Traffic to these websites is generated by paid advertisements often displayed on various sites – including social media (Facebook, Instagram et al).

It is also important to point out that counterfeit goods are often inferior in quality and can pose significant health risks. Consumers are urged to destroy the product or deny delivery if product has not been received. By doing so, the seller subsequently loses the cost of the product and is unable to re-victimize others.

The victims who purchased counterfeit goods can dispute the charges by contacting their credit card provider with the following information: website address, date of purchase, amount paid, and merchant name. Subsequently, the bank will share the contact information to the CAFC, who will provide the victim a confirmation of counterfeit, which enables the chargeback.

Warning Signs – How to Protect Yourself

- Consumers should do their due diligence and thoroughly research an online website prior to making a purchase.
- Confirm you are dealing with the actual manufacturer and look for any warnings posted online.
- Use a credit card when shopping online. Customers are offered protection and may receive a refund.
- Inspect the website thoroughly. Often counterfeit sites will contain spelling mistakes and grammatical errors.
- Online manufacturers generally use their own company email account. If a web-based email like Gmail, Hotmail, or Yahoo is listed on the website under the contact details, this is a red flag.
- If it sounds too good to be true, it probably is.

Outlook

If you think you or someone you know has been a victim of fraud, please contact the Canadian Anti-Fraud Centre at 1-888-495-8501 or <http://www.antifraudcentre.ca>