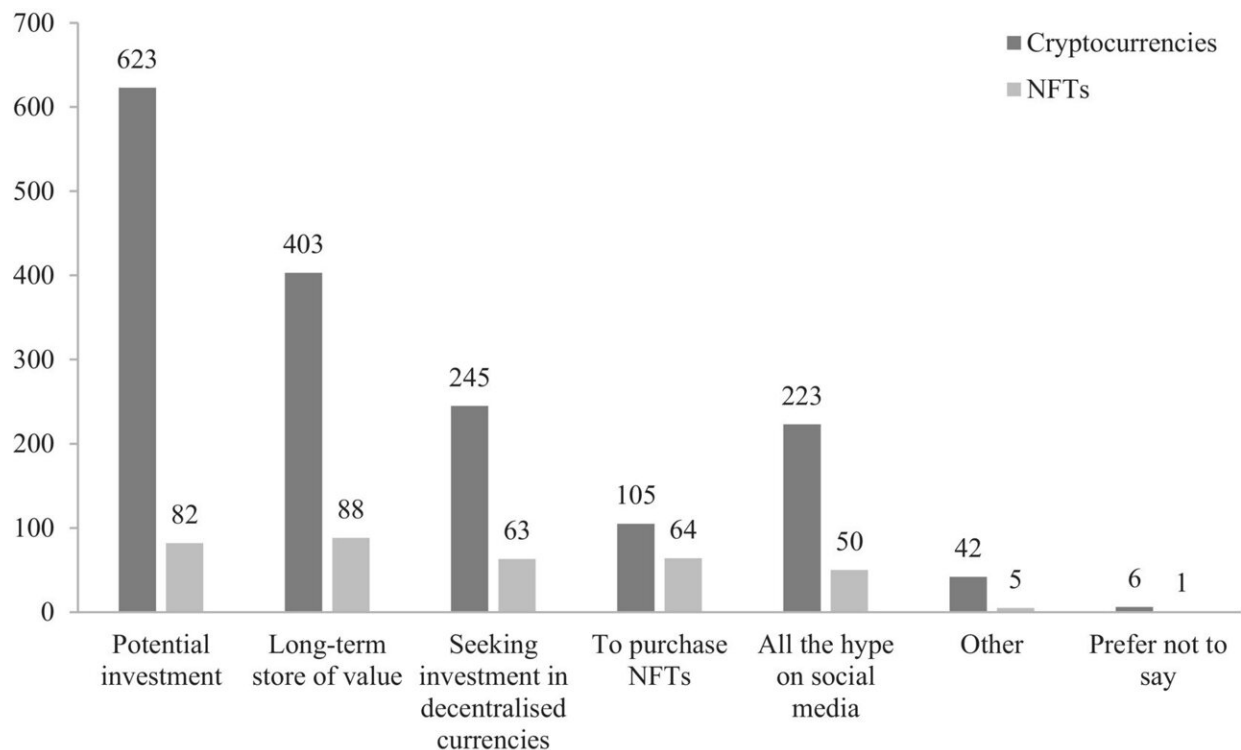


Crypto scams claim victims across the socioeconomic spectrum

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Reasons for buying cryptocurrencies or non-fungible tokens. Credit: *Australian Journal of Social Issues* (2024). DOI: 10.1002/ajs4.351

A University of Queensland-led study has found consumer vulnerability to cryptocurrency investment scams has little to do with socioeconomic status.

Associate Professor Levon Blue in UQ's Office of the Deputy Vice-Chancellor Indigenous Engagement and affiliated with the School of Education said the biggest vulnerabilities for consumers were concerns over security, unsolicited advice, limited options for learning and a lack of financial and IT literacy.

The findings are [published](#) in the *Australian Journal of Social Issues*.

"Cryptocurrency [investment](#) scams cost Australians a reported \$171 million last year alone, and that figure is only set to grow as more people embrace new forms of digital finance products and services," Dr. Blue said.

"We surveyed 745 Australian adults who'd purchased cryptocurrencies or non-fungible tokens (NFTs) and found both socioeconomic advantaged and disadvantaged people were vulnerable to investment scams.

"The number one place people learned about cryptocurrency was [social media](#)."

The researchers found two distinct groups were vulnerable to losing funds to scams.

"The first were more likely to be female, Indigenous, casual or [part-time workers](#), renters, a high school or below education or with English as a [second language](#)—so with a lot of features we associate with socioeconomic disadvantage," Dr. Blue said.

"They reported being influenced by social media hype to buy crypto and lacked sufficient financial or IT literacy.

"In contrast, the other vulnerable group could be seen as having more

socioeconomic advantage such as a university education, full-time work, being non-Indigenous or owning their home or paying off a mortgage.

"This second group were more financially literate but may have assumed they wouldn't become a [scam](#) victim and been over-confident or over-ambitious, exposing themselves to risk."

Dr. Blue said other areas of vulnerability for crypto scams included receiving unsolicited advice and not understanding how to store or secure crypto, or calculate tax or interest on the investment.

"Our findings suggest that online financial education from trusted independent sources is urgently needed to help combat scams and to keep Australians and their [crypto](#) assets safe," Dr. Blue said.

"We recommend that education about alternative forms of financial products is offered to in schools, vocational settings and university."

More information: Levon Blue et al, Cryptocurrencies: Who is vulnerable and what are the vulnerabilities?, *Australian Journal of Social Issues* (2024). [DOI: 10.1002/ajs4.351](https://doi.org/10.1002/ajs4.351)

Provided by University of Queensland

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