

# THE ALLURE OF SCAMS

When we hear the word “scam,” we often imagine something obvious – too-good-to-be-true lottery wins, emails full of misspelled words or sketchy pop-ups offering miracle cures. But the truth is more complicated. Scams have an allure – a psychological pull – that can deceive even the smartest, most cautious individuals.

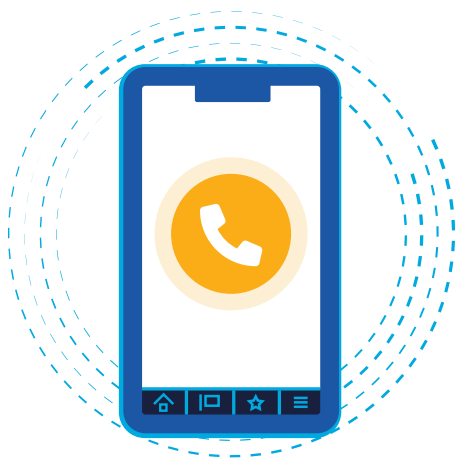
Why do scams work? Why do people fall for them, even when the red flags seem obvious in hindsight? The answer lies in understanding how scams manipulate trust, fear, greed and love.

## SCAMS OFFER WHAT WE WANT MOST

At their core, scams are designed to give us exactly what we want – money, love, safety, success or opportunity – with seemingly little risk or effort.

- Financial scams promise quick wealth through fake investments or business opportunities.
- Romance scams offer emotional connection and companionship.
- Job scams dangle the hope of meaningful employment or remote work flexibility.
- Tech scams give a sense of control and protection against assumed digital threats.

These offers are extremely appealing because they address real human needs. When you’re emotionally invested – whether it’s in love, money or stability – logic often takes a back seat.



## SCAMS PLAY ON TRUST AND AUTHORITY

Criminals are masters of impersonation. They pretend to be:

- Bank employees
- Romantic partners
- IT support from well-known companies
- Friends or family members (via hacked accounts)
- Famous celebrities

These personas tap into our learned trust. Our guard drops when someone sounds confident and uses familiar jargon or company names. For example, in an age where many interactions are digital, criminals are able to exploit the impersonal nature of technology to sound official – without ever needing to prove who they are.

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## EXPLOITING OUR EMOTIONS

The appeal of scams often lies in their emotional manipulation.

- **Fear:** "You owe money for the unpaid toll – pay now or be arrested."
- **Excitement:** "You've just won \$5,000!"
- **Sympathy:** "My child is in the hospital. Can you help?"
- **Greed:** "Double your money in 24 hours."
- **Hope:** "You've been selected for a dream job."
- **Panic:** "Your parents have been in an accident."

Scams don't just ask for your money – they stir your emotions. And when emotions run high, rational thinking can be clouded.



## CREATE URGENCY AND PRESSURE

Criminals thrive on urgency because time gives people space to think.

- "Act now – this offer expires in 10 minutes!"
- "If you hang up, you'll lose access to your account."
- "Send the money today or face legal consequences."

Urgency can lead to swift, less thought-out decisions. Scams are carefully timed to catch victims off-guard, especially during moments of stress or distraction.

## LOOK LEGITIMATE

Today's scams are polished. Fake websites are indistinguishable from real ones. Emails appear to be professionally written. Caller IDs are spoofed to display real business names and numbers. Even social media profiles can be cloned to impersonate someone you know. When something looks legitimate, we're more inclined to believe it. That visual trust, combined with psychological manipulation, makes scams dangerously effective.



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## WE THINK IT CAN'T HAPPEN TO US

One of the biggest reasons scams are alluring is that people underestimate their own vulnerability. We assume:

- "I'm too smart to fall for that."
- "I'd recognize a scam."
- "Only gullible people get tricked."

This overconfidence makes us less cautious. Criminals are trained professionals – often running coordinated operations, studying human behavior and constantly evolving their tactics. No one is too smart to be manipulated.

The allure of scams lies in their design. They're engineered to make us believe, to act quickly, and to feel good (or terrified) doing it. But once you understand why they work, you start to see them more clearly.

Learning about scams, recognizing their appeal and acknowledging our own vulnerabilities is not a sign of weakness. It's a sign of awareness. Scams are designed to fool you. Education and awareness are how you fight back.

*The scams mitigation toolkit was developed by the Federal Reserve to help educate the industry about scams and outline potential ways to help detect and mitigate this fraud type. Insights for this toolkit were provided through interviews with industry experts, publicly available research, and team member expertise. This toolkit is not intended to result in any regulatory or reporting requirements, imply any liabilities for fraud loss, or confer any legal status, legal definitions, or legal rights or responsibilities. While use of this toolkit throughout the industry is encouraged, utilization of the toolkit is voluntary at the discretion of each individual entity. Absent written consent, this toolkit may not be used in a manner that suggests the Federal Reserve endorses a third-party product or service.*