Tips for educating and protecting your utility customers from scams

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Your customers are being bombarded with fraudulent phone calls about service disconnections, exorbitant bill totals, and nonexistent government programs. Strangers knock on their doors, posing as utility staff. All these solicitations lead to potential crimes that you can help prevent by teaching customers how to identify and report scams.

Some scams seem so blatantly false that it's easy to think no one would fall for them. But your customers do. According to the Los Angeles Times column Scam utility calls are the latest pandemic plot to target your cash, the Federal Trade Commission tallied 4,700 complaints of utility-related scams in a 12-month period spanning 2019 and 2020. Customers lost about $3.5 million.

What are some common utility scams?

We've seen phone scams, in-person scams, and email or web scams. Scammers typically pose as a utility and attempt to extort money from customers or steal their identities or possessions.

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Phone scams. Through robocalls and live phone calls, scammers demand immediate payment or other financial commitments from your customers. Common tactics include:

- Threatening to disconnect the customer's utility services within a day or two if the customer doesn't pay immediately
- Selling fake government programs that would help customers pay their bill
- Asking for a payment to replace a meter or other electric equipment at a home or business
- Asking for private information such as bank account numbers to facilitate a refund for overpaid utility bills

In-person scams. Imposters posing as utility employees go door-to-door and ask to enter customers'

homes and businesses, sometimes carrying ID badges. They try to get access to personally identifiable information (PII) or distract your customers long enough to steal money or possessions.

Email and web scams. Utility scam emails are usually phishing emails looking for PII, selling something, or demanding immediate payment to avoid disconnection. We've also seen scam artists post fake utility job listings on legitimate job-seeking websites.

How can you protect customers from scams?

Give customers information they can use to discern scams from legitimate utility contacts. Explain what they should do if they suspect they're being targeted. And tell them they should call the utility directly to confirm the communications are legitimate or that the utility did indeed send someone to their door.

Want more advice on preventing scams?

For more tips and utility examples, check out our report Keep your customers safe from scams.

Utilities provide scam-prevention information on their websites, interactive voice response systems, and social media. Across all communication channels, here are some of the most popular prevention tips:

- If you receive a call demanding payment and threatening disconnection, hang up and call your utility to verify the situation
- Never provide personal information over the phone, email, or chat
- Never let someone claiming to be from a utility into your home or business without confirming with the utility directly

Dedicating a web page to scams emphasizes the seriousness of the problem and gives customers resources to protect themselves. Here are some examples of utility web pages on scam prevention:

- Duquesne Light Co.: Avoid Scams
- FirstEnergy: Scams and Fraud
- MidAmerican Energy: Avoid Scams

Utilities also use social media platforms to spread awareness about scams (**figure 1**).

Figure 1: Utility scam prevention via social media

During Utility Scam Awareness Week, FirstEnergy announced on Twitter that it was partnering with dozens of other utilities to warn customers about fraud. It provided a link to its website, which has tips to prevent scams.

> It's Utility Scam Awareness Week! We're uniting with dozens of other utility companies to warn customers about utility impostors. Learn more https://t.co/0ATbHymgO7. pic.twitter.com/TI5zvg4hzL
>
> — FirstEnergy Corp. (@firstenergycorp) November 18, 2020

Are you taking a novel approach to scam education or prevention? We want to hear about it! Leave us a comment below.

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