



A Better Future for all Malaysians



## Know The Works

# 3 Ways To Avoid Financial Scams

Despite the horror stories we hear and read, there are still many who lose their hard-earned money to financial scams. Here's what you need to know to avoid being next!

Many scams involve personal loans, so the first step to avoid being scammed is to know how loans work.

- 1 There will always be an official document (printed or digital) which discloses clearly your loan details.
- 2 You will never have to pay any sum upfront as it is illegal for a lender to ask for pre-payment.
- 3 Find out who the borrower is. Loans from licensed financial institutions will be your safest option as they are regulated by the central bank.





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## Know The Scams

Here are some warning signs to be aware of:

- 1 A lender who is not interested in your credit history**  
Ads that say “No hassle – fast money guaranteed” or “We don’t care about your credit. This loan is yours” need to be approached with caution. Legitimate lenders will only approve a loan after they have assessed your credit history.
- 2 Upfront payment**  
Some scammers call this “processing fee” or even tell you it is required due to bad credit health. These fees, if required, are usually deducted from the loan amount before disbursement.
- 3 Pressed to act immediately**  
Scammers may press you to give personal information or send money before providing proper documentation.
- 4 Requesting personal information**  
Never give your credit card or bank account information over the phone or Internet unless you know exactly who is asking and why.

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## Know Yourself

Ask yourself why you need a loan in the first place. If you are struggling to get a loan from a legitimate source, get help from a financial advisor to assess your credit health and seek other legitimate means.

Borrowing from dubious sources will harm you. If something is too good to be true, it is usually a scam. Falling for it will put you in an even worse financial situation than you were before.

For more ways to DuitSmart and get in better financial shape, go to [www.hlb.com.my/duitsmart](http://www.hlb.com.my/duitsmart)  
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