

Gift Card Scam

Gift cards are for **gifts**, not for payments. However, they are popular with scammers because they are easy for people to find and buy, and they have fewer protections for buyers compared to some other payment options. They're more like cash: once you use the card, the money on it is gone.

What Gift Card Scams Looks Like

If someone calls you and is demanding that you pay them with gift cards, you can bet that a scammer is behind that call. Once they have the gift card number and the PIN, they have your money. Scammers use many stories to convince you to pay them with gift cards, here is an example of what happens:

1. The caller says it's urgent. The scammer says you have to pay right away or something terrible will happen. But they don't, and it won't.
 - Scammers have a just enough personal information to make you believe they are legitimate. It can become very scary, very fast.
2. The caller usually tells you which gift card to buy. They might say to put money on an Amazon, Google Play, Target or Visa gift card. They might send you to a specific store — often Walmart, CVS or Walgreens.
 - Sometimes you are instructed to buy cards at several stores, so cashiers won't get suspicious. The caller might even stay on the phone while you go to the store and load money onto the card.
3. The caller asks for the gift card number and PIN (scratch off portion on the back) to confirm the card was actually purchased.
 - With that information the scammer has immediate access the money funded to the card.
4. In an attempt to get every last dime out of their victim that they can, the scammer may claim that the payment did not work – for whatever reason they make up at that moment. They are now attempting to convince you to purchase additional gift cards.
 - The cycle begins again and will continue until you hang up.

These are all signs of a scam.

Common Gift Card Scams and Schemes:

Scammers pretend to be someone they're not to convince you to pay with gift cards. They want to scare or pressure you into acting quickly, so you don't have time to think or talk to someone you trust. Here's a list of common gift card scams and schemes:

- The caller says they're from the government — maybe the IRS or the Social Security Administration. They say you have to pay taxes or a fine in the form of a gift card to expedite the process or for your convenience.
- You receive a phone call from someone claiming to be from your Financial Institution. They tell you that your account has been compromised and need to purchase gift cards in order to protect the funds from be accessed by a hacker.

- You should hang up and reach out to your Financial Institution to find out if anything is going on with your account.
- Someone calls from tech support, maybe saying they're from Apple or Microsoft, saying there's something wrong with your computer. Payment is then requested in the form of a gift card to fix the "problem".
- You meet someone special on a dating website, but then they need money and ask you to help them. This romance scammer makes up *any* story to trick you into sending them gift cards.
 - Romance scams can begin months or even years before the scammers start asking for money. Often times, once the scammer has a victim on the hook – various types of scams are used to defraud you.
- The scammer pretends to be a friend or family member in an emergency and asks you to send money right away — but not tell anyone.
 - If you're worried, hang up and call your friend or relative to check that everything is all right.
- Someone says you've won a prize but first, you have to pay fees or other charges with a gift card. Remember: no honest business or agency will ever make you pay with a gift card.
 - Do you even remember entering that sweepstakes?
- The caller says they are from your power company, or another utility company. They threaten to cut off your service if you don't pay immediately. But utility companies don't work that way.
- You get a check from someone for way more than you expected. They tell you to deposit the check, then give them the difference on a gift card. But that check will be fake and you'll be out all that money.

What to Do If You Paid a Scammer with Gift Cards

If you paid a scammer with a gift card, tell the company that issued the card right away.

Report Fraud

If someone asks you to pay them with gift cards:

- Report it to the Federal Trade Commission at [ReportFraud.ftc.gov](https://www.ftc.gov/report-fraud).
 - Report it even if you didn't pay. Your report helps law enforcement stop scams.
- You can also report it to your state attorney general.
- If you lost money, also report it to local law enforcement.
 - A police report may help when you deal with the card issuer.