



False billing and unsolicited invoices

Consumer Protection has had a number of recent reports from sporting associations that have received an unsolicited invoice for payment for services that they have not ordered. Busy small businesses and associations can be susceptible to false billing and unsolicited invoice scams. In some cases these invoices may come from a legitimate business behaving unlawfully but many are just scams even if they have the appearance of coming from an official source. What is important to know is that you are NOT obliged to pay these invoices.

What are false billing and unsolicited invoices?

False billing and unsolicited invoices can be actual offers from companies for services like advertising, domain renewals, offering overseas registration or listing in government or other directories.

The business is not doing anything illegal, so long as these offers, samples or 'free trials' contain the warning statement required by the ACL – **"This is not a bill. You are not required to pay any money"**. This warning statement must be the most prominent text on the document. There are however many scams that operate in a similar way, like sending false bills to businesses and hoping that the organisation is too busy to check and they just send the money.

Remember, if you have not agreed to buy or receive the goods or service, it is unlawful for a business to request payment.

Under the Australian Consumer Law (ACL) it is:

- unlawful to demand payment for books, magazines or DVDs posted to someone who did not request the items;
- lawful to send a free product sample to someone, when there is no expectation they will pay for the goods; and
- unlawful to bill a business for an advertisement about its services, if that business did not authorise its publication.

Why did you receive these false bills and unsolicited invoices?

Some of these offers are just sent out as spam to as many individuals or organisations as possible, others may target your group or sector directly when your registration as an organisation becomes publicly available. Organisations which send false billing and unsolicited invoices trawl this kind of data to identify new targets. This type of mail is often customised and can include your company details and even contact names, making it hard to decipher whether it is legitimate or not.

The emails and letters received can also outline banking information which looks similar to the legitimate bank account details used by the business and without double checking, you can end up paying into a fraudulent bank account.

If you're in any doubt about an invoice you have received, don't pay the bill until you have checked Consumer Protection's WA ScamNet by visiting www.scamnet.wa.gov.au and contacted the business using an independent listing (like Google search or the yellow pages) to verify their details.

If you think you've paid a false bill

If you think you've been a victim of a scam it's unlikely you can get your money back. If the payment was made using a credit card a dispute may be lodged with the card provider. If the transaction was made using PayPal, contact their Resolution Centre and see if there are any protections offered through your PayPal Buyer Protection program by visiting www.paypal.com.au or phoning 1800 073 263.

Further steps can be taken straight away to limit the damage and protect yourself and your organisation in the future. Make sure your staff are aware of the issues and consider improving your accounting processes to help reduce this type of fraud.

Letters from unfamiliar organisations should always be treated with caution, especially letters requesting payment for services. Keep a register of all your suppliers and implement an internal system to ensure you can easily match every invoice with an internal purchase order and the associated delivery docket.

Report it to Consumer Protection's WA ScamNet

- www.scamnet.wa.gov.au
- 1300 304 054
- wascamnet@dmirs.wa.gov.au

You can also contact the Australian Securities and Investments Commission at www.asic.gov.au.

Department of Mines, Industry Regulation and Safety

Consumer Protection, ScamNet:

1300 304 054

Gordon Stephenson House Level 2/140 William Street
Perth Western Australia 6000
Hours: 8.30am – 5.00pm
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Email: wascamnet@dmirs.wa.gov.au
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North-West (08) 9185 0900
South-West (08) 9722 2888

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