

BBB update to online purchase scams study: Protect yourself this holiday season

With more than \$240 billion in U.S. online sales and almost \$15 billion in holiday retail expected in Canada, scammers are ready to pounce on unsuspecting shoppers across North America by using fake advertisements to offer deep discounts and hard-to-find popular items.

Since Better Business Bureau(R) (BBB(R)) International Investigations Initiative issued the 2021 study, [Theft on a Massive Scale: Online Shopping Fraud and the Role of Social Media](#) , fraudsters continue to trick consumers into buying from fake or misleading online advertisements. Reports are up over 125% from last year, in part driven by items popular on social media, such as beauty products and viral sensations.

BBB Scam Tracker SM online purchase scams by year			
Year	Reports	Median loss	Susceptibility*
2021	16,159	\$103	75%
2022	13,411	\$100	74%
2023	29,858	\$73	81%
2024 (thru Oct.)	19,308	\$78	87%

Source: BBB Scam Tracker: Jan. 2021- Oct. 2024

*Susceptibility tracks the percentage of reports where consumers reported losing money to BBB

Online purchase scam reports to BBB Scam Tracker show consumers are incredibly likely to lose money when confronted with shopping fraud. In reports to BBB in 2023, over 80% of consumers said they lost money when encountering an online shopping scam.

While an individual's loss in an online purchase scam is often lower than other more costly scams such as investment fraud, the sum of all losses totals nearly \$400 million, according to 376,830 reports received in 2023 by the Federal Trade Commission (FTC).

[Those figures exceeded estimates](#) from a BBB update to the online purchase study of last year. Cases reported are likely a vast undercount, as one study using FTC data determined only [4.8%](#) of victims of mass market fraud ever report it to BBB or a government entity.

Federal Trade Commission Consumer Sentinel			
Online shopping and negative reviews*			
Year	Reports	Median loss	% reporting loss
2021	459,170	\$150	47%
2022	364,940	\$178	43%
2023	376,830	\$126	53%
2024 (thru June)	171,106	\$128	78%

*The Federal Trade Commission's Consumer Sentinel data is comprised of "undisclosed costs, failure to deliver on time, non-delivery, and refusal to honor a guarantee on purchases made online; internet auctions; businesses trying to prevent people from giving honest reviews about products or services they purchase."

While many scams target a specific age group, BBB Scam Tracker data shows nearly all online shoppers of any age are at risk. And according to [BBB Institute for Marketplace Trust](#), fraud perpetrated online now makes up almost 70% of all reports. Since these scams are more likely to result in monetary loss than in-person or phone scams, BBB urges extra caution when dealing with unknown sellers online.

BBB Tip: Research any online retailer before making a purchase.

When searching online for hockey equipment, **Krishna in Mililani, Hawaii** told BBB she found a website which appeared to offer brand name gear at a deep discount. The tracking for the package said it would ship from China to an address in Washington state, not Hawaii, even though Krishna entered her address correctly on the order. When she tried to contact the seller, Krishna found there was no contact information on the website. She received nothing and never heard from the scammers again.

Online purchase scam tactics remain the same since the [2021 BBB study](#) and [2022 update](#). Online retail fraud continues to entice shoppers with hard-to-find items, promises of low prices and easy delivery, often on social media.

In 2024, reports to BBB showed scammers continued to use social media to find targets, with the majority of reports that year originating on social media, in particular on Facebook.

BBB Tip: View social media ads for popular products with some skepticism.

For example, in a Facebook group for beekeeping, **Dylan in Richmond, Indiana** told BBB he encountered a business claiming to sell honeybees.

When he attempted to order from the group's website, the scammer instructed him to pay through PayPal using the "friends and family" option, which, unbeknownst to Dylan at the time, removed some of the buyer protections PayPal has in place for users.

The scammer provided a fake tracking number, but disappeared after sending it, and no honeybees arrived.

Items go viral on social media; scammers use platforms to target users.

Social media is a hotbed of viral items, where influencers and regular users interact and talk about recent purchases, what they enjoy about them and why it might be worth it for others to make a similar purchase.

Scammers pay attention to viral products, watch for hot items and create fake listings to entice consumers. Their fake advertisements may offer items at a deep discount or promise buyers the opportunity to track down hard-to-find items. With these types of items slated for many holiday wish lists, scammers are ready to pounce.

Lauren in Reading, Massachusetts told BBB a friend shared an ad on social media for heavily discounted tumblers. Lauren purchased three for \$34.99, less than the price for one of the popular insulated cups at most retailers. Lauren was skeptical, and when she received an unprofessional confirmation email, she realized something was wrong. She reached out for a refund, but never heard back from anyone.

BBB received 70 reports for the Stanley tumbler since 2021, which was popularized on social media sites such as Instagram and TikTok and has become an increasingly hot ticket item over the last few years. It isn't the only viral "must-have" scammers latched onto. In the same timeframe, BBB received nearly 490 reports about the popular shoe brand HOKA One One, which rose to popularity online and has been profiled in national publications like the [New York Times](#).

BBB Tip: Viral items sold for too good to be true prices should raise red flags.

In March, **Irineo in Sacramento, California** told BBB he found a sale on Facebook listing three pairs of HOKAs for \$99. With one pair of shoes often retailing for over \$100, he believed he had found a great deal. Once Irineo placed his order, he received a legitimate looking tracking number but was surprised to see the China shipping origin. The tracking number updated with movement during the 12-week delivery timeframe, but once the package supposedly arrived in the United States, Irineo never received it nor a refund.

Nearly every report to BBB about fake HOKA shoe sales originated on social media. Some fraudsters imitate real sporting goods stores or retailers, while others pretend to be little-known outfits. Low prices hooked most consumers, with many losing out on nearly \$100.

Look-alike scam websites which spoof well-known sellers and their products trick consumers, according to Christian Beckner, vice president of retail technology and cybersecurity with the National Retail Federation.

Website hosting companies attempt to take down scam websites "but it is whack-a-mole," Beckner told BBB in an interview. Scammers know to target people in reaction to shopping habits, he said, meaning more people encounter these scams when shopping online. The deceptive sites are also growing in sophistication.

A few years ago, you would see some of these sites and they were so obviously fake," he said. "It is getting harder and harder."

Beauty product purchases soar; scammers impersonate companies

Beauty product sales rose rapidly over the last several years, outpacing many other retail sales categories. In just the first half of 2024, at least one estimate showed over \$15 billion in sales related to beauty products.

Popular brands drove many of those sales, and social media helped drive the hype. Over 280 reports to BBB Scam Tracker since 2020 mentioned "makeup" alone, and many consumers reported poor experiences when attempting to purchase popular products online.

Biancah in Toronto, Ontario told BBB she ordered a product in response to an online ad for a product popularized on TikTok. She was told it would take up to six weeks to arrive, which troubled her. When she reached out to the website, they reassured her they were legitimate, so she waited. When six weeks turned into 18 weeks, Biancah realized she had been scammed out of \$75.

Merchandise fraud*			
Year	Reports	Total Loss	% reporting loss
2021	5,121	\$12,380,909	81%
2022	4,282	\$8,839,448	80%
2023	3,599	\$11,169,716	82%
2024 (thru Sept)	2,295	\$7,188,506	85%

*CAFC reports "Merchandise" scams as they do not have a subcategory for online retail scams.

BBB Tip: Watch out for sellers with unusually long delivery windows without good cause.

While scammers pretend to be independent sellers in cases like Biancah, others falsely claim to sell popular brands, such as MAC, e.l.f. and Charlotte Tilbury, which were all mentioned in dozens of Scam Tracker reports to BBB.

Buyers looking to save money look for similar but cheaper versions of popular items, which are called “dupes” (short for duplicates). While people do intentionally purchase these items at times, those looking for legitimate products need to be careful to avoid fakes. **Ashley in Fort Mitchell, Kentucky**, told BBB she thought she was buying BrookBurg & Co. products from a secondary seller. The man she talked to said he was a small business owner hoping to eventually open a brick-and-mortar store.

When Ashley’s items arrived, she saw makeup wipes, mascara and bronzer as she had ordered, but they were from a completely different company and worth significantly less.

BBB Tip: Counterfeit goods often fail to meet quality and safety standards. This can be particularly dangerous with items like cosmetics, which may contain harmful materials.

Unique pets for holiday gift could spell trouble

Scams involving dogs and cats remain the most common pet scams reported to BBB, but anyone looking for more unusual animals this holiday season should also be on alert for scammers.

Over 200 reports to BBB since early 2021 show the sale of bogus birds, hedgehogs, lizards and even sugar gliders. Because these types of pets are harder to find, scammers can target those searching online for them, pretending to be expert breeders.

BBB Tip: Anyone looking for a less traditional pet should do extensive research before sending money.

Online sales mean international risk.

Amid efforts to inform consumers and the public about online purchase scams in North America, scammers are widening their net to many other countries where shopping online is common, making online shopping fraud the most encountered scam worldwide.

In particular, the United Kingdom, Ireland, France, Germany, Spain Italy, and [Australia](#) are all hit hard by online purchase fraud on social media.

The United Kingdom's Office for National Statistics reported over 2 million instances in each of the last three years related to so-called "[remote purchase fraud](#)" and while it is impossible to know whether it is the same groups instigating all these scams, they share the telltale signs of many reports shared by consumers in the U.S.

Almost 9 out of 10 U.K. purchase scams start on social media, according to one of the country's biggest banks, and recent data in the region showed similar average losses of about 53 euro.

In France, like the U.S., online shopping scams are the most encountered scam, with [over 20%](#) of all cases reported to the Global Anti-Scam Alliance (GASA) related to purchasing on the internet.

Sam Rogers, GASA's director of marketing, said online purchase scams are a major driver of the deluge of scams being encountered globally. Nearly half of the world encounters a scam every week. Additionally, he said some countries like Brazil see 41% of citizens report a scam every single day.

Research on scams has long focused on North America and western Europe, but emerging trends and data show every country is at risk. Kenyans, Brazilians, and South Africans lost money most often, according to GASA reports. Scammers may strike at the same target multiple times, with many scam survivors in Kenya reporting they were revictimized up to three times.

"There are countries in Asia who are losing 3%-5% of their GDP (Gross Domestic Product). It just happens that the wealthy countries can absorb the effect on the economy better, even if the effect on the individuals is more," Rogers said.

Despite the large impact, many still do not know what to do when they are scammed. This can skew the underlying data to make the problem appear smaller than it is, Rogers said. That creates a vicious cycle where the underreporting of scams leads to others not hearing about their prevalence.

GASA data reveals how consumer resources continue to be one of the top needs for those scammed, with over a quarter of respondents saying, "reporting is too complicated" or "I'm not sure who to report it to."

BBB Tip: If scammed, use resources below to report to the proper authorities.

Online purchase scam red flags:

- Items offered at a deep discount
- Deals too good to be true
- Popular items sold by unknown retailer
- Seller asks for payment through a payment app
- Unprofessional web pages
- Long shipping windows

BBB tips to avoid online purchase scams:

- Research a seller before purchasing
- Compare item to a trusted retailers' prices and shipping windows
- Don't trust a social media advertisement outright
- Be extra alert when buying a viral item

- Avoid sales offering multiple items for the price of one
- Use a credit card

Where to report

- [Better Business Bureau](#) or [BBB Scam Tracker](#)
- [Federal Trade Commission \(FTC\)](#) or call 877-FTC-Help
- [Canadian Anti-Fraud Centre](#) or 1-888-495-8501
- [Identity Theft Resource Center](#) or 888-400-5530
- If you have been a victim of scam, report it to the company.
 - [Facebook](#)
 - [TikTok](#)
 - [Instagram](#)
 - [eBay](#)
 - [Craigslist](#)

Visit [BBB.org](#) to check out a business or register a complaint, [BBB Scam TrackerSM](#) to report a scam and [bbb.org/scamstudies](#) for more on this and other scams.

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