

MONEY

VALUE OF VENTURE CAPITAL INVESTMENT IN GEN AI IN 2025
€74bn
 97% DIRECTED TO NORTH AMERICA

INCREASE IN CHRISTMAS EXPENDITURE BY AIB CUSTOMERS IN 2024
9%
 SPEND TRENDING HIGHER THIS YEAR

SOURCE: EY, AIB

Scammers will catch you if they can at Christmas

It's the most wonderful time of the year for fraudsters, as time-pressed shoppers jump on online bargains. *Kieran O'Daly* has gift-wrapped some tips to stay safe

Christmas is a special time of year, a chance to relax and meet up with family and friend. For many it's also a time to splash out on gifts for loved ones, holidays or even a luxury item for the house that they've always wanted.

It can become something of a spending frenzy as people rush to get everything organised before the big day, very often at the last minute. Unfortunately, that also makes it open season for fraudsters to go to work and, let's face it, very few things can dampen Christmas spirits quite like being defrauded of your hard-earned cash.

FRAUD ON THE RISE
 Instances of fraud increased by 73 per cent in the first half of this year compared with 2024, according to An Garda Síochána, with shopping and online auction fraud up by 166 per cent.

These statistics are borne out by research from FraudSMART, an initiative from Banking & Payments Federation Ireland (BPIFI), which revealed that one in five regular online shoppers admitted having lost money through online scams last year, with some losses running into hundreds of euros or more. The percentage may even be higher as many lower-value frauds go unreported, with victims regarding them as a painful life lesson and then simply moving on.

HIGHER RISK AT CHRISTMAS
 Niamh Davenport, head of financial crime at BPIFI, warns shoppers to take particular care over the festive period. "During this peak online shopping period there is an increased risk to shoppers, with fraudsters primed to take advantage of the Christmas rush as well as the January sales that follow," she says.

"Scammers frequently use contaminated links hidden within emails, social media and online adverts which lead unsuspecting shoppers to counterfeit websites. These fake sites often impersonate well-known stores or brands offering 'discounted deals' to entice people."

Online scams have become increasingly sophisticated, often posing as a trustworthy business, according to Grainne Griffin, director of communications at the Competition and Consumer Protection Commission.

"Fraudsters look to take advantage of the trust that has been built up between the victim and an established retailer over many years with messages and ads on email and social media," she says. "These include various offers with links which lead victims to high-quality cloned websites. It's only when the goods don't arrive that people realise that they've been scammed."

Another trick used by fraudsters is social media ads for high-end localised products for a company that sounds familiar but does not exist. In Ireland these are usually for items such as clothing, memorabilia or food and drink products, but can include hotels and resorts.

"The websites look authentic," Griffin says. "They're very professional and, thanks to AI, gone are the days when you

Not everyone online is who they say they are, rather like Frank Abagnale Jr (Leonardo DiCaprio) in the 2002 film Catch Me If You Can

could tell a fake immediately by some tell-tale spelling mistake or grammatical error... To avoid being scammed in these instances, people need to think about how they got to the site in the first place. If it was via a social media link, it could be a fake."

One of the fastest-growing scams combines parcel delivery and bank impersonation. Nick Charalambous, managing director of Alpha Wealth, says: "It begins with what looks like a routine courier text, followed by a convincing call from someone posing as your bank saying your account is at risk. The combination makes the story feel believable, which is why so many people fall for it."

Fraudulent websites and ads are becoming more sophisticated, but still leave clues, Charalambous adds. "Check the business lists a physical address and landline number and search for reviews on independent platforms before purchasing," he says.

"If you have any doubt, trust your instincts and avoid entering payment information. Fraudulent sites also rely on creating a sense of urgency. If a website uses countdown timers, pressure-based language or limited stock

ANTI-FRAUD CHECKLIST

- ▶ Keep a record of all purchases by printing or saving a copy of orders.
- ▶ Look for a padlock symbol by the web address to ensure it is secure.
- ▶ Check the web address starts with "http" and changes to "https" before a purchase is made.
- ▶ Avoid using public wi-fi for online payments – better to use 3G or 4G.
- ▶ Don't click on links from social media or pop-up ads – type web addresses directly into your browser.
- ▶ Beware deals that seem too good to be true or demand quick action.
- ▶ Stick to well-known websites with which you are already familiar.
- ▶ Don't take online reviews at face value – always cross-check.
- ▶ Always pay with a card or via PayPal rather than bank transfer to minimise risk and increase transaction traceability.
- ▶ Keep your devices updated and use strong, unique passwords with two-factor authentication.

warnings on every product, that is often a behavioural red flag rather than a genuine sales feature."

GOOD HABITS TO SHOP SAFELY
 With fraudsters becoming increasingly skilled, it is important to develop good online shopping habits to stay safe. "Worrying, our research has highlighted that one in five shoppers admit to not taking basic security precautions when shopping online such as checking for a secure connection and avoiding the use of public wi-fi for payments," Davenport says.

"Almost 50 per cent of those surveyed also confessed to clicking on links from social media or pop-up ads instead of independently visiting and checking a company's website before a purchase."

FraudSMART launched scam-checker.ie last year, a website aimed at helping online shoppers identify potential scams. The free site provides instant access to a real-time database of scam sites and malware hosts which users can access to cross-reference potentially fraudulent websites and links before making a purchase.

Charalambous advises a series of "stay safe" checks for your online purchasing routine. Not only will they help to minimise your risk of being defrauded, he says, they will also ensure that you stay within budget when shopping.

"If a deal looks significantly cheaper than the standard market price, assume there's a reason and walk away," he says. "The safest approach is to slow down, double-check and buy only through channels you already trust. Treat every unsolicited message as suspicious until proven otherwise. Many scams succeed not because people are careless, but because fraudsters exploit moments of convenience."

"One very effective protection against fraud is to separate your spending by using a dedicated card with a low limit purely for online shopping," he adds. "It caps your exposure if anything goes wrong and makes unusual transactions far easier to spot. Consumers who compartmentalise their payments tend to detect fraud significantly earlier than those who don't."

WHAT TO DO WHEN CANCELED

Even with safeguards in place, there is always a risk of being defrauded online. If it does happen, it is important to act immediately to maximise your chances of recovering any stolen funds. "The longer you leave it, the more likely it is that the trail will have gone cold and you won't be able to get your money back," Griffin says.

"The first thing to do is to freeze your card immediately before contacting your bank and then informing the gardai. You may be able to initiate a chargeback to recover some or all of your funds, but it's crucial to act promptly to prevent further monies being taken."

QUESTION OF MONEY

My mother, a widow, recently died and I am executor of her estate. A friend said the probate fees charged by the solicitor handling her mum's estate were substantial. Do I have to hire a solicitor, or can I apply for and manage probate myself? How long does probate take? And does it have to go through before any life insurance payout? My mother had cover to ensure my brother, who has special needs, is financially secure.

Anon

Many solicitors are very experienced in probate, which can be reassuring. While the Courts Service accepts probate applications for certain cases through its personal applicant process, there are situations where a solicitor is mandatory, such as when the applicant is under 18, the will is lost or there are questions about the validity of a will.

While managing probate yourself will save on legal fees, be aware this is a time-consuming task and you may need legal assistance at some stage, particularly if your mother's estate is not straightforward. As you are grieving your mother, you might also find it quite overwhelming.

Hiring a solicitor could eliminate a lot of the stress. If you decide to do so, shop around first. Agreeing a fixed probate fee at the outset is also wise. Note that delays can add to costs.

The national average probate processing time is 11 weeks, but it can take much longer, depending on the complexity of the estate, the number of beneficiaries – and how quickly a will can be located, if one is in place. In some cases, probate can take six months to a year to complete, or more. Furthermore, when an "unknown" will is found after probate has been granted, probate can be revoked, causing distress for those involved.

You mention that your brother has special needs. Your mother's life insurance policy is therefore hugely important. Probate often needs to have gone through before the proceeds of life cover can be paid. Yet if the policy was specifically set up in a trust, the proceeds are paid directly to the trustee, bypassing probate. You should contact your mother's life assurance company and confirm when a payout can be made. If you must wait for probate to complete before any payout, then any delays with probate could result in financial hardship for your brother.

The proceeds of a life insurance policy can also help cover funeral expenses and some will provide an advance payment for this in the event of a delay from probate. Many banks also offer arrangements to help pay funeral expenses from the deceased person's bank account.

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Send your personal finance or consumer-related questions to money@sunday-times.ie



Eoghan Gavigan

Look after the pennies or don't sweat the small stuff? Try both



was thinking recently about the changing nature of advice. Guidance once considered prudent may later be contradicted by newer thinking, often when logic would say the subject is immutable.

For example, we were once told that eating too many eggs was a recipe for an early grave; now they are seen as a superfood. Have you heard of the 1972 anti-drink driving campaign that warned "Don't have that fifth pint", implying that four was safe? It was actually a Mitchell and Webb gag, but its plausibility illustrates the point nicely.

"Take care of the pennies and the pounds will take care of themselves" is a saying attributed to William Lowndes, British secretary to the Treasury from 1695 until his death in 1724. This chestnut was considered for centuries to be solid advice, that astuteness in budgeting would result in steady growth in net worth over the long term.

One way to garner attention on social media such as LinkedIn is to propose a

contrarian take on conventional wisdom. I've seen "mind the pennies" contradicted with financial advice that encourages people not to sweat the small stuff, that basically the latter you buy on the way to work is unlikely to keep you off the housing ladder, and that financial management of bigger ticket items is where your focus should be.

We know that lifestyle creep can be an obstacle to wealth accumulation, though. If your lifestyle increases as fast as your salary you can find yourself running to stand still. I have heard people with seven-figure incomes say it is easy to spend it. That's lifestyle creep at work. At the other end of the spectrum, a surprisingly common problem for financial planners can be getting people to spend money. A person who has been prudent and accumulated retirement assets can be overcautious when drawing down their pension.

Much of the value in financial planning is showing you what is possible during your working life when you are

accumulating wealth, but also in retirement when you are decumulating. As they say, there are no pockets in a shroud and all that, so what we need then is a rule of thumb that is easy to remember and dynamic in nature.

I favour a strategy proposed by Nick Maggiulli in his book *The Wealth Ladder*. The system is based on the idea that the marginal cost of having nicer things is what makes the difference to your finances over time.

Maggiulli divides net worth into six levels, level one being between zero and €10,000, two being from €10,000 to €100,000, and so on, with level six being greater than €100 million – don't you just love America? Many budgeting commitment is breached based on subjective justification, so a rules-based system is useful for staying the course.

Maggiulli outlines an approach to help you decide whether you can make that additional purchase and keep accumulating wealth.

Under the system you take your net worth and divide it by 10,000 and the resultant figure is your daily freedom number. A person with a net worth of €1 million has a freedom number of €100, someone with €100,000 has €10, and so on. Using this system, someone in level two has grocery store freedom, level three has restaurant freedom and level four – someone between €1 million and €10 million – has travel freedom.

For example, if you have net worth of

€1 million and the difference between the cheapest hotel room on a weekend away and the one you would like to stay in is €100 or less per day, you can treat yourself. If you sit in level five, the maths might tell you that you can fly first class. If you're at the upper end of level five or at level six – €100 million-plus – it might tell you that you can fly private.

In effect this system allows for some lifestyle creep, but over time you have put in the hard yards of accumulating some wealth, which when you think about it is a happy medium between the two extremes.

Of course, there are times when the lure of a good time gets the better of even the most prudent. If you're planning on doing the 12 pubs of Christmas this season, remember: this system can be difficult to manage by the time you get to that fifth pint.

Eoghan Gavigan is a certified financial planner and the owner of Highfield Financial Planning; hfp.ie