

## Directory Scams Small business



Australian  
Competition &  
Consumer  
Commission

### How do I find out more?

To find out more, contact the ACCC infocentre by:

**Phone:** 1300 302 502

**Email:** [infocentre@accc.gov.au](mailto:infocentre@accc.gov.au)  
or visit the ACCC website at [www.accc.gov.au](http://www.accc.gov.au).

Small business owners are always busy—there are suppliers to deal with, customers to keep happy, books to balance, stock to track and staff to look after—and that is just the staff.

Unfortunately, this may make you a target for scam artists who prey on confusion, fear of authority or poor record keeping.

One of the most common types of scam targeting small business is the 'directory scam', in which a scammer tries to convince you to pay for entries in a phonebook, trade journal or local publication that you never ordered—in some cases, the publication never even existed!

### How does the scam work?

The paperwork that a small business deals with can get pretty hectic at times. Most businesses will deal with a range of suppliers and partners—and unless you are on your toes, a scammer can try and take advantage of this confusion to scam you.

Usually, the scam involves an invoice—or a document disguised as an invoice - requesting payment for an entry in a particular publication. This could be

- A local newspaper
- A trade journal
- A school or local sports newsletter
- A 'government directory'
- A business-to-business phone book
- A magazine that deals with your field

Usually, you will not have even heard of the publication before—if it even exists!

The scammer might even send you copies of the advertisement in question, or even the publication itself... unfortunately, those who fell for the scam are usually the only ones who ever see it!

### How can I recognise the scam?

Increased awareness of business scams means that scammers are being forced to be increasingly clever to try and trick you out of your money. As a result, it can sometimes be difficult to spot the scams!

Some of these, on closer

examination, are merely offers to order a listing but are cleverly disguised to look like an invoice to a casual reader or a busy accounts clerk.

Make sure you carefully examine all advertisements—things like spelling errors, poor grammar or business names that are 'not quite right' can be signs of a scam.

If you have not heard of the publication, or do not remember placing advertising with them, be especially cautious.

### How do I protect myself?

Regardless of the way you are contacted, a business organisation should not agree to pay for services or goods from an unknown source before doing the research.

- All offers should be put in writing and details kept of who said what to whom.
- Have strong control systems in place—make one person responsible for authorising advertising, and don't pay anything that has not been correctly authorised

- Examine invoices carefully to ensure that they are from your suppliers
- Record dates, time, names and other relevant points as they can be useful evidence
- Ask for explanations if something is not understood.
- Seek professional advice from an accountant or legal professional
- Be careful about the information you give out. Sometimes that information can be passed on and used for other scams.

A little awareness goes a long way towards protecting your profit.

If you believe you have been scammed, contact the ACCC Infocentre on 1300 302 502.

### Did you know?

The *Scamwatch* website, [www.scamwatch.gov.au](http://www.scamwatch.gov.au), examines most common scams (including directory scams) and teaches you how to avoid being a victim.