

## FALSE BILLING SCAM

The false billing scam is a growing problem for small businesses - it can cost your business thousands of dollars annually. Scammers target small business operators who are often overworked and under-staffed.

### What to look out for

False Billing is when you receive an invoice or a solicitation that resembles an invoice for services you did not order and did not receive.

False Billing practices most commonly involve advertising. Scammers send solicitations for advertisements in trade directories and magazines and often claim affiliation with charities, police, fire-fighters or health services. On occasions the paperwork (resembling an invoice) is accompanied by a copy of a layout of one of your approved advertisements lifted from a legitimate publication e.g. Yellow Pages.

The scammer demands payment by threatening legal action if payment is not made, or by contacting the business by telephone demanding quick payment, misleading the business that some prior agreement has been made to place the advertisement.

### How to avoid being scammed

- Only do business with those you know and trust
- Don't be pressured into advertising with a company whose product you haven't seen. Ask for copies of previous publications
- Carefully read any documentation before signing
- Never give out information about your business unless you know who is asking and how the information provided will be used
- Brief your staff to be alert to phone, email and mail solicitations, and not to commit the business for any expenditure without appropriate signed approval
- Have clear policies regarding who is authorised to order goods and services on behalf of your business
- Restrict the number of staff with access to bank account and credit card details
- Issue an order number when purchasing goods and services. Check that the order number is included on

the suppliers invoice and check that the goods/services have been received before payment is made

- Don't be pressured into paying if you are not satisfied with the authenticity of the invoice.

## Action by consumer protection agencies

All Commonwealth, State and Territory Consumer Affairs and Fair Trading agencies have been exchanging information and assisting one another to effectively combat false billing practices.

The Australian Competition and Consumer Commission, Fair Trading offices in New South Wales and Queensland have had some success through the courts in prosecuting a number of companies engaged in false billing activities, and other jurisdictions have investigations in progress.

## Help us to protect Territory businesses from scammers

If you receive any solicitations from business requesting payment for services you have not ordered or received, or you receive an 'invoice look-a-like' for advertising services you have not ordered, please contact Consumer Affairs on 1800 019 319 or by email at [consumer@nt.gov.au](mailto:consumer@nt.gov.au).