



**ASIC**  
Australian Securities &  
Investments Commission



# Loan scams

## Fake loan offers

If you get a phone call or email out of the blue with an offer of a loan with a really low interest rate, be suspicious, as it could be a scam. If you see a website that says you can apply for a loan online, you should also be cautious.

Here we explain how to identify a loan scam and what to do if you have been scammed.

- [How to identify a loan scam](#)
- [Questions to ask](#)
- [What to do if you have been scammed](#)

## How to identify a loan scam

Loan scammers either phone you or contact you by email. They also set up websites outlining their loan deals.

They will offer:

- A quick and easy loan approval process
- A low [interest rate](#) (for instance 2% interest per annum)
- The right to cancel if you are not completely satisfied

## Warning signs

The loan offer could be a scam if the loan salesperson:

- Asks you to transfer money upfront to an overseas-based account or to a person overseas or asks you to pay taxes or fees before they can give you the loan amount
- Rings or emails you many times
- Offers an interest rate substantially lower than what is available from legitimate lenders
- Offers you a free period before you have to make any repayments (for example, one year no repayments required)
- Says that they don't do any credit checks and they'll lend you money even if you have past financial problems
- Says you need to make a quick decision or you will miss out

But, there is always a catch. If you say 'yes' to the deal you will lose any money you transfer, which could be thousands of dollars.

## Questions to ask

Ask the person offering you the loan these questions to check their legitimacy:

- What is your name and what company do you represent?
- What is your company's business address?
- Does your company have an Australian Credit Licence and what is the licence number?
- Is the company/business registered in Australia? If a company, what is the Australian Company Number (ACN)?

If they try to avoid answering these questions, it is probably a scam. Hang up the phone, do not respond to the email and stop dealing with the person.

## Research the company

Do your own research on the company before you deal with them. Don't rely only on the information they give you.

Here are some checks you should do:

- Check if their company name is on our [list of unlicensed overseas companies](#), if they are the list don't deal with them
- Check ASIC Connect's [Professional Registers](#) to see if they are licensed by ASIC. You can also phone ASIC on 1300 300 630 to do this check.
- Check they have an Australian business address using an independent source like a phone book or phone web directory
- Check [ASIC Connect](#) and search within 'organisation and business names' for their Australian Company Number (ACN)

Dealing with overseas loan companies can be risky. If you take up a loan with an overseas operator who turns out to be a scammer, you will not be able to get your money back if you transfer it offshore.

## Be wary of identity theft

Be wary of giving out your personal details, including copies of identification documents like passport or drivers licence or bank account details when applying for the loan. Overseas scammers may use this information to steal your identity. Read more about [identity fraud](#).

## What to do if you have been scammed

1. Stop sending money to the company
2. Check our list of [companies you should not deal with](#) to see if the company you have dealt with is on the list
3. Check the company's licence number on ASIC Connect's [Professional Registers](#). You can also phone ASIC on 1300 300 630 to do this check.
4. [Report the scam](#) to ASIC
5. Warn your family and friends
6. Put yourself on the [Do not call register](#) to reduce telemarketing calls
7. If you have lost money and are in debt you may need [financial counselling](#)

Scammers are skilled at convincing people that the loan offer is real. Be suspicious of anyone offering you easy money. There is almost always a catch.

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## Related links

- [Managing debts](#)
- [Consolidating and refinancing loans](#)
- [Home loans](#)
- [Car loans](#)

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