

## **Q&A: Nets interviews the Finnish National Bureau of Investigation on subscription traps**

Fraud is on the rise. This is due, in part, to consumers' growing preference for shopping and managing finances online, where the opportunities for committed fraudsters are numerous. One of the most high-growth instances of online fraud is unsolicited recurring payments, otherwise known as 'subscription traps'.

What are subscription traps? How big is this problem? What can be done? Judith Thrane, Senior Vice President, Fraud & Dispute, Nets, interviewed Detective Sergeant Juuso Tschokkinen from the Finnish National Bureau of Investigation, International Affairs, to find out more.

### **Q. Just how big a problem are subscription traps?**

A. Subscription traps are a worldwide issue that could affect anyone that uses the internet. Across Europe, most of us are frequent users of email and social media, which are two of the main channels where fraudsters advertise their products.

### **Q. How do subscription traps operate?**

A. Subscription traps rely on peoples' good faith. Consumers are used being able to trust retailers, and tend to only glance at terms and conditions. Subscription traps take advantage of this behaviour.

There are different types of subscription traps, some of which are easily identifiable as fraudulent and criminal. However, some fraudsters operate in a legal 'grey zone'. An example of this is when a consumer believes that they are making a one-off payment, but the retailer also initiates ongoing, regular payments, which are not communicated clearly to the consumer. A retailer operating in the legal grey zone could include details of the recurring payments in small print in the terms and conditions – where they are available in principle, but in practice, presented in a way that means the customer is unlikely to be aware of them.

### **Q. Is this a growing or declining problem?**

A. Growing. The offers associated with subscription traps are constantly being made more attractive, with lower prices and seemingly higher quality goods, so more consumers are falling into these traps.

### **Q. Can the police intervene?**

A. Yes, when the subscription trap is clearly a criminal activity, but law enforcement faces many challenges when working on cases like these. The loss for a single consumer might be relatively low, so a large proportion of fraudulent transactions might not be reported – plus the retailers setting these subscription traps might reside in another country. The internet does not respect national boundaries.

### **Q. What advice would you give consumers?**

A. I would encourage everyone to stop before making a purchase online and consider whether it sounds too good to be true, and view offers, such as an iPhone on sale for €1, with a healthy scepticism.



All consumers would also benefit from paying close attention to their own bank accounts and card statements, to ensure that all transactions are for goods or services that they themselves ordered.

For more information on clickbait fraud and how to combat it, visit <https://www.nets.eu/solutions/Fraud-and-Dispute>

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### **About Nets**

*At Nets, we specialise in powering digital payments. We connect banks, businesses and consumers via an international network facilitating digital payments. Spanning across the Nordic region, we provide a broad range of card services, account services, and payment solutions for merchants.*