



Headline: HAVE YOU FALLEN FOR AN ONLINE SCAM?  
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iMoney

# HAVE YOU FALLEN FOR AN ONLINE SCAM?

MALAYSIANS have proven easy prey to online scam predators. Over the years, the number of Malaysians being defrauded has been steadily increasing and yet, awareness seem to be on the low.

Despite the stories we hear and read, there are still many others who lose insane amount of hard-earned money to online scams. You could be next! Hence, it is wise to be in the know of the mechanism of online scams and how to avoid them by all means possible.

## HERE'S WHAT YOU NEED TO KNOW ABOUT ONLINE SCAMS:

### Know the works

Since a large fraction of online scams involve personal loans, the first step to avoid being scammed is to know how loans work. A personal loan works very much the same as any other type of loan. You borrow a certain amount of money from a bank or lender so that you can pay for the things you need.

An agreement will be drafted by the lender where repayment details, interest rates and other miscellaneous details are spelt out.

This entire process does not require the lender to pay any sum upfront as it is illegal for a lender to ask for pre-payment.

It is also important to find out who the borrower is. Are you applying for a loan from a licensed financial institutions such as a bank, or a money lender or credit company? Loans from licensed financial institutions will be your safest option as they are regulated by the central bank.

### Know the scams

Online scams are aplenty. The "advance fee loan" gets the borrower to pay an advance fee at the time of approval. This is the modus operandi for most loan scammers, but consider this – it really doesn't make sense for you to pay the money you don't have just to get a loan.

Another common tactic used by scammers is phishing. In this case, fraudsters would impersonate a business to trick you into giving out your personal information such as banking and credit card details as well as passwords. There are a few ways this is done. A scammer might impersonate a well-known financial institution or a loan company with a legitimate looking website, or the usual

way which is via email.

While it is difficult to keep tabs on the latest scams, unless the victims appear on the news, there are certainly warning signs that borrowers can be aware of:

## 4 WARNING SIGNS OF A LOAN SCAM

- 1. A lender who is not interested in your credit history**  
There are many loans and credit cards to suit a variety of purposes such as starting a business or consolidate your debt. A lender who does not care about credit history is worrisome. Ads that say "No hassle – fast money guaranteed" or "We don't care about your credit. This loan is yours" are too good to be true and need to be approached with caution. Legitimate sources will only approve a loan after they have assessed borrowers' credit history and confirmed the validity of information on the application form.
- 2. Upfront payment**  
When a lender demands upfront application fee, tread the water carefully. In most cases, legitimate lenders will not ask the borrowers to pay anything before the borrower receives the loan. Some scammers will call this "processing fee" or even tell the borrower that such upfront payment is required due to bad credit health. These fees, if required, are usually deducted from the loan amount before disbursement.
- 3. Pressed to act immediately**  
Schemers will press you to give personal information or send money before getting any paperwork done. They'll say it is a one-time offer or you have to act now if you don't want to miss interest-free instalments. Always insist on the paperwork and go through the fine print before applying for anything, especially if it involves money.
- 4. Requesting personal information**  
Never give your credit card or bank account information over the telephone or Internet unless you know why such information is being requested and which company is doing the asking.

### Know the services

In this era, fraudsters have come out of the woodwork to attack unsuspecting consumers, and one of the common ways they do so is with online loan scam. Over the years, the means of their attack have become more sophisticated.

Hence, it is wise and practical to know the various services there are to prevent yourself from getting scammed or losing out on beneficial financial services by being too cautious.

With the emergence of financial technology, the number of things that we can do without leaving our home have increased and there are now more means to be financially savvy. It is crucial to be aware of financial platforms to be able to make informed financial decisions.

Comparison websites such as iMoney offer readers comparison tools and valuable financial information. But how do you differentiate online third-party websites from scammers?

The difference is, financial platforms like iMoney will only assist in loan applications with licensed financial institutions, and not money lenders or credit companies. These websites do not lend money directly to the borrowers, but merely provide additional services to help them apply for the best loans. The service is completely free for the consumers, so you don't have to pay a single cent to apply for a loan.

What iMoney does is only advisory, where visitors will be assisted on their financial needs, be it loans, credit cards, broad bands, or insurance. The visitors will then be directed to the relevant parties to proceed with the application.

### Know yourself

When it comes to applying for a loan from a legitimate source, there is no shortcut. Borrowers and lenders need to fulfil certain criteria before a loan transaction can be approved and carried out. If you want to take a loan, ask yourself why you need one in the first place. If you are an unserved borrower, you might want to get help from a financial adviser to assess your credit health and perhaps use other legitimate means to bring you back in the black. Just remember you can't game the system. Borrowing from shadow banks or dubious sources will harm you. If something is too good to be true, it is usually a scam. Falling for it will put you in an even worse financial situation than you were before.

Hence, take a step back, think things through and make informed decisions when it comes to your finances to safeguard yourself from online scams.

For more information, please visit <https://www.imoney.my>.