



# Rental Fraud Insights

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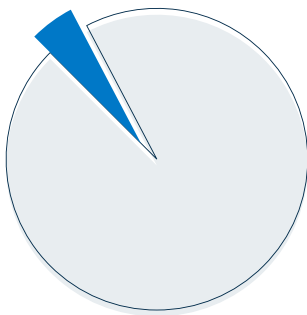
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# Key Facts & Figures from the Industry

“It is important to note that there is a distinct lack of data available about holiday rental fraud, because cases often go unreported. The details and numbers provided in this document are only of those that are reported - many of those who haven't reported, or say that they wouldn't, said that they'd be embarrassed, ashamed, uncomfortable or concerned about reporting the case, due to the unlikelihood of resolution, plus the embarrassment that they'd been caught by a fraudster. Similarly, many victims don't know who to speak to, so they end up doing nothing as a result. The real number of cases of holiday-related fraud are certainly much, much higher.”



**Chris Maughan**  
CEO & Founder



## 96%

On average, 96% of all fraud cases go unreported or unsolved.

(Source: [Action Fraud & Which?](#))

## 2014 - 2016



£2 million reported lost to holiday booking fraud

(Source: [ABTA & Action Fraud](#))



£11.5 million reported lost to holiday booking fraud

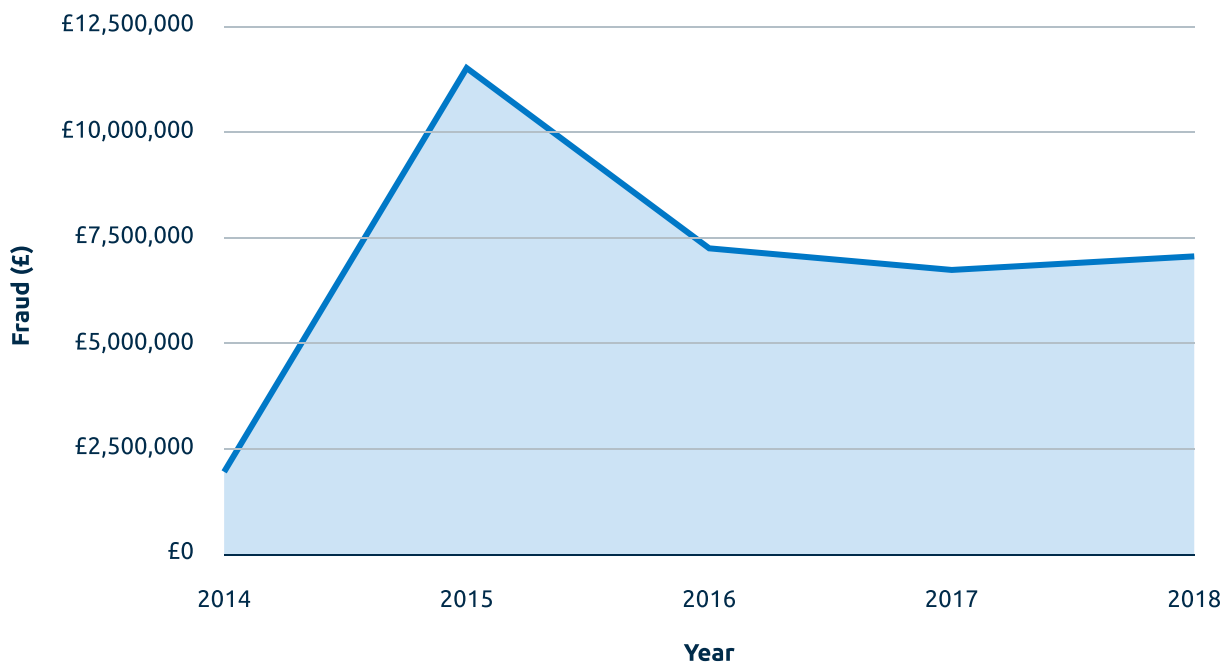
(Source: [ABTA & Action Fraud](#))



£7.2 million lost to holiday booking fraud

(Source: [ABTA & Action Fraud](#))

The Cost of Fraud YoY (2014-2018)



2017



Was lost to holiday booking fraud in 2017, which includes the sale of airline tickets and accommodation.

(Source: [Action Fraud](#))



3.8

The average number of total holidays taken per person in 2017 (UK and abroad).

(Source: [ABTA & Action Fraud](#))



4,700

People were victims of holiday fraud, 2,245 reported experiencing significant impact on their emotional or financial wellbeing.

(Source: [ABTA & Action Fraud](#))



£1,500+

Was the average amount lost by UK travellers affected by holiday booking fraud in 2017.

(Source: [ABTA & Action Fraud](#))



38%

Of fraud reported was the sale of accommodation, peaking in October at the end of the holiday season.

(Source: [ABTA & Action Fraud](#))

2018



Was lost to holiday booking fraud in 2018, which includes the sale of airline tickets and accommodation.

(Source: [Action Fraud](#))



3.4

The average number of total holidays taken per person in 2018 (UK and abroad).

(Source: [ABTA & Action Fraud](#))



5,000+

People were victims of holiday fraud, some even reported experiencing significant emotional trauma as a result.

(Source: [ABTA & Action Fraud](#))



£1,380

Was the average amount lost by UK travellers affected by holiday booking fraud in 2018.

(Source: [ABTA & Action Fraud](#))



25%

Of fraud reported was the sale of accommodation, peaking in October at the end of the holiday season.

(Source: [ABTA & Action Fraud](#))

AS SEEN BY I-PRAC

# The Increasing Sophistication of Fraudsters

**Fraudsters have become skilled at designing fully operational websites for individual properties, and at acting as the sole property owner.**

These websites often come with reviews, contacts and emails using fake and non-authorised logos, fake photos and more to engage directly with holidaymakers or travellers. Often these websites are marketed via Google Ads and are well optimised for search results - to further increase their chance of being seen as trustworthy and credible.



**Fraudsters are using a range of fake property listings, office addresses and fake social media accounts along with fake reviews to back up their claims.**

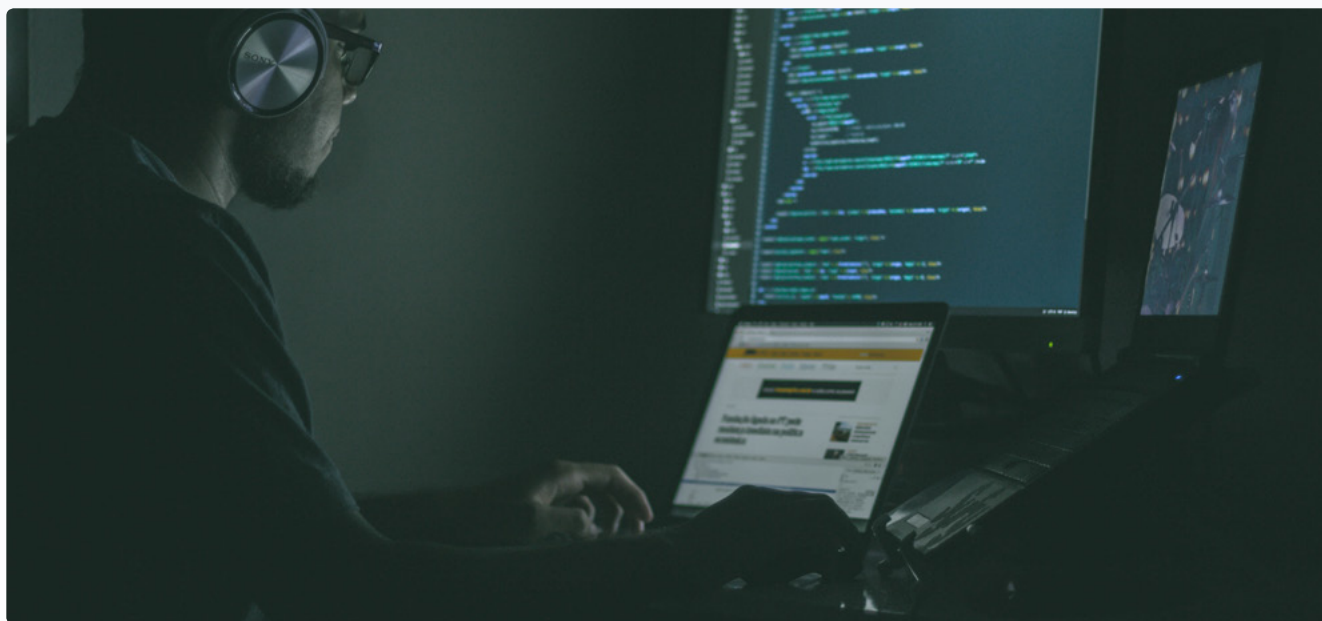
Fake company registration numbers are commonly included (or someone else's company registration number), and are often linked to a fake Companies House page designed to look like the Gov.uk website to back up the legitimacy of the agency. These bogus agency sites also use local tourist office logos and ABTA logos - similarly linked to fake ABTA landing pages. As above, these are commonly marketed through paid advertising and remarketing on social media like Facebook and can be targeted at those who have previously shown interest in holiday property rentals online.

## **Fraudsters are listing multiple fake properties on booking platforms to create enquiries.**

Once the fraudster has an interested consumer, they will use psychological tricks to take the consumer away from the platform, often saying something like: "My property is not available but my neighbour or friend has a similar property who has availability." They will type the web domain this way using 'dot' as '.' and only 'ww' rather than 'www', by doing this, the platform detection system does not see it as a given web address, the message goes through and the consumer ends up on the fraudsters' website.

## **Fraudsters are hacking legitimate property owners' accounts on booking platforms.**

Hacking these accounts means taking the place of the legitimate owner, communicating with the consumer, making the booking and getting the consumer to pay a different bank account. This is the most difficult to detect as it is the least 'suspicious' tactic, since the property is real, the reviews are real, you can find it on Google Maps and you can find genuine photos from other travellers. This way, the consumer arrives at the property and the property owner has no record of the booking or the communication, and more often than not the property is already booked so the consumers are left stranded. The fraudsters are able to remove all evidence post-hack and disappear with the money.





# Real-Life Rental Fraud: Cases

In 2016 alone 5,826 cases of holiday related fraud were reported to Action Fraud by UK residents, with a total of £7.2 million lost across accommodation, airline and other holiday-related scams.



In early 2016, a large company were booking accommodation for their stay in Cannes for MIPIM 2016; a premier real estate event held annually. The company had booked five apartments for their team members to stay in during the event, many months ahead of time - costing a total of €36,000. The agency looked reputable on the surface, and had Google Ads displaying for 'MIPIM Cannes Apartments' that led to a quality looking website that used the MIPIM partner logo. The total cost of the five apartments was split between two payments, including one described as a 'deposit'. The 'agency' in question stayed in contact with the company until the second payment of the balance before the event. Once the second payment was made, the 'agency' website disappeared and the people running it were nowhere to be found.

This company contacted I-PRAC for advice and to see if they were known fraudsters - and were soon to realise that only were they not known, but that they had also scammed other businesses out of similar amounts of money via the same website. I-PRAC was able to find alternative accommodation costing an extra €22,000, so in total this victim was out of pocket more than €55,000. This victim has since remained a client of I-PRAC.

In response, MIPIM released a list of fake companies claiming to be MIPIM partners, and advice on what to look for: [www.mipim.com/practical-information/fraudulent-providers/](http://www.mipim.com/practical-information/fraudulent-providers/)

## LEISURE

# Real-Life Rental Fraud: Cases

In 2015 alone 4,910 cases of holiday related fraud were reported to Action Fraud by UK residents, with a total of £11.5 million lost across accommodation, airline and other holiday-related scams.



In the Summer of 2015, Janet and her family realised they had lost thousands to holiday rental fraud, but decided not to report the scam or share their story – leaving their family in the dark and out of pocket despite discovering the property through a reputable online travel marketplace. But Janet’s story began much earlier in the year, when the family – from Cheshire, England – were planning their annual Summer holiday in Port Andratx (or Puerto de Andrach), Majorca. When searching for their usual resort via Owners Direct (now known as HomeAway), Janet came across an alternative listing that was in the perfect location and that was reasonable in price – offering them an authentic stay in a location that they were familiar with.

Janet said: “When I returned to the listing after researching and agreeing to go ahead with my family, I noticed that there was an incentive to pay a large deposit up-front to receive a discount on the overall price of the property, which we paid prior to then paying the full remaining amount to what was a legitimate bank account in Spain. In hindsight, that’s what should have set off alarm bells.”

In reality, when Janet had gone to pay for their booking she had been redirected to an alternative website, away from the Owners Direct listing – unfortunately a very common practice for fraudsters.

"In the early stages of our booking process however - even after paying - the communication was great. But after that initial communication I didn't hear much at all, but I thought that was because we had booked it so far in advance, so I chose not to query it until it came to a month prior to getting on the plane. In that time we queried everything from the free airport transfer to how to actually enter the building, but heard nothing back - that was the moment we realised we had been scammed."

Because the family had booked their holiday so far in advance, there was a large gap between the sale and the holiday itself, allowing for the fraudsters to effectively 'make a getaway' before any further investigation by Janet and her family took place. In this case, the fraudsters were aware of how exactly to entice many travellers and holidaymakers into making a purchase decision in the early stages; using a range of tempting imagery, reviews, good early communication and an incentive to pay up front - amongst other methods - to ensure a payment was made.

Read Janet's full story here: [www.i-prac.com/four-years-of-silence-real-life-rental-fraud/](https://www.i-prac.com/four-years-of-silence-real-life-rental-fraud/)



