

Protecting Yourself From Holiday Rental Fraud

Property Check Advice From I-PRAC

i-prac.com



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PROTECTING YOURSELF FROM HOLIDAY RENTAL FRAUD

The Growth of Holiday Rental Fraud



According to figures released in May 2019, a little over £7 million was lost to holiday-related fraud in 2018, with 25% of the 5,000+ reported cases linked to the sale of accommodation¹. This marked an increase on 2017, when 4,382 UK travellers lost £6.7 million to fraudsters².

With further research from I-PRAC revealing that 55% of people wouldn't report holiday rental fraud if they were a victim, it's evident that the problem is not only growing on a yearly basis; it's also a far bigger problem than is being reported.

Despite the ease with which travellers can now book rental accommodation, the internet has become a playground for fraudsters, many of whom are using increasingly sophisticated methods to scam unsuspecting travellers out of significant sums of money.

In this guide, we take a closer look at the methods being used by fraudsters to lure people into booking 'fake' accommodation, and outline a number of practical steps that travellers can take to protect themselves from holiday rental fraud.

Sources

- (1) <https://www.abta.com/news/new-report-reveals-seven-million-pounds-lost-holiday-booking-fraud>
- (2) <https://www.abta.com/news/ps67-million-lost-holiday-booking-fraud>

PROTECTING YOURSELF FROM HOLIDAY RENTAL FRAUD

Introducing I-PRAC

I-PRAC was founded in 2014 by Chris Maughan and Mary Tangale, who between them have over 20 years' experience in the short-term rental industry. Having launched as a limited company in 2016, and with a growing, global membership of approved property owners and rental agencies, I-PRAC gives customers the confidence to book rental accommodation without the worry of falling victim to rental fraud.

How Does It Do This?

I-PRAC's verification and membership platform helps short-term rental professionals distinguish themselves from fraudulent operators. Working closely with governments and using sophisticated verification technology, I-PRAC conducts in-depth checks on property owners and rental agencies to ensure they are exactly who they say they are.

These checks include, but are not limited to the following:



Passport verification



Proof of registered company address



Confirmation of phone numbers/email addresses



Certificate of Incorporation



Proof of property ownership



Checking for fake photos and reviews on property listings



Validation of bank details

If a rental professional passes all of I-PRAC's checks, they will be formally approved as an I-PRAC member, allowing travellers to book with them directly. By registering their booking with an I-PRAC member through the I-PRAC website, travellers will be 100% guaranteed against holiday rental fraud.

Other Ways to Protect Yourself

At I-PRAC, we believe the only way to fully protect yourself against fraud is to book accommodation through an I-PRAC approved private owner or rental agency. However, while I-PRAC membership is growing at a rapid rate, we are fully aware that there are many legitimate operators around the globe who are not yet I-PRAC members.

Our aim at I-PRAC is to help consumers take all necessary precautions when booking the perfect property for their family holiday, weekend getaway or last-minute business trip. The advice below should ensure that, when booking with an owner or agency who isn't I-PRAC approved, you have at least carried out your own robust due diligence to protect yourself as best you can.

GUIDE TO

Protecting Yourself From Holiday Rental Fraud



✓ Don't Automatically Trust 'Reputable' Sites

Millions of travellers assume that any property listed on a popular booking platform like Airbnb or Booking.com must be genuine. However, a lack of robust verification processes means fraudsters are able to create false listings on these sites, populating them with photos of real properties to lure travellers into booking.

✓ Beware of 'Same Day' Deals

Many fraudsters will offer 50% discounts and free nights if you are prepared to book the same day. However, remain vigilant should you feel pressured to make a decision the same day; some legitimate property owners may offer a discount, but they will at least offer you a degree of thinking time.

✓ Consider Payment Methods

In most cases a fraudster will request payment via wire transfer, and may offer a discount or full cancellation refund for using this payment method. The Consumer Credit Act 1974 doesn't protect consumers against wire transfer payments, so if you're not booking with an I-PRAC member, make sure you pay using a credit card.



Contact the Owner or Agency

Fraudsters very rarely have inside information on the property or the local area. Before booking, make sure you ask the property owner or agent a number of questions about local amenities such as restaurants, bars or supermarkets. A legitimate operator should be able to give you the information straightaway.



Check the Property Reviews

Property reviews can be useful, but there's ultimately no way of knowing if they're real. Fraudsters are very sophisticated at crafting both good and bad reviews; however, it's worth taking a closer look at the dates of the reviews. Fake listings don't tend to have a long shelf life, so reviews going back 12 months to two years are generally a positive sign.



Request a Rental Contract

Some fraudsters are willing to invest in fake and well-written contracts, but there are specific items that a legitimate contract will always include, such as the property address, reservation dates, price, payment terms and bank account information. You can use this information to check that the bank details match a bank in the same country as the property, and that the account holder is the same as the advertised property owner. Prior to signing any contract, it's always worth asking a third party or legal professional to take a look over it.



Availability Calendars

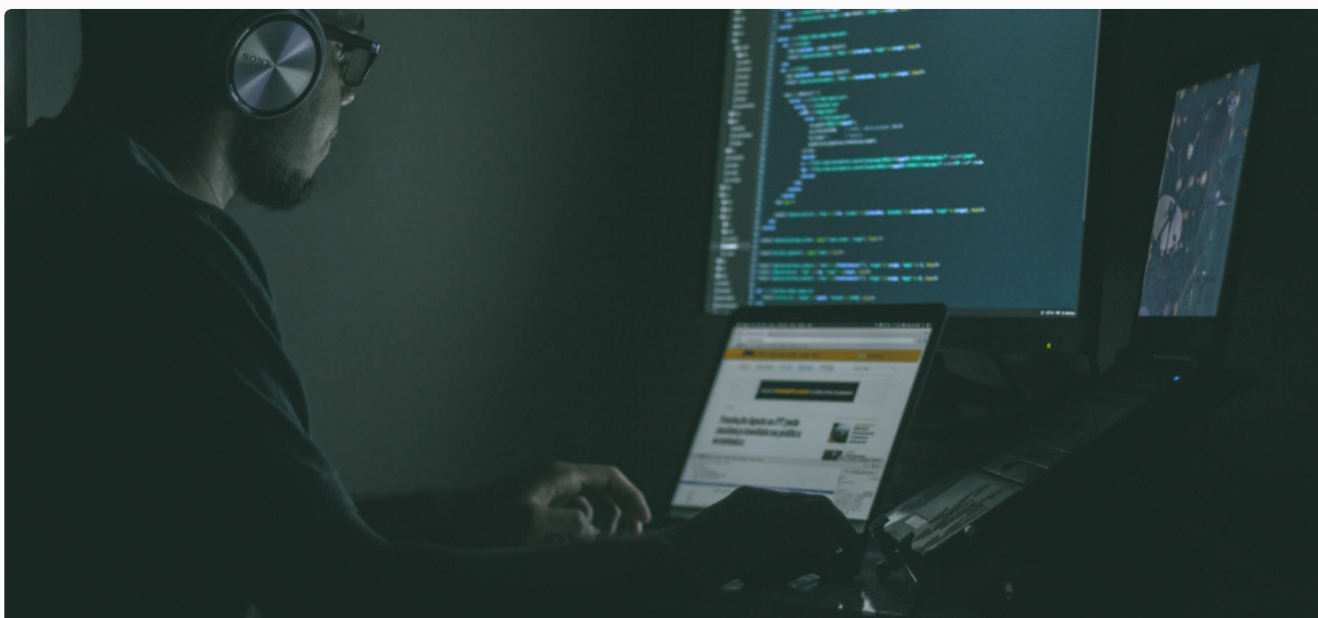
The majority of genuine operators will update their availability calendar on a regular basis, while fraudsters will tend not to have many, or any, dates blocked, ensuring they show up in as many searches as possible. Checking a property's availability calendar can therefore be a good indication of whether it is being managed by a professional operator.

✓ Property Owners' Websites

As well as listing their properties on booking platforms, many legitimate rental operators will have their own website that showcases the property. However, fraudsters are also adept at setting up false websites – using official logos such as ABTA or ATOL to build consumer confidence and even linking to fake ABTA and ATOL pages that include their name and address. That's why it's important to never click on a logo, but instead search for ABTA or ATOL in a new window, so you know you're on the correct site to verify the owner or agency.

✓ Reverse Image Searches

A common tactic employed by fraudsters is to copy photos from genuine listings and use them on their fake listings. By doing a reverse image search on Google, you can check if the photos of your preferred property have been used anywhere else online. Simply right-click on the image and select 'Search Google for Image'. Alternatively, select 'Copy Image Address', visit Google Images and click the camera icon, then paste it into the search bar.



✓ Hacking Real Property Listings

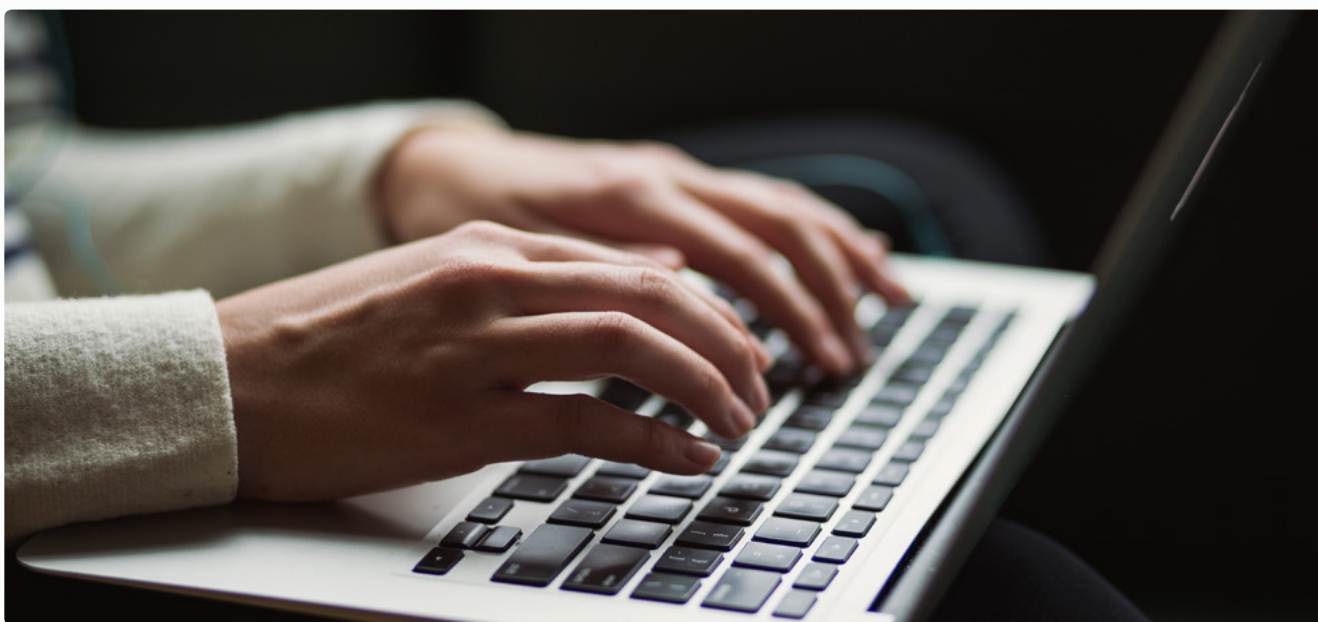
Fraudsters are often able to hack into legitimate property owners' accounts on booking platforms, allowing them to edit information such as phone numbers and bank account details. There are many cases of travellers arriving at a property, only for the owner to have no record of the booking, or for the property to already be occupied by other guests. This type of fraud is very hard to detect, but if you call the 'owner' and ask the right questions, you should know if something doesn't feel quite right.

Pay-Per-Click (PPC) Adverts

In recent years, fraudsters have started to take advantage of Google's paid search function, enabling their fake websites to rank highly against those ranking organically for competitive search terms such as 'Holiday Villas in Spain'. Because fraudsters don't tend to have their websites live for longer than 6-12 months, it's more beneficial for them to invest in pay-per-click (PPC) ads rather than spending a lot of time building organic traffic.

Bait & Switch

I-PRAC has identified a growing trend of travellers booking a property, only to be informed the day before arrival that there is a problem with the accommodation and a new property has been allocated. The new property is generally of a much lower standard and often in a different location. Before booking a property, travellers should ensure the rental contract contains a clause stating that any change in accommodation is subject to their approval, with the option to decline and receive a full refund. In addition, your credit card company may need to see the contract should you choose to dispute the payment. This is another good reason to pay by credit card, as you have the ability to raise any issues over payments processed and are more likely to receive a refund as a result.



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What You Can Do

With rental fraud on the rise and fraudsters investing thousands to stay on top of their game, it's never been more important to exercise vigilance when booking rental accommodation. While there will always be a degree of risk in booking with an operator who isn't I-PRAC approved, this guide will have hopefully educated you on the other things to look out for.

- 1 Take your time and never get pressured into making a booking. Losing the property of your dreams is better than losing your money and being stranded with no accommodation and no funds for an alternative.
- 2 Always inform the owner or agency that you will take a look at their offer and run some due diligence before booking. Fraudsters are opportunists so the more patience and knowledge you demonstrate, the more likely they are to walk away and look for a more vulnerable victim.
- 3 Never pay a non I-PRAC member by wire transfer. There is no reason today that a legitimate property owner can't accept credit card payments through services such as Stripe and PayPal.
- 4 When paying by credit card, call your credit card provider to ask them about their fraud policy, and record the conversation. It may sound a little CIA, but this could be vital evidence if you need to report the fraud to your credit card provider.
- 5 Do not pay any funds, even by credit card, unless a contract has been signed by both parties. And make sure the contract contains all the relevant details.
- 6 Tell your provider that you're looking to book through an I-PRAC member, and ask if they would be willing to become I-PRAC approved. By explaining who I-PRAC are, they may put the property on hold for you and complete the I-PRAC approval process.
- 7 Put aside two to three hours to run your own due diligence using the information contained in this guide. We often make decisions without thinking things through first; so it could be time well spent.
- 8 Ask your travel insurance provider if it offers a fraud guarantee. It's unlikely, but it may have a higher premium package that includes property rental fraud.
- 9 If you are looking to book through an online booking platform, email the booking platform and ask them outright if the property owner is legitimate. Booking platforms often deny responsibility for fraud, but this will be difficult if they confirmed you are safe to book.
- 10 Always run your due diligence in separate web browsers. Do not click on any links or travel association logos as they may direct you to other fake websites.

Contact Us

I-PRAC is a global leader in rental fraud prevention, with a growing membership of professional property owners and rental agencies. For more information on I-PRAC, please visit i-prac.com, or get in touch with the team today:



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