

The Arkansas Cyber Defense Center

Debt Management Scam

Scammers promise to help you consolidate your debt or get lower payments but instead steal your money.

Who could be targeted?

Anyone can be targeted, but debt management scammers often target people who are in financial distress.

Why be aware of this attack?

This attack is can be very hard to spot due to the convincing nature of the scammer. Gaining knowledge now can help prevent this type of attack from occurring to you in the future.

Common types of debt management scams:

Debt Settlement Promise Scam: The scammer contacts you saying they can get you lower credit payments for a fee.

Debt Consolidation Loan Scam: The scammer contacts you and claims to be able to get you lower interest rates by consolidating all your debt into one monthly payment.

Advance Fee Scam: The scammer charges you extremely high interest rates or a very large down payment on their services.

Common tactics used by debt management scammers:

- Scammers will agree to lower your interest rates or payments for an upfront fee.
- Scammers will make unreasonable and false promises.
- Scammers will use high pressure tactics such as claiming to sell your debt to a collection agency.
- Scammers will claim to be from the government or some other organization.

Red flags:

- The company asks for an upfront payment.
- The company makes “guarantees.”
- The company does not disclose all of the terms and conditions of their services.
- The company does not have a physical address or is located overseas.

