

‘Mental anguish’: how a crypto scam advertised on Facebook cost victim her life savings

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Jane* lost her life savings and loans worth £75,000 after falling victim to a cryptocurrency scam advertised on Facebook, which falsely claimed to be endorsed by the consumer champion Martin Lewis and left her saddled with thousands of pounds of debt. She is one of a growing number of Britons who has been scammed while using a social media platform operated by Meta, which also runs Instagram and WhatsApp. Banks are reporting a surge in fraud cases on the tech giant's websites and apps, expected to cost UK households £250m this year. Jane was considering opening an Isa when she spotted a promotion for "Current Coins" on Facebook in December last year, which – falsely – claimed to be endorsed by Lewis, who founded the MoneySavingExpert consumer advice site. However, it turned out to be a complex cryptocurrency scam. Lewis has previously taken legal action against Facebook for failing to remove scam adverts using his image in 2018. He settled the case the following year after the tech firm promised to donate £3m to an anti-scams project and set up a reporting tool. Under the online safety bill, which is currently going through parliament, social media platforms will be required to take these paid-for scam adverts down. Jane, 59, initially invested a couple of hundreds of pounds, before being manipulated into handing over more money, as the scammers created intense time pressure and said she could lose everything she had invested so far if she failed to pump more cash into the scheme. Some of the savings were supposed to be spent on her wedding. "I was tricked, lied to and coerced into handing over £75,000, which was my life savings plus £50,000 in loans – £20,000 of this was a loan applied for online fraudulently in my name," she said. Her bank has wiped a £30,000 loan as a goodwill gesture but will not refund her lost savings. The second £20,000 loan was with a different provider, which has also told her she is liable for the debt. She is currently pursuing complaints through the Financial Ombudsman Service. "I have never gone through so much mental anguish in my life or been so ill," she said. "My exhaustion level is depleted along with any resilience I had. I count myself lucky with my partner and close friends and the fact I've been able to continually write to these agencies and get counselling. "I see how less fortunate victims could go to dark places without this support. It is a devastating crime severely eroding confidence, trust and testing my belief in human nature." The mother-of-three didn't report the scam to Facebook, although she has contacted the national taskforce Action Fraud, the Financial Conduct Authority, her local police force and her MP. Her friend reported it to Facebook and "constantly does this, because similar scams pop up frequently". She said: "There's an auto message saying they'll look into it but no further follow-up." According to the bank TSB, which has called on social media firms to compensate scam victims, Meta platforms hosted 87% of all investment

fraud cases at the high street bank last year. So far this year, there have been 1,095 cases of investment fraud related to Facebook reported to Action Fraud, with victims losing a total of £18.6m by 31 May. Facebook's financial stake in such transactions varies depending on where on the platform they stem from. On the company's Marketplace classified ads platform, for instance, Facebook only takes a cut if the transaction is completed using its own "Meta Pay" system, which is still in its infancy. But more professional operations, which use the platform's own advertising tools, pay it for the privilege, with the amount depending on the exact audiences they have targeted using the Meta's advanced algorithms. Katie Watts, the campaigns lead at MoneySavingExpert.com, said: "Sadly, fraudsters will use all sort of tactics to earn your trust and steal your money – and that includes using well-known, reliable faces in online adverts. "Please spread the word that neither MoneySavingExpert nor our founder, Martin Lewis, ever advertise or endorse financial products or investments, ads like these are always a scam." Another Guardian reader lost out on more than £200 after trying to buy her son a VR headset for Christmas via Facebook Marketplace. "I had a very difficult time during that year and I felt like I wasn't a great mum and I wanted to buy something special for Christmas," she said. After some back and forth with the seller, who was "a friendly lady, another mum", she decided to buy the headset and asked the advertiser to post it. "The moment I made the transfer, she disappeared," the victim said. "I was crying so much, I was so angry with myself, thinking: 'How could I be this stupid' – and I had no money to buy a gift for my boy for Christmas. "I really was very upset. I contacted Facebook and they didn't do anything." She was eventually able to get a refund through her bank but the scam knocked her confidence. "I was really hurt mentally; I cried for a few days and it ruined our Christmas," she said. She reported the scam to Facebook, which said it would "look into it", but she didn't hear anything more. The user had already disappeared from Facebook, so it is not clear whether they are still scamming other consumers. Another Facebook user made a purchase after seeing an advert for period pants when she was scrolling through her feed last year, not on Marketplace. "After three weeks, a package arrived and three tiny pairs of knickers fell out of the bag they were in – I'd ordered a size 20 and these were more like a size 2," she said. "They smelled very chemically and they clearly were not fit for purpose, even to someone who they might have fitted." She was able to get the £30 she had paid back via her bank but said her "ego was bruised" by failing to do her "usual due diligence". She said: "It's now just a semi-amusing anecdote I tell others when warning about Facebook adverts." She reported the incident to Facebook but said she was told it couldn't find any evidence of it being a scam, and the allegedly fake profiles that had provided positive reviews of the underwear firm were not deleted. "It was not straightforward to report the scam on Facebook. They were asking for links and screenshots and then I didn't get any response once I did collate enough evidence to submit. "The company page and advertisement stayed up for a least a few months after I reported it though I noted that the company website was no longer available when I checked a while back. "Facebook did not give two hoots," she said. A Meta spokesperson said: "We are sorry to hear people have been misled in this way. This is an industry-wide issue and scammers are using increasingly sophisticated methods to defraud people in a range of ways, including email, SMS and offline. "We don't want anyone to fall victim to these criminals, which is why our platforms have systems to block scams, and financial services advertisers now have to be FCA-authorised to target UK users. "We also work with the police to support their investigations and encourage people to report this content when they see it so we can take action."