

10 Money-Draining Retirement Scams That Are Easy To Fall For

Beware of these insidious scams that can ruin your retirement plans.

You may think you can retire early with your current financial situation, but falling for a scam could truly derail your plans.

Although most of us would like to think we are too smart to fall for consumer scams, it's something that happens all the time to a variety of people. The FTC shows people reported losing a total of \$10 billion dollars to scams in 2023.

So what kind of scams are out there? Here are a few to watch out for so you don't have your accounts cleaned out by scammers.

1. Government imposter scams

You may get a call from someone telling you they work for a government organization and demand money or information. They may tell you that you have a warrant out for your arrest and need to pay them immediately or give them your Social Security number to ensure you can get your funds.

There are legitimate ways for the government to contact you that don't involve demanding money or your personal information. Hang up on these scammers, and remember that the government has legitimate ways to contact you that aren't via a phone call.

2. Gift card scams

You may have someone contact you and tell you that they need some cash now, and in exchange, they'll give you the money back with interest when their funds become available again.

All you need to do is buy gift cards and immediately give them the card number on the back so they can access the funds.

Gift cards can be a good scam because their payout is immediate and hard to track once you give someone the card information.

3. Online shopping scams

Online shopping has increased, particularly as more Americans shopped online during the COVID-19 pandemic.

But you can get caught in a scam buying things online without realizing you're shopping on a fraudulent website that will take your credit card information.

It's always a good idea to double-check the address on your shopping websites to make sure you're using official online sites. It's easy to be fooled by a fake website that looks legitimate.

4. Investment scams

It can be stressful sometimes to manage your retirement portfolio when you're trying to balance stocks, savings accounts, and other investments.

But be careful about where you invest your money since a great investment that sounds too good to be true probably isn't.

Make sure you ask questions about potentially investing in different companies or different financial investments before you hand over large amounts of cash.

5. Tech support scams

Tech support scams are popular among scammers trying to get money from seniors.

They may send an email out asking you if you need tech support and then take over your computer to get information.

You may also get an email telling you you have a virus and need to buy a particular software, prompting you to give your credit card information to a scam artist.

Instead, set up a spam blocker or spam filter on your email so scammers' emails get sent directly to the trash before they get to you.

6. COVID-19 and other newsworthy scams

Scammers have recently been using the pandemic as a way to scam seniors.

They may tell you that you're eligible for COVID-related benefits or ask if you can help them get their benefits and then pay you back once the money comes through.

Any COVID-related benefits concerning health payments or business loans will likely come directly from the government, so check in with government agencies to verify.

7. Romance scams

Online dating allows romance scammers to trick people into parting with money for someone they think loves them.

They may ask you for cash so they can meet you in person, or they may need it to pay for rent so they can have a nice place for you to stay when you visit.

Be careful of these "catfishing" romance scams for cash, which could lead to heartbreak when you find out someone you love doesn't exist and to losing money.

8. Identity theft scams

Remember that your identity has important information attached to it, such as bank accounts numbers, credit cards, and even your Social Security number.

Be careful about who you give this information to since scammers can use it to access your bank and other financial institutions and steal your cash or run up large credit card bills.

9. Charity fraud scams

You may have a good heart and want to help others in need, particularly if you get a call from a charity asking for money to help them with their causes.

But be careful about which charities you support. Scammers may call you to get your personal information or take your money for a legitimate-sounding charity that doesn't exist.

Instead, limit charitable contributions to charities you've researched and confirmed they are who they claim to be.

10. Home repair scams

It's important to include money in your retirement budget for emergency repairs for your home.

But make sure you're spending that money with legitimate builders, contractors, and other professionals so you don't get scammed.

Research companies before you hand over money for a down payment or work that isn't correctly done.

Check online or with the Better Business Bureau, for example, to make sure your home is being cared for by a professional.

Bottom line

Make sure you know what you look out for when you come across a scam. It could help you keep more money in your bank account for retirement.

If something sounds like a scam, do your homework and ensure you're dealing with a legitimate organization, not a scammer.

Real companies and organizations aren't likely to pressure you to hand over your cash the way a scammer will.