

To: The House of Commons Standing Committee on
Industry Science and Technology



Re: Study on Fraud Calls in Canada

From: Kate Schroeder (Board Member, Canadian Network for
the Prevention of Elder Abuse - CNPEA)

CANADIAN NETWORK for
the **PREVENTION** of **ELDER ABUSE**
RÉSEAU CANADIEN pour la **PRÉVENTION**
du **MAUVAIS TRAITEMENT** des **AÎNÉS**

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CNPEA is pleased to have this opportunity to bring to light the challenges and impacts of fraud calls on older adults in Canada. The CNPEA's work focuses on gathering and disseminating adaptable resources, best practices, current research and policy, developed by Canadian expert stakeholders, to increase our collective capacity to address and prevent the abuse of older adults. The following comments and recommendations are based on the extensive work of some these experts.

Fraud calls are an attempt to deceive an individual, to gain control over some aspect of that individual's life, whether it be financial, identity or other. These types of criminal attempts impact all Canadians regardless of age, race, education or background. Vulnerable health, fledgling finances, a rarefied social network, among other factors, can heighten the risk of falling victim to potential scams, and this risk only increases as individuals age.

The rapidly shifting age demographic in Canada is impacting all aspects of our country and its economy. By 2031, about 23% of Canadians will be over 65, by 2061, there could be 33% more seniors than children, living in Canada¹. This shift is already presenting us with new troubling statistics in relation to fraud and we expect these statistics to increase as our population ages, as seniors are often identified as easier targets.

As of Feb 29, 2020, available statistics from the Canadian Anti-Fraud Centre indicated that, this year so far, there have been 7,804 reports of fraud or attempted fraud. Year to date, over 4,119 Canadians have been confirmed victims of fraud with over \$9.2 million dollars lost. According to the CAFC, phone scams have defrauded Canadians out of an estimated \$24 million between Jan. 1 and Oct. 31, 2019 and available statistics indicate that losses experienced by older adults account for as much as 25% of the total losses related to reported fraud and that this number is rising considerably². The troubling part is that these numbers only reflect the fraud that has been reported. From available studies, we know that the reporting rate of fraud may be as low as 13%³, often because older victims are ashamed or afraid to be deemed incompetent for falling prey to these calls.

Fraud Calls Impacting Canadians

Fraudulent calls are running rampant across Canada. Current scams include, but are not limited to:

- Phone spoofing scams (numbers that imitate legitimate phone numbers)
- Canada Revenue Agency calls threatening arrest
- Grandparent scam calls
- 'Warrant' calls

- Free reward calls (cruises, trips, etc.)
- National Disaster scams
- Technology support scams

The grandparent scam, technology support scams, and Canada Revenue Agency scams may be more likely to affect older adults. One of the major contributing factors to this is social isolation, which is considered a heightened risk factor for elder abuse in general⁴. Isolated older adults craving human connection, missing their family, or lacking a support network may be more likely to fall for these scams and more easily preyed upon. The reason older individuals fall for these scams are often complex and interconnected. Potential risk factors that put individuals at greater risk may include:

- The recent loss of a loved one
- Lack of support network
- Social Isolation
- Economic insecurity
- Poverty
- Potential cognitive impairment
- Lack of awareness or understanding of the nature of fraudulent calls
- Sophisticated, ever changing technology

Falling for these scams often leads to individuals feeling stigmatized. The complicated process of reporting and investigating these types of fraud lessens the chances of individuals' completing the reporting process. Some of the issues that impede reporting are;

- The fear of appearing incompetent
- The fear of having their autonomy and decision-making abilities challenged
- The fear to admit to their children or loved ones that they made a mistake. Talking about money and technology can be a fraught experience between parents and children
- The potential lack of awareness of where to report
- The potential to encounter ageism when trying to explain their situation

What we are certain of is that these types of fraud calls are on the rise and are impacting all Canadians, so solutions must be unique and intergenerational in approach as well as collaboratively arrived at between, public and private sectors, consumer groups, financial agencies and law enforcement. Some of the biggest keys to prevention and detection are awareness, education and easy access to reporting, as well as a respectful and informed approach to communicating with and supporting older victims.

Recommendations:

1. Develop awareness campaigns in all forms (social media, web-based, print, TV) to help people, regardless of age, to understand the different scams and forms of fraud currently circulating.
2. Support and promote the development of bystander intervention training programs at financial institutions, law firms, and other consumer groups.
3. Support the development of programs to help Canadians not only navigate the complexities of reporting fraud, but markedly improve the access to support after reporting to prevent re-victimization.
4. Encourage the development of awareness and support programs that are accessible from home or other living environments.

5. Improve access to regular and affordable transportation in rural areas to prevent social isolation and to facilitate access to necessary resources.
6. Ongoing, proactive communication from various stakeholders (CRA, banks, telecommunications companies, senior service providers etc.) to provide updates on current scams impacting older adults.

About CNPEA

CNPEA is a pan Canadian network supported by leaders in the fields of aging, research, health care, and elder abuse prevention and response, among others. CNPEA connects people and organizations, fosters the exchange of reliable information, and advances program and policy development on issues related to preventing the abuse of older adults. We do this work at the local, regional, provincial/territorial, and national levels through our knowledge-sharing hub: www.cnpea.ca

¹ Statistics Canada 2016 Census

² What We Heard Report - National Seniors Council -

<https://www.canada.ca/en/national-seniorscouncil/programs/publications-reports/2019-what-we-heard-financial-crimes-harms.html>

³ Susan Sproule & Norm Archer, Measuring Identity Theft in Canada, 2008 Consumer Study

⁴ <https://www.canada.ca/en/national-seniors-council/programs/publications-reports/2014/social-isolation-seniors/page05.html>