

Gullible Travels

5 Travel Money Frauds You Should Know About

Travelling should be a time of freedom and adventure, and losing money to a scam can mean some heavy rain on your vacation parade. Here are five scams to watch out for when you are on the road.



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Dani* remembers that feeling in the pit of her stomach when she realized the vacation rental she had booked for her family's vacation to Florida didn't actually exist.

"I did what I thought was my due diligence," she says. "I looked up the address to ensure that it was real, and that the man I thought I was speaking to was the actual owner of the property."

Dani had found the property listed on an online classified site. The pictures of the waterfront bungalow looked spacious, clean and modern, and the price was reasonable. Dani contacted the person who placed the ad who confirmed her dates were available. He called Dani from a Florida phone number to confirm that she would receive a contract by email, and to arrange the US\$1,500 payment.

"This person wanted to be wired the money, but I felt uneasy about that, so he agreed to a mailed bank draft," she relays.

A few days before the trip, Dani called the phone number she had to find out how she would pick up the keys, only to find that the number was out of service. Her stomach sank. She did a reverse phone number lookup on the property, and called the number listed. The person who answered told Dani what she'd feared: that the home was not a rental, and that she was one of many who had been tricked into believing it was being rented out.

She put two and two together and realized that the pictures on the ad had come from a real estate site, where the scammer had obtained information including the address and the owner's name, whom he impersonated.

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TREVOR GILLIS,
ASSOCIATE VICE PRESIDENT,
TD CREDIT CARDS.

So you don't end up like Dani, here are five common frauds that travelers may encounter that you should be aware of:



1. Foreign Exchange Fraud

When heading abroad, be careful when exchanging Canadian dollars for local currency. Using an unreputable foreign exchange agent may mean that you don't get a good exchange rate, or worse, that you receive counterfeit money.

When travelling, find reputable foreign exchange bureaus or banks in your destination and stick to them. Know what the local currency looks like, and ensure that all bills you receive look consistent. Know the exchange rate, and how much you should receive for what you are exchanging, and finally, count your exchanged currency before leaving the exchange office.

"Always use a reputable company for exchanging currency and be aware of fees involved in doing so," says Trevor Gillis, Associate Vice President, TD Credit Cards. "In addition to having cash on-hand when travelling, credit cards can also provide a safe way to make purchases at credible merchants."



2. Vacation Rental Rip-Off

Dani learned the hard way that vacation rentals aren't always what they seem. Many years ago a traveler's only option was using a travel agent, or booking directly with a large chain hotel. Now, with websites that connect

travelers directly with vacation rentals, scammers have more opportunity to find victims directly.

Finding a dream rental online isn't always a sure thing. Dani was scammed by paying for a property that wasn't actually up for rent. Other scams have "property managers" or "agents" doing a bait and switch with properties. Would-be renters think they are securing one property but when they arrive, they are told the address was double-booked and are sent to a far more inferior rental.

If you are looking for a vacation rental, do your research and find a reputable local real estate agent to help you locate a property. Ask the owner for references and more pictures of the property. If you use websites, use sites that verify the property, and hold security deposits in escrow.

"Paying in advance with cash or wire services is extremely risky," says Gillis. "Be wary of any service that asks for this method of payment. Most reputable services will allow you to use a credit card to hold a reservation and many will not charge you until your arrival. This creates a paper trail back to the merchant, which can provide you with further protection if the services are not what you signed up for."



3. Cheating and Overcharging

While travelling, you are often at the mercy of service providers like taxi drivers, merchants and restaurants. Some may count on the fact that you don't know the currency well or what things should cost. Some unscrupulous service providers may try to short change you, or mark up the cost of goods or services if they believe you to be unsuspecting. For example, a taxi driver may charge you a flat-rate to your hotel, when a metered fare would have been much less.

Get familiar with the currency, count change when you receive it, and know the cost of things in your destination.



4. Skimming Scams

Using a credit card when travelling is usually safe; it means you don't have to carry large amounts of cash. But, you still need to be vigilant against merchants putting extra charges on your card, or even copying your card information.

Card skimmers can be affixed to a point-of-sale terminal, or an ATM. They are designed to copy the information contained in the magnetic strip on your card. If that information gets into the wrong hands, fraudulent purchases could be placed on your card. Merchants can also "double-swipe" your card, resulting in overcharging.

"It's important to always protect your credit card when travelling," says Gillis. "Always examine ATMs and merchant terminals before inserting your card, and if the terminal appears tampered, don't use it."



5. Pickpockets and Petty Thieves

They don't just exist in Dickens' stories; pickpockets are still around and making a good living out of digging into the pockets and bags of tourists who are looking the other way.

Wherever you find crowded tourist areas and attractions, you will likely find pickpockets. They often work in pairs or groups. One will create a diversion while another goes into your pocket or bag with a gentle touch. Before you know it, your wallet is gone. The list of diversions is endless — it may be someone asking for directions, or someone spilling something on your clothes. It would be impossible to list them all, so just be diligent about keeping an eye on your belongings and keeping them close to you.

Dani went to the local police in Florida and made a report, but authorities there warned her that she would be unlikely to get her money back.

“I was lucky, and was able to find a vacation rental last minute, even though it was high season,” Dani says. “But losing that money made the vacation a lot less carefree than it should have been.”

— ***Denise O’Connell, MoneyTalk Life***

*Name has been changed

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