

TRAINING

# Scams Against Older Adults **Technology and New Methods Committee**

# Open Letter On Gift Card Scams Against Older Adults:

Based on the FTC's most recent [Older Adults Report](#), in 2023, roughly one third of scam reports including age information came to the FTC from people 60 and older. While their total reported losses were more than \$1.9 billion, this figure is significantly low, since most people who experience scams never report them. These older adults report that gift card payments to scammers cost them \$118 million. They also reported gift cards as the second most frequent payment method used by scammers, with the fourth highest aggregate dollar losses.

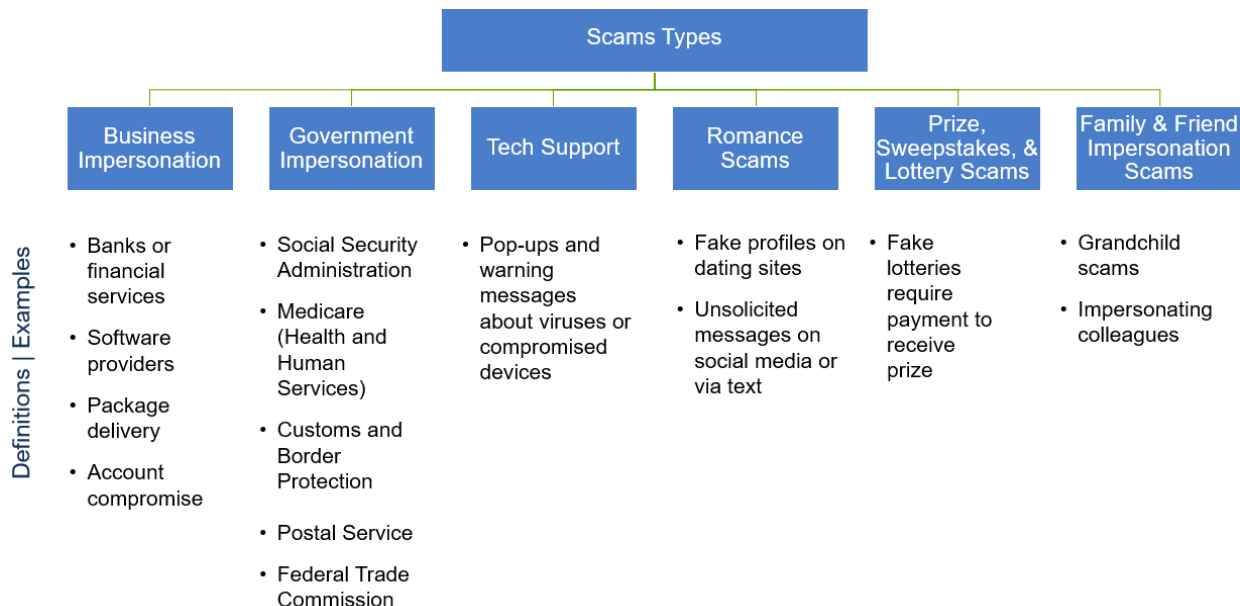
Working in close partnership with gift card sellers, processors, and gift card brands, this Committee has developed a set of best practices for the industry. We believe they'll have a meaningful impact in our collective efforts to mitigate scams against older adults.

Sincerely,

***Scams Against Older Adults Technology  
and New Methods Committee***

# Types of Gift Card Fraud

Known examples of scams against older adults that use gift cards or reloadable cards as the payment method include:



# Gift Card Scam Monetization Options

Once a scammer receives gift card numbers from a consumer, the scammer monetizes the card in one of three ways:

- redeem for personal use
- sell the unredeemed cards
- redeem the card for digital or physical products and sell them

All three options are quick and can happen before a consumer knows they've been scammed.

**By introducing additional friction to slow this process, the gift card industry may help to minimize harm to older adults. These recommended best practices for gift card sellers, processors, and brands aim to slow scammers and prevent harm to older adults.**

# Activation Best Practices for Gift Card Sellers and Processors

Best practices to apply prior to and during gift card activation include:

## Pre-Activation Best Practices

- Provide [signage](#) to help consumers spot gift card scams
- Develop [cashier training](#) to help them:
  - understand expected gift card purchase behavior
  - observe and report unusual gift card purchase behavior

## Activation Process Best Practices

- Apply technical controls at point of sale to identify purchase behavior indicative of a consumer experiencing a scam
- If applicable, develop technical challenges to suspicious activation behavior

# Balance Inquiry and Redemption Best Practices for Gift Card Brands and Processors

Best practices to apply prior to and during balance inquiries and redemption include:

## **Pre-Balance Inquiry and Redemption Best Practices**

- Clearly state permissible uses on gift cards or their packaging
- Develop an understanding of consumers' expected balance inquiry and redemption patterns
- Develop technical controls to evaluate the digital signature of the person attempting to redeem the gift card

## **Balance Inquiry and Redemption Process Best Practices**

- Apply technical controls across industry members to identify unusual balance inquiry and redemption patterns **prior to** authorizing requests
- Cooperate with industry members to share and analyze transaction data and train models.

Learn more about the Scams  
Against Older Adults Advisory at  
[ftc.gov/olderadults.](https://ftc.gov/olderadults)