



Beware of Up-Front Payments

It's a sad situation. Maybe you are having a hard time financially. Perhaps you've lost your job or have been hit with unexpected expenses. But at least you've found a solution to the problem. You read an advertisement, either online or in the newspaper, offering loans to individuals regardless of current financial situation or credit history. Sure, the interest rates might be a bit high, but it will provide you with the help you need until you can get back on your feet again.

You've spoken to the lender and provided all the information and you've been assured that your loan is approved. The only catch is that you have to provide the first two loan payments in advance as a show of good faith. You've been instructed to send the funds using a money transfer company. The lender promises that you will receive the full amount of the loan as soon as the payments are received.

Unfortunately, once you make the payments, you find that the telephone number to the lender has been disconnected. You are no longer able to reach anyone from the company and the promised loan never arrives. You've been the victim of the "Advanced Fee Loan" scam.

Advanced fee loan scam

"Bad credit? No credit? No problem." We've all seen the ads – offers of guaranteed loans regardless of financial history or credit problems. The offers are placed in reputable newspapers or online. They may appear to be from well-known and trustworthy companies. They appeal to hardworking people who have fallen on hard times and, unfortunately, they often take advantage of those who can least afford it.

While there are legitimate companies that specialize in loans to consumers with less than perfect credit, fraudulent loan scams are on the rise. Fraudulent lenders can appear very genuine. They know the right questions to ask and how to reassure suspicious consumers. However, fraudulent lenders will all have one thing in common – they will demand some form of payment or fee before the loan can be disbursed.

Below are a few ideas for avoiding advanced fee loan scams:

- Remember, Western Union does not recommend using a money transfer service to send money to someone you don't know or whose identity you can't verify.
- Be sure to research any potential lender carefully. One way to do this is to check with the local Better Business Bureau or Attorney General to see if there have been any complaints about the company.
- Remember that legitimate lenders will not require payment in advance for a loan you have not yet received. "You don't have to pay money to get money."
- Remember that sending money using a money transfer service is like handing over cash. Western Union is not associated with the lender or business in question and therefore can't guarantee the receipt or quality of the goods or services you are purchasing
- As always, if a deal sounds too good to be true, it probably is.

Western Union takes the issue of consumer fraud very seriously. We value our customers and know that they work hard for their money. When consumers lose by becoming the victim of fraud, we feel like we lose too. That's why we're working to create greater awareness of the various types of consumer fraud.