



## 'Tis the Season for Gift Card Scams



Gift cards are always at the top of holiday wish lists. In fact, gift cards are the gift consumers want to receive the most during the 2023 holiday season.<sup>1</sup> Unfortunately, gift cards are also popular with scam artists.

A relatively new gift card scam involves scam artists placing a barcode sticker over the real gift card barcode. When the gift card gets scanned at checkout, the funds end up on the scammer's card that is linked to the barcode sticker.

A more common scam involves scam artists copying the gift card number and scratching off the PIN label before the gift card is purchased. They then monitor the gift card account online in order to steal the funds as soon as the gift card is purchased and activated. They may also try to sell the compromised gift card on an unofficial or third party website.

Scam artists may also use emails, texts, and phone calls to pose as popular brands or retailers claiming "you've won a free gift card." Often these giveaways promise large sums and seem too good to be true. The scammer will then try to convince you to give them your personal and financial information in order to claim your prize.

Finally, scam artists will sometimes pose as a legitimate business or organization and claim that you need to make a payment using a gift card instead of using a conventional form of payment such as a credit card or check. The scammer will usually tell you which specific gift cards to buy and will instruct you to purchase the gift cards from several different retailers in order to avoid suspicion. They may even threaten you with arrest or legal action in order to obtain the gift card number and PIN.

Whether you are giving a gift card or are a gift card recipient, here are some tips to help you avoid becoming the victim of a scam:

- **Inspect gift cards for signs of tampering.** Make sure the scratch-off coating is on the card and that the PIN on the back isn't showing. Check the barcode on the back of the gift card to make sure that it matches the one on the packaging.
- **Keep a copy of the gift card and its receipt.** This will help you if the gift card is ever lost/stolen, or if you have to report fraudulent activity to the issuer.
- Only purchase or use gift cards from trusted retailers and reputable websites.
- Be wary of anyone who asks you to pay them with a gift card.

If you ever are the victim of a gift card scam, report it immediately to the gift card issuer and the Federal Trade Commission at [ReportFraud.ftc.gov](https://www.ftc.gov/ReportFraud).

**Questions? Contact First Financial's Investment & Retirement Center by calling 732.312.1534. You can also email [mary.laferriere@lpl.com](mailto:mary.laferriere@lpl.com) or [maureen.mcgreevy@lpl.com](mailto:maureen.mcgreevy@lpl.com)**

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1) National Retail Federation and Prosper Insights & Analytics, October 2023

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