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# "It's a standoff": Tourism operators speak out over WeChat ticketing scam that's costing them more than \$400,000

EMMA KOEHN / Thursday, April 6, 2017



Tourism businesses are speaking out about the financial and operational costs of a sophisticated ticketing scam operating through Chinese social media platform WeChat, which tourism bodies say runs much deeper than the \$400,000 it has already cost local operators.

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This morning [Fairfax reported](#) local tourism attractions including Peninsula Hot Springs, Eureka Skydeck, Sovereign Hill in Victoria and the Sydney Harbour Bridge's BridgeClimb have been forced to pay back hundreds of thousands of dollars in charge backs to legitimate credit card holders whose details have been used by the scammers to buy tickets to their venues.

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The Victorian Chamber of Commerce and Industry (VCCI) said as of the end of March, businesses have been stung to the tune of more than \$350,000, but that number could be much larger. And tourism operators say the number of customers cases is increasing.

Victorian Tourism Industry Council (VTIC) chief executive Brad Ostermeyer told *SmartCompany* this morning that "\$400,00 is what we can legitimise" in terms of the cost so far, but it could be higher still.

Under the scam, fake discounted tickets for attractions are sold through WeChat to genuine tourists travelling to Australia. Stolen credit card details, meanwhile, are used to buy a real ticket with the details of tourists who bought at the discounted price.

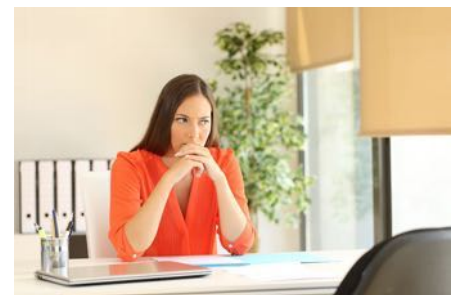
Often weeks after the actual fraudulent transaction has taken place, the operators are forced to refund the cost of the ticket to the stolen credit card's owner, pay a chargeback fee, and in

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some cases, allow the tourist who has bought a fraudulent ticket to use the service, even though the money they have paid for it has gone to the scammers and not to the business.

Peninsula Hot Springs general manager Brook Ramage tells *SmartCompany* the problem has been going for more than a year, and has resulted in countless awkward conversations with customers who have bought fraudulent tickets for treatments at the spa.

It's also cost the business in the order of tens of thousands of dollars in chargebacks.

"It's been going on for longer than a year, and it's really starting to build momentum, the thing is how quickly it's growing," Ramage says.

"We've had people who've just rung us and said 'my credit card says I've just purchased all these services'," he says. Some people have reported their credit cards were lost or stolen and then statements arrived with charges for services at the spa they did not book.

Customers then arrive with bookings for services that have been made through WeChat, and Ramage says the business then has to launch into an explanation of why they cannot honour the bookings, because the customer has not actually booked through the spa.

"Usually they are Chinese customers, and they haven't got a huge grasp of English to start with. And they just look at us, dumbfounded. They are as upset as we are about it, it's a standoff. It's just an awkward position all round."

Ramage says the business is urging all customers to book directly through the company's website, and never through WeChat.

This message is being echoed by historical tourism site Sovereign Hill, near Ballarat, which says the scam has cost it around \$15,000 so far.

Sovereign Hill chief executive Jeremy Johnson said in a statement provided to *SmartCompany* this morning the operator has cracked down on checking IDs and credit cards when customers arrive with ticket bookings.

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"We've taken appropriate action to mitigate this fraudulent activity, including checking IDs and credit cards on arrival, and we've now not had a fraudulent transaction in over a month," Johnson says.

"Our message to visitors would be to always ensure they are dealing with reputable sources and websites when purchasing tickets."

## **"Businesses still need to be vigilant"**

The Victorian Chamber and the VTIC launched an awareness campaign about the scam this morning, and VTIC chief executive Brad Ostermeyer says while the situation isn't surprising, the impact on businesses will run deep.

"I haven't seen this before, but it doesn't surprise me ... I think this is probably more widespread than just the tourism industry," he tells *SmartCompany*.

"One of the difficulties is that tickets are being bought just before travel, so businesses should be checking their transactions each day [for any irregularities]," Ostermeyer says.

Liz Ward, chief executive of tourism industry resource hub Tourism Tribe, told *SmartCompany* that while tourism operators now have more control over tracking bookings and knowing who is planning on attending their attractions, there are still vulnerabilities for smaller operators in the sector.

"Probably at more exposure would be smaller attractions and tour operators, because someone can roll up and say, 'I've booked, I've paid'. Meanwhile, scammers run away with the money," Ward says.

Ward advises all tourism operators to have their own bookings platform in place, or use a reputable third party site, and to keep a constant watch both on bookings that come through and any comments that are made about your business or service on social media.

"They should monitor any social media comments on their business, and have all their notifications turned on, so they can see any time someone even writes a comment," she says.

"There's always a new scam coming, and you have to keep yourself aware of the new scam in the marketplace. Make sure you're checking the veracity of what's coming through the

door."

Ostermeyer says tourism bodies are talking to government and other regulatory authorities, but fighting these types of behaviours is a challenge, and the number one priority is making sure consumers and businesses know it is happening.

"We need to raise awareness more broadly," he says.

Ramage says Peninsula Hot Springs has already received phone calls from legitimate bookings this morning, with customers misunderstanding the reports of the scam and wary about booking with the company directly, which has only presented another cost to the business.

"We've had some people who've called who haven't read it [the reports] properly. There is nothing wrong with our bookings site. Our message is to warn people, not to be purchasing things through WeChat."

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