

SAFE COMMUNITY**David Thomas****HOW TO AVOID HOLIDAY VILLA LETTING SCAMS**

IMAGINE having saved hard throughout the year for your holiday only to arrive at the destination to find the villa you rented does not exist.

This is what happened two weeks ago when some tourists from overseas arrived in the Algarve and were shocked to discover that having paid for a holiday in the sun they were instead the victims of a scam. This is now in the hands of police.

In another case a person advertising his villa for rent discovered that the villa details had been obtained and advertised on a bogus website and the rental diverted to fraudsters.

There are indications that these examples could just be the tip of the iceberg as in early August the Judicial Police arrested a 47 year old for aggravated fraud. It is alleged that since 2010 he had been advertising holiday properties for rental in the Algarve on the internet, but the contracts were never fulfilled.

Instead, the person concerned pocketed the deposits received ranging from 30-50% of the advertised price. It is believed that these were in the Tavira and Vila Real de Santo Antonio areas and there have been comments in the local media that there could be up to 100 victims involved.

Clearly this is not a problem confined to the Algarve or Portugal but rather an international problem. In fact, having surfed the web, it appears that countries such as Spain and Cyprus may be more of a target than here.

An international problem

According to a study carried out by the National Fraud Intelligence Bureau (NFIB) in the UK, around 1,000 holiday scams were uncovered in Britain last year, costing holidaymakers more than £1.5 million. The NFIB, which operates under the auspices of the City of London Police, says the figure is likely to be just "the tip of the iceberg". Some victims were left thousands of pounds

out of pocket, while others were left stranded with no accommodation after using bogus websites, or falling for advertising, telephone or email scams.

Holiday booking fraud is when consumers hand over money only to discover the holiday, accommodation or flight they paid for doesn't exist, or the booking hasn't been made. Fraudsters are scamming millions each year from victims through the use of fake websites, false advertising, bogus phone calls and phishing emails.

The report added that 33% of holiday fraud victims in 2012 were scammed by the fraudulent advertisement of holiday villas and apartments, with some holidaymakers arriving at their destination to discover they had nowhere to stay. A high percentage of cases were reported in Spain and in London during the Olympics. The rise of self-catering villa rental sites, where owners advertise directly to the consumer, has made this a common target for fraudsters.

How such scams operate

There are basically three ways rental properties are advertised on the internet. The first is through legitimate holiday rental agencies, where the agency advertises the villa on behalf of a client and handles the complete rental transaction. The second type is where legitimate agencies have websites containing properties for rent (sometimes running into tens of thousands); here owners can advertise their villas for a fee. In these cases the agency usually simply acts as a host and all correspondence and transactions are with the owner direct. The third category involves privately advertised villas (or a number of villas) for rental by the owners of the accommodation.

Although of course the vast majority of agencies and advertisers are legitimate and provide a good service, there are probably a growing number of situations where the holiday rental market is

exploited by fraudsters in the following ways:

The fraudster simply copies details of an existing villa or fabricates details, with a photo copied from a legitimate website. A new website is then created with virtually no contact details, without testimonies background etc, and the fraudster posts the villas on this for rent. The fraudster handles enquiries and of course payments received.

Alternatively, the fraudster may advertise the villas on a legitimate website, as in the second category above, without the agency being aware that the advert is fraudulent. Some agencies are more vigilant than others when it comes to checking the authenticity of the advertiser before it is published. As all transactions are direct between the holidaymaker and owner, they only become aware of a scam once a complaint is made.

Property owners or managers may also become victims of identity theft. This is exploited through emails where there is the potential for secondary phishing. This is when a criminal takes over an email account of the property owner or manager's



email account. Once the phisher has control over their account, the phisher impersonates the owner or manager and convinces travellers to send money to the phisher's account rather than to the owner or manager. This is where it is important to take steps to avoid identity theft through having secure passwords etc – details are on the Safe Communities Algarve website.

Situation in the Algarve

Safe Communities Algarve has recently come across a few websites here in the Algarve where a lack of information poses question marks as to their legitimacy.

In one case, despite advertising over 60 properties spread throughout the Algarve, the only contact is a gmail contact – no phone number, no address, business registration, background or anything that identifies the owner or credibility of the site!

In another case reported to SCA, a villa letting agency handling rentals in the Algarve has been the subject of a number of queries on Trip Advisor over its legitimacy and handling of deposits, but none of these have been answered by the company itself. For legal reasons these sites cannot be mentioned but will be referred to police where necessary.

It is relatively easy, of course, to obtain property details from the internet. For instance if you have previously let your property but do not do so now there may still be information with photos on the internet – this makes it easy for fraudsters. It is important therefore, when terminating contracts with your letting company, to ensure all pages about your property (properties) are removed from the internet. If you wish to check, simply Google your house name and the town; it will be interesting to see if your property is mentioned!

As reported in the Algarve Resident August 23, 2013, ASAE has established through inspections that one third of lets falling under the "local lodging" regime are operating illegally and failing to meet the minimum standards of hygiene and safety required by law. If that is the case, it would

seem prudent for letting agencies advertising properties on behalf of owners to only accept those adverts where the owner can prove legal compliance.

In response to the latest cases, Safe Communities Algarve has been in contact with a solicitor in the UK Lauren Haas, of Blake Laphorn Solicitors, who is an expert in dealing with such holiday scams and has published guidelines to try and reduce such risks. SCA is indebted to Lauren for making these available to us and details can be found on www.safecommunitiesalgarve.com Crime Prevention Page and then the SCA column. These are summarized in the table in this article.

If anyone is aware of holiday rental scams in operation and has substantive information please forward in confidence to info@safecommunitiesalgarve.com

This feature is part of a series of Safe Summer crime prevention initiatives. More details and other crime prevention tips can be found on the Crime Prevention page on www.safecommunitiesalgarve.com.

Do please have an enjoyable and safe summer.

|| Hints and tips to avoid scams

1. Check the website – does it look legitimate? Does it have credible contact details, testimonies etc. Google its name followed by "complaint".
2. Use companies that offer insurance against bogus advertisers. Companies such as "Owners Direct" offer this and it also has a Security Centre with secure messaging.
3. Ask letting agencies that host properties for advertisers what steps they have taken to establish the authenticity of the owner and property being advertised.
4. If a website offers a property at a price which is too good to be true then it probably is – avoid it.
5. Take care when funds are required upfront to be sent to a foreign bank account. If asked to send by Western Union or telegraphic transfer be suspicious.
6. If you want enhanced consumer protection consider booking with members of ABTA or ATOL.
7. If you are suspicious contact the owner, ask for details, utility bill and use landline phone number of villa if there is one.
8. If possible pay by UK credit card which offers protection under Sec 75 of Consumer Credit Act 1974.
9. Payment by PayPal is convenient and reliable but remember as holidays are deemed intangible they are not covered by PayPal Buyer Protection.
10. If you are a villa owner, try to Google its name and town and check if it is listed anywhere where it should not be!

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David Thomas is a former Assistant Commissioner of the Hong Kong Police, consultant to INTERPOL and the United Nations Office on Drugs and Crime. In October 2011 he founded Safe Communities Algarve an on-line platform here in the Algarve to help the authorities and the community prevent crime. It is now registered as Associação Safe Communities Algarve, the first association of its type in Portugal. 913 045 093 www.facebook.com/scalgarve www.safecommunitiesalgarve.com