

## **GCVA FRAUD RESPONSE RESOURCE**

Guidance for Members on Gift Card Scams, Fraud and Media Enquiries

(Updated January 2026)

### **1. Purpose of this Resource**

Gift card scams and fraud continue to evolve, and the industry must respond with clarity and confidence. This document provides a single set of messages for GCVA members to use when dealing with journalists, policymakers, law enforcement bodies, and consumers.

The resource includes:

- A clear, unified narrative for the sector
- Separate approved statements for
  - scams that target individuals
  - fraud that targets cards, systems or retailers
- Practical advice for consumers
- A coordinated explanation of how the GCVA works with law enforcement
- A concise but authoritative Q&A section
- Internal guidance on tone and emphasis for spokespeople

The aim is simple: to make sure that every GCVA member communicates with the same accuracy, reassurance and professionalism, so that the sector speaks with one voice.

### **2. GCVA membership and sector commitment**

GCVA membership represents a commitment to working collaboratively across the sector to prevent fraud, tackle organised criminal activity and strengthen consumer protection.

Members participate in coordinated intelligence sharing, fraud prevention activity, and structured engagement with law enforcement, regulators and key stakeholders to identify emerging risks and strengthen collective responses.

Membership reflects a shared responsibility to invest in security, risk management and best practice standards, and to work collectively to protect consumers, retailers and the wider gift card ecosystem.

### **3. Core Industry Narrative**

Financial fraud is an increasingly serious challenge, and criminals are using far more sophisticated techniques than in the past. Gift cards remain secure and widely used, but criminals may attempt to exploit them in two different ways. First, some criminals manipulate individuals into buying gift cards or revealing their codes. Second, organised groups sometimes target the cards and systems themselves.

Across both issues, GCVA members invest heavily in security, staff training and behind the scenes monitoring. The sector works closely with national and international law

enforcement, and intelligence is shared through the GCVA Fraud Forum so that emerging risks can be tackled quickly.

The vast majority of gift cards are used with no difficulty at all. Where genuine fraud occurs, retailers normally work with customers to find a fair resolution.

### **Classification and reporting of gift card draining activity**

Some data sources and public reporting group multiple types of criminal activity together under the term fraud, including scams targeting individuals, payment fraud, and organised theft targeting retail systems. As a result, media reporting and public debate can sometimes conflate very different issues and crime types.

For example, *in December 2025 Report Fraud stated that it believed “gift card scams” had increased by around 25 percent over the past two years.* This type of statistic does not distinguish between social engineering scams, payment fraud, and organised theft involving tampering, balance draining and interference with retail systems. These combined figures are sometimes then used as a general indicator of scale, even though they reflect very different forms of criminal activity.

Gift card draining through tampering, balance theft and interference with retail systems should be understood as organised retail theft rather than consumer fraud. Where datasets combine these activities into aggregated fraud statistics, those figures are not a suitable measure of the incidence of this type of organised theft.

Aggregated fraud data brings together crimes with very different methods, risks and impacts, which makes direct comparison misleading. This form of criminal activity requires separate classification, investigation and response frameworks, and should be treated as organised criminal activity targeting retail systems rather than consumer payment fraud.

## **4. Approved Statements for Member Use**

These statements can be issued directly to media or adapted for retailers’ own communications.

### **A. For scams that target individuals**

These scams involve criminals manipulating people into buying gift cards or sharing the codes. They rely on pressure, fear or emotional manipulation, and they often begin through messages, emails or posts on social media. This is not a fault with the gift card. It is a crime carried out through deception, and victims deserve empathy.

The public should always remember that no genuine organisation will ever ask someone to pay a bill, settle a fine or resolve an account problem using a gift card.

Retailers are working to interrupt these scams by improving in store messaging, training colleagues to recognise signs of pressure, and prompting customers to pause before completing a transaction that appears unusual.

If someone thinks they may have been targeted, they should stop contact with the scammer, report it to Action Fraud or Police Scotland, and speak to the retailer or card issuer as soon as possible.

## **B. For fraud that targets cards, packaging or systems**

Some criminal groups attempt to interfere with cards or retail systems directly. This includes draining balances, tampering with packaging, using stolen payment methods to buy high value cards or exploiting digital refunds. These are organised, often international, operations and retailers are frequently the primary victims.

The gift card industry continues to strengthen security through improved packaging, closer monitoring of transactions, the use of predictive analytics, and the introduction of additional checks where needed. GCVA members share intelligence through its Fraud Forum and work closely with the City of London Police, the National Crime Agency, Homeland Security Investigations in the United States and the National Retail Crime Alliance.

When a consumer discovers that a gift card has no remaining balance, the best step is to contact the retailer or issuer straight away. Cases are investigated carefully, and where genuine fraud is confirmed, retailers usually act to support the customer.

## **5. Advice for Consumers**

Members may share the following messages in stores, online or in customer service communications:

- Gift cards are for gifts. No legitimate organisation will ever ask for payment using a gift card.
- Stop and think. A sense of pressure or urgency is often a sign that something is wrong.
- Trust your instincts. If something feels unusual, speak to a colleague, friend or family member before going ahead.
- Always buy gift cards from trusted retailers.
- Keep receipts and proof of purchase.
- If packaging looks tampered with, tell a member of staff before buying.
- Report any concerns to the retailer or issuer immediately.

## **6. Collaboration with Law Enforcement**

GCVA members are not tackling these issues alone. The association works closely with the National Retail Crime Alliance, the City of London Police, the National Crime Agency, local police forces and Homeland Security Investigations in the United States. Together with retailers and mall operators, the GCVA helps to share intelligence, identify trends and support live investigations such as Operation Yemen.

This cooperation is improving understanding of the methods used by organised groups and is helping to close opportunities for criminal activity across the sector.

## **7. Media and Stakeholder Q&A**

This section provides members with clear answers to the questions most often raised by journalists, MPs, consumer groups and others.

### 1. Are gift cards safe?

Yes. The vast majority are purchased and used exactly as intended. Criminal activity involves either manipulating individuals or attacking systems, and both are continually being addressed through investment in security and strong cooperation with law enforcement.

### 2. What should someone do if they believe their balance has been stolen or lost?

They should contact the retailer or card issuer as soon as possible. Most retailers have dedicated fraud teams who investigate cases and, where genuine fraud is confirmed, they normally take steps to support the customer.

### 3. Why do criminals sometimes use gift cards in scams?

Scammers prefer gift cards because they create a sense of urgency and because many victims are not familiar with how to check whether a request is legitimate. This is why the industry focuses on clear in store messaging and behavioural prompts that encourage customers to pause and question unusual requests.

### 4. Why do some criminals target cards or packaging?

Organised groups sometimes attempt to harvest card details or interfere with packaging before a customer even makes a purchase. This is a crime against the retailer or issuer and is not due to a lack of security on the card itself. The industry has introduced many measures to reduce these attempts.

### 5. Why are refunds not automatic when a card is compromised?

Automatic refunds would create an opportunity for criminals to exploit the system. Each case is reviewed individually so that genuine customers receive fair treatment without opening new avenues for abuse.

### 6. Who is responsible when a card is bought from a gift card mall?

The first step is always to contact the brand shown on the card. Responsibility can vary between the retailer, the mall operator and the issuer, and the GCVA is working with all parties to improve consistency.

### 7. Why not move gift cards behind the counter?

This would make the purchase process far slower and less convenient for millions of customers, and it would not stop organised groups from attempting fraud. More targeted and effective solutions already exist.

### 8. Why are closed loop gift cards not regulated in the same way as other payment products?

Closed loop cards fall under the limited network exemption because they can only be used with a specific retailer or group of retailers. They are treated as pre-payment for goods or services, and the Consumer Rights Act already provides protection.

### 9. How widespread is gift card fraud?

Fraud remains a very small proportion of all transactions. The sector sells billions of pounds worth of gift cards each year with very low levels of reported loss. Even so, the industry continues to invest heavily in prevention.

### 10. Does the industry work with the police on this?

Yes. Retailers, issuers, the GCVA and the National Retail Crime Alliance regularly share intelligence with UK law enforcement, and there is active cooperation with agencies abroad where relevant.

## **8. Internal Guidance for Spokespeople**

### **Suggested tone**

- Calm, confident and reassuring
- Empathetic towards victims
- Clear and straightforward
- Focused on solutions and collaboration

### **Points to avoid**

- Suggesting that victims are at fault
- Overpromising on refunds
- Criticising other industries or bodies
- Using technical language unless asked

### **Points to emphasise**

- Strong collaboration with law enforcement
- Continuous investment in improved security
- The difference between scams that manipulate victims and fraud that targets systems
- The sector's commitment to supporting genuine customers

## **9. Closing Line**

Many interviews offer the chance to finish on a concise soundbite. This is an opportunity to get across a final summary of the industry position.

Suggested wording below:

Gift cards remain one of the most popular and trusted ways to give. The industry takes fraud and scams extremely seriously and continues to work closely with retailers, issuers and law enforcement to protect customers and stay ahead of emerging threats.