

Gift Card Payment Scams

A survey of U.S. Adults 18+



Gift cards are a popular and convenient gift for holidays, birthdays, or as gestures of appreciation. But scammers have latched onto gift cards as a popular and convenient form of payment when they coerce targets into believing they need to address an urgent financial matter. They convince targets that these cards – sometimes referred to as “electronic vouchers” – can be used to pay an overdue utility bill or back taxes; to send money quickly to help a loved one out of a jam; to pay upfront fees to collect a big lottery win – the list goes on.

The Federal Trade Commission (FTC) reports gift cards have been one of the top modes of payment in scams since 2018. In that time, consumers have lost \$245 million by buying gift cards and sharing the information off the back as part of a scam.¹ To gain further insight into the awareness of and incidence of gift card payment scams, AARP commissioned AmeriSpeak® Omnibus.² The survey was fielded and administered to 1,000 U.S. adults ages 18 and older on February 12 and February 13, 2021 and has a 4.0 percentage margin of error.

One quarter of U.S. adults are unaware of gift cards as a form of payment in scams.

Data show that nearly one in four adults don’t know or are unsure if it’s a scam when you are directed to pay an obligation with a gift card. Uncertainty about this scam tactic is consistent across age groups.

TRUE or FALSE: It is always a scam when someone directs you to pay a debt or other obligation with a gift card such as an eBay, Google Play, or a retail store gift card.

24%
False/Not Sure

76%
True

¹ Federal Trade Commission Consumer Protection Data Spotlight | December 2020 <https://www.ftc.gov/news-events/blogs/data-spotlight/archive/202012>

² For more on the NORC AmeriSpeak Omnibus and methodology, go to <https://amerispeak.norc.org/our-capabilities/Pages/AmeriSpeak-Omnibus.aspx>



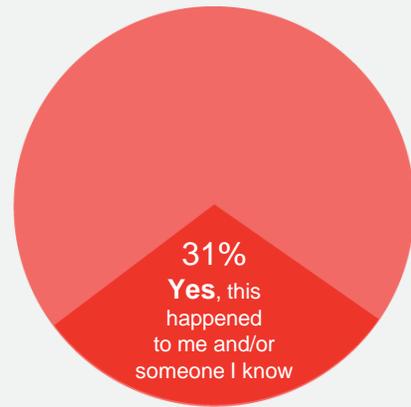
Many U.S. adults, more often younger than older, are targeted by scams asking for payment by gift card.

Data from this survey show that nearly one in three adults say they and/or someone they know has been asked at some point in time to purchase a gift card to pay a bill, a fee, or some other debt or obligation or claim a prize. Among those who indicate they and/or someone they know have been targeted by this scam, adults younger than age 50 are more likely than their older counterparts to say so.

Among those who say they know someone (n=154 respondents) who has been asked to use a gift card to pay a financial obligation or claim a prize, almost six in ten say this person was someone living in their household (10%) or a relative who lives elsewhere (48%).

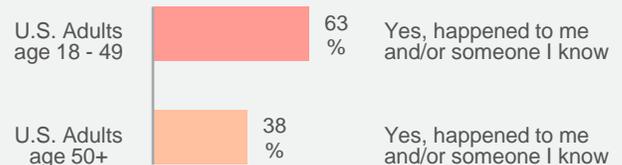
Ever Been Asked to Purchase Gift Card to Pay Financial Obligation

(N=1,027 U.S. Adults 18+)



Yes, I and/or Someone I Know Have Ever Been Asked — by Age

(N=323 U.S. Adults 18)



Respondents were asked by scammers to pay for a variety of financial obligations with gift cards.

Thinking of their own personal experience, **one in four adults** say they have been asked to purchase a gift card to pay a fee in order to claim a prize, sweepstakes or lottery. One in ten say they have been asked to buy a gift card to address an issue with their Social Security account, pay an upfront fee for a service or product or other item, to fix a computer or other electronic device, or to pay a utility bill.

What Respondents Were Asked to Pay for with Gift Cards

(N=229 U.S. Adults 18+ who say 'yes' they were asked)

Pay a fee in order to win a larger prize/sweepstakes/lottery*	25%
Address or deal with Social Security number/account problem	11%
Pay an upfront fee for something/service or product	11%
Pay for something else not mentioned here	11%
Fix computer or other electronic device	10%
Pay utility bill (water, heat, electric)	10%
Pay back/overdue tax	7%
Help someone else out/pay someone else's phone or utility bill/buy them necessities	7%
Pay a fine (to avoid arrest)	6%

One in ten U.S. adults followed through on the request to buy a gift card to pay a financial obligation.

Data from this survey show that among respondents who have been asked by someone to purchase a gift card to pay a bill or some other financial obligation, one in ten (11%) bought the cards as requested. These respondents say they bought the card(s) at big box retailers like Walmart or Target or at a popular pharmacy chain store such as CVS or Walgreens.³ Interestingly, some of these respondents say that a store clerk or sales associate did warn them that buying the gift cards to pay a financial obligation is a scam.



³ Question 5 n=26 so the cell counts for each place a respondent could purchase the gift cards is too small to report or generalize to a larger population but is noteworthy given the recent FTC report cited earlier. *Question 3f should have read "pay a fee in order to win a large prize/sweepstakes/lottery?"

Methodology

AARP commissioned AmeriSpeak® Omnibus, a large probability-based panel funded and operated by NORC at the University of Chicago. AmeriSpeak is designed to be representative of the U.S. household population, including all 50 states and the District of Columbia. U.S. households are randomly selected with a known, non-zero probability from the NORC National Frame as well as address-based sample (ABS) frames, and then recruited by mail, telephone, and by field interviewers face to face. Data are weighted to the latest Current Population Survey (CPS) benchmarks developed by the U.S. Census Bureau and are balanced by gender, age, education, race/ethnicity, and region. AARP's survey questions were fielded and administered to 1,000 U.S. adults ages 18 and older – 93 percent of the surveys were completed online and 7 percent were conducted by phone. Fielding took place on February 12 and February 13, 2021 and the survey has a 4.0 percentage margin of error. For more on AmeriSpeak® Omnibus and their methodology, please go to <https://amerispeak.norc.org/our-capabilities/Pages/AmeriSpeak-Omnibus.aspx>



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