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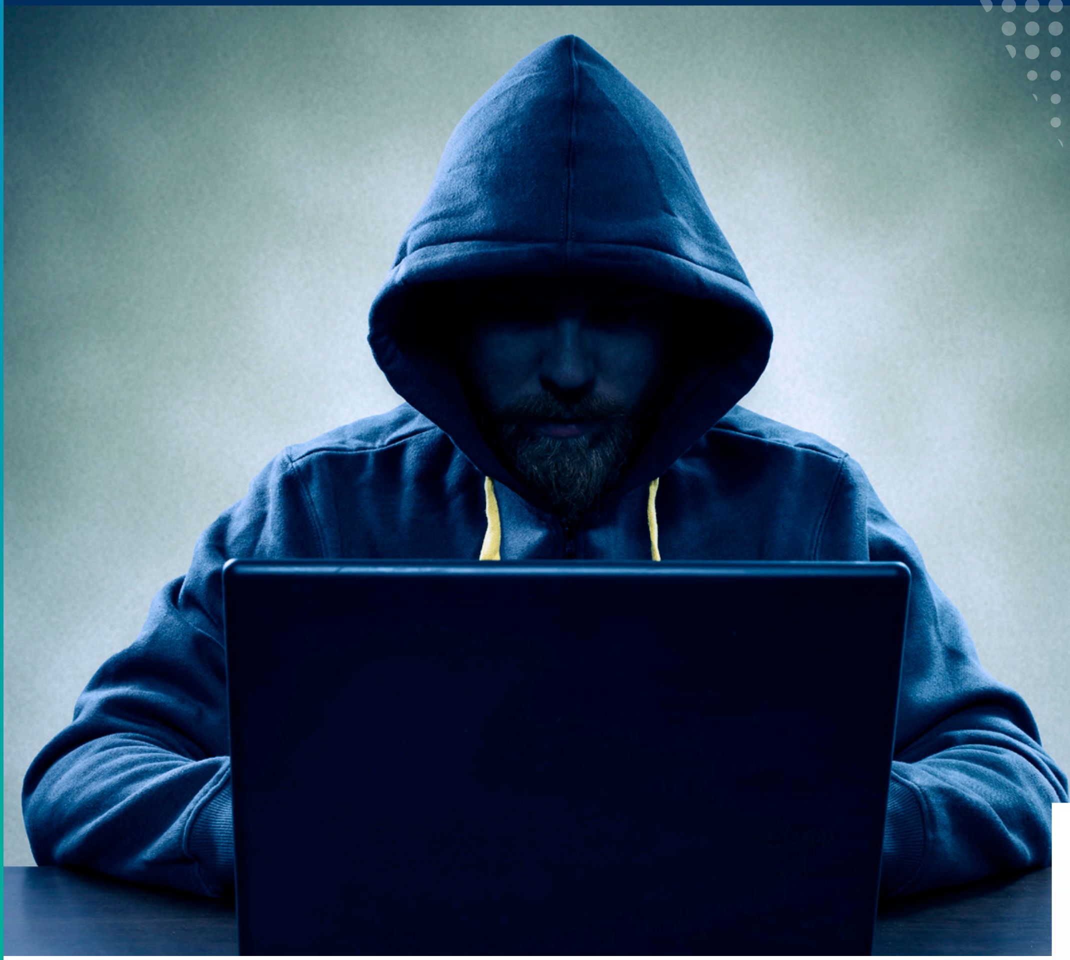

Beat the scammers at their own game

We've all seen media reports about ordinary Australians losing their entire savings after responding to a phone, email or mail offer that was impossible to resist. While some people may be naïve, scammers are also getting smarter.

Financial stings have become a serious threat to Australian consumers and businesses. According to the ACCC's Scamwatch website, there were 161,582 reports of scam in 2017, for a total loss of more than $90 million!

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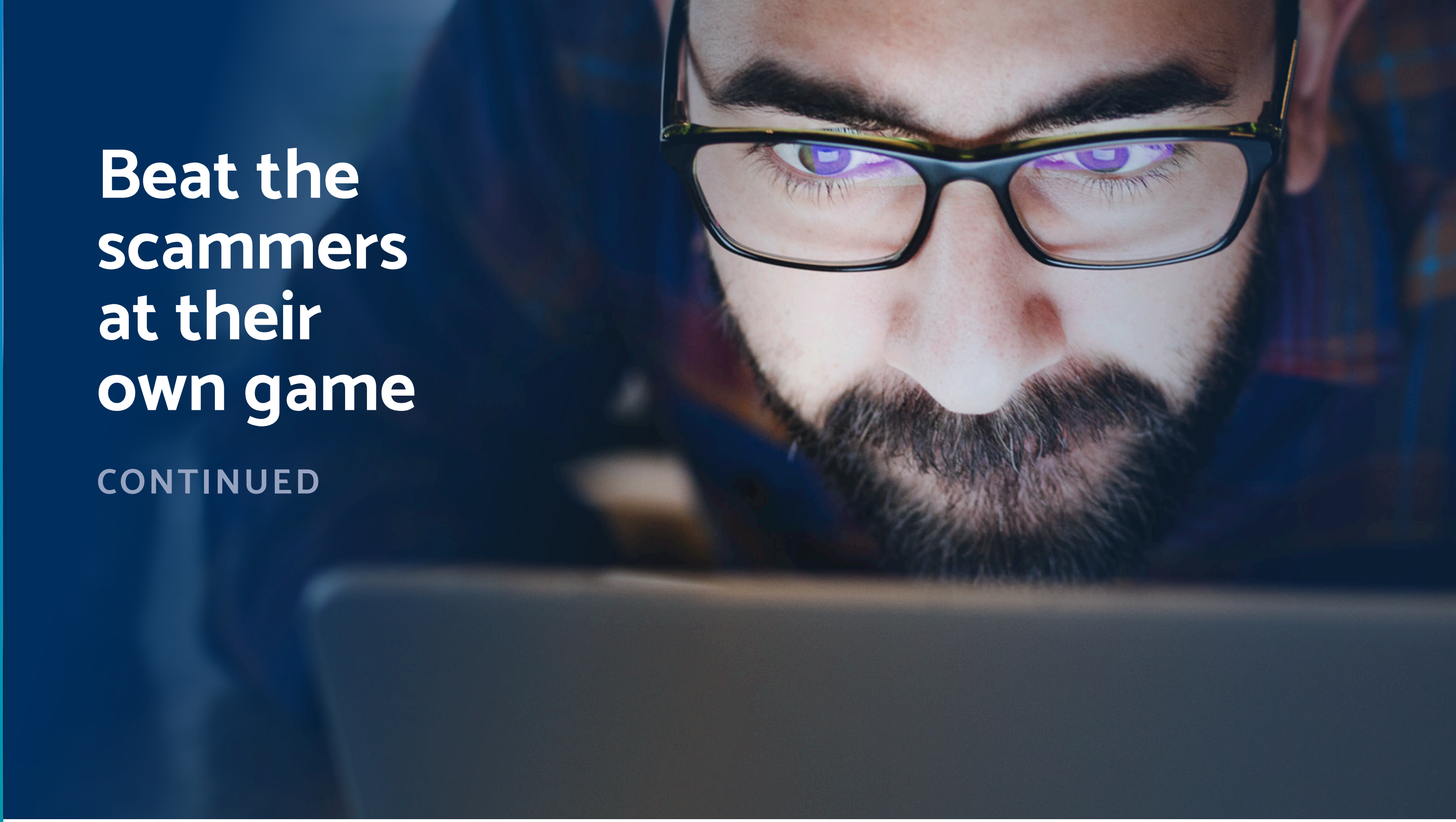

Beat the scammers at their own game

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All shapes and sizes

Identity theft scams involve someone stealing another person's identity and can do anything with it from cleaning out bank accounts to taking out fake mortgages. But scams can come in many guises, including, but not limited to:

- Online account and money transfer scams;
- Health and medical scams;
- Superannuation scams;
- Get-rich-quick scams;
- Lottery and competition scams.

If it sounds too good to be true...

Let's look at the most damaging of all - investment scams.

Scammers know and use all sorts of tricks to entice the vulnerable but there are steps you can take to protect yourself.

Scammers usually make contact "out of the blue" with a blanket offer and use tactics to pressure you into the deal. These "professionals" try to make their offer look as genuine as possible and most will have any or all of the following features:

- Quick, high returns and sometimes tax-free;
- No risk for the investor;
- Mention well-known companies or people (that are actually not involved);
- Discounts for "early-bird" investors or special allocations not available through anyone else.

Investment scams can appear very professional on the surface. By the time the victim realises the offer was too good to be true, the scammer has disappeared with their money.

What should you do?

If you receive a call or email always check the validity of the offer and provider, by asking:

1. What is your name and what company do you represent?
2. Does your company have an Australian Financial Services licence and what is the licence number?
3. What is your physical address?

If the caller can't or won't provide these details, it will be a scam. If they do answer, take down the details and check the Australian Securities and Investment Commission list on its MoneySmart website (www.moneysmart.gov.au) or the Australian Competition and Consumer Commission (ACCC) 'Scamwatch' site (www.scamwatch.gov.au).

Be proactive

Some scams aren't as obvious so always protect your personal information. Never give out bank details or transfer money to anyone you don't know or trust.

Always check your statements and report any suspicious transactions to your financial institutions. Make sure your computer and mobile devices are protected with strong passwords, anti-virus software and firewalls.

And beat the scammers at their own game – if you are contacted by one of these fraudsters, immediately report it to the ACCC via www.scamwatch.gov.au or phone 1300 795 995. Hopefully the scammer will end up the victim instead.

Sources:
SCAMwatch website www.scamwatch.gov.au
MoneySmart website www.moneysmart.gov.au Report a scam

Traps to avoid in retirement

Going too hard too fast

Retirement: you've made it!

And one of the rewards for all your hard work is that you can now access your superannuation. Suddenly a world of opportunities opens up – a Caribbean cruise, major home renovations or maybe helping your kids reduce some of their debt.

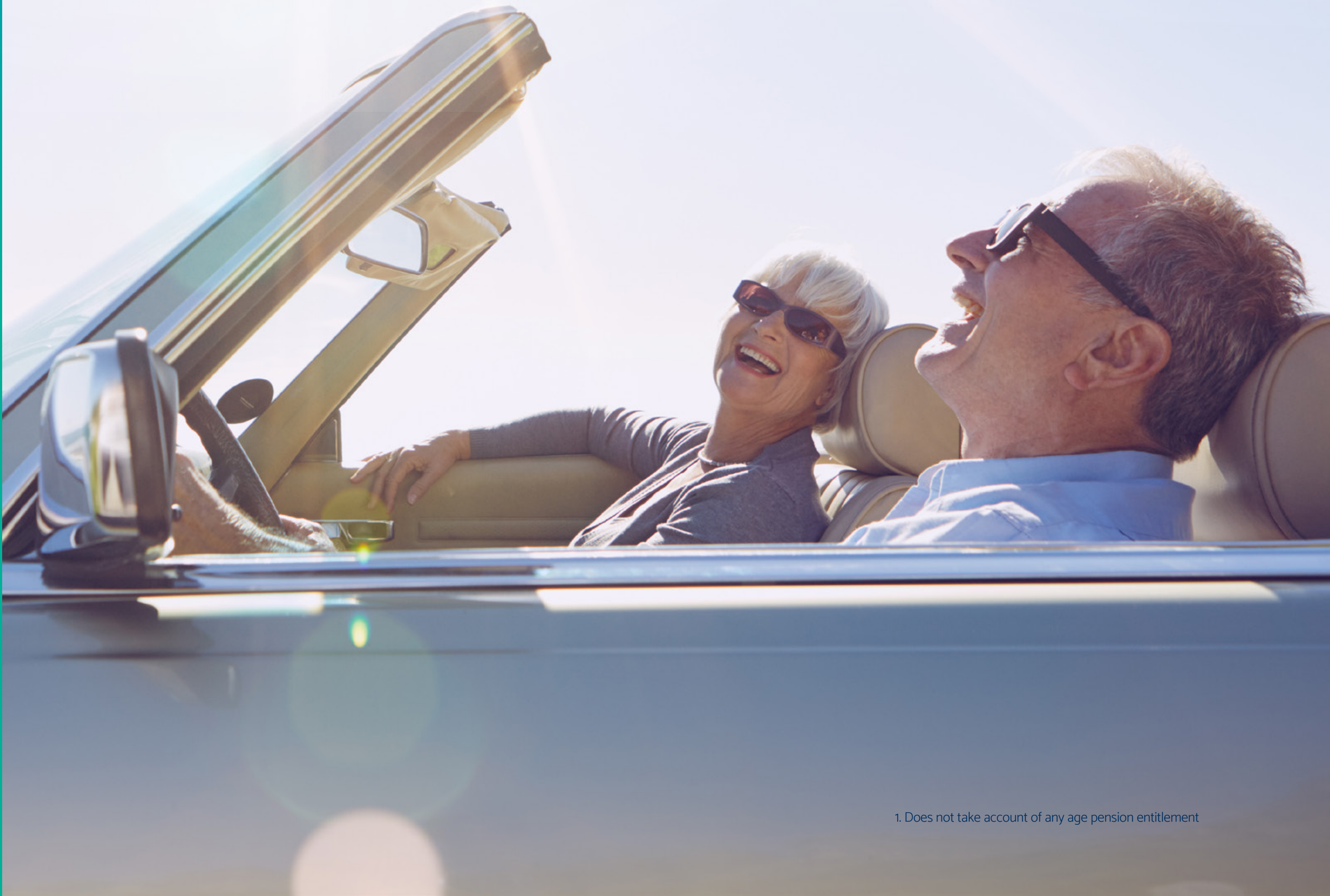
Of course, you deserve to celebrate your retirement, but bear in mind that your super might need to support you for the next 30 years or more. Eat too far into your nest egg in the early days and you significantly reduce the time that your super will last. This is particularly the case in a low interest rate environment.

Take Ron and Val. They retire with a combined super balance of $800,000. At an interest rate of 4% pa this nest egg will fund annual living expenses of $60,000 for 19.4 years. If they spend $100,000 on travel and home renovations and give a further $100,000 to their children, the reduced nest egg will now only last 13 years.

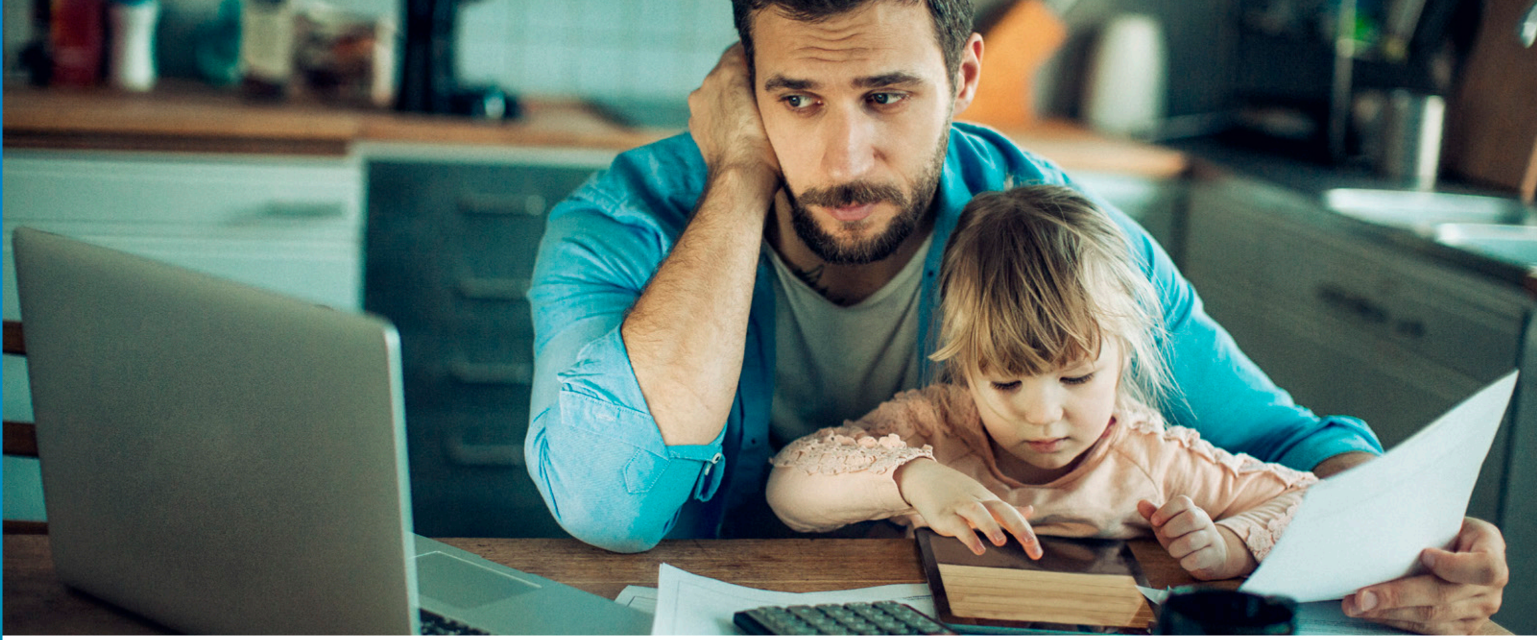
Planning for big expenses in retirement is just as important as it is pre-retirement. The longer that an expense can be deferred, the longer the money will last, and the greater the total income received.

In Ron and Val's case, this might mean scaling back the travel plans a bit, putting off the renovations for a couple of years, and helping their kids by making regular, small gifts rather than a large lump sum. Another option for Ron and Val could be that they may need to work a year or two longer, this will increase the balance of their superannuation, giving them a higher amount to retire with.

Your super is there to help you enjoy life in retirement, but it's a balancing act. A little restraint now may allow for more fun later, so talk to your financial adviser about how you can make the most of your super in retirement.



1. Does not take account of any age pension entitlement



Is household debt consuming you?

By the end of 2018 Australia had, relative to the size of its overall economy, one of the highest levels of household debt in the world. At 127% of gross domestic product (GDP), our household debt, as a percentage of GDP, had nearly doubled over the last 20 years.

So, are Australian households groaning under the weight of oppressive levels of debt? For the most part the answer is no. A major reason for the increase in household debt is that interest rates are much lower than they were 20 years ago, so it's easier to service larger loans. And over 90% of our household debt is owner-occupied home loans and investment loans.

Good debt, bad debt

Home loans and investment property loans are often referred to as 'good' debt because, when used responsibly, they (usually) improve wellbeing and build wealth over the long term. That said, poor choices or unfortunate changes in circumstances – borrowing too much, loss of a job or an increase in interest rates for example – can see 'good' housing debt turn 'bad'.

Another type of bad debt is lifestyle debt. This has a negative impact on wealth because the debt is being used to buy things such as cars and clothes, holidays and groceries – that lose value rather than gaining it. In today's world it's easy to accumulate bad debt.

Temptation galore

Credit cards, digital wallets on our phones, payday loans and buy-now-pay-later options all make it easier to spend money, even if it's money we don't have. Relentless, targeted advertising, the fear of missing out, the increasing level of peer pressure enabled by social media or just paying for daily essentials are all capable of leading us into spiralling debt.

Is debt consuming you?

Some warning signs that you have a debt problem include:

- Not paying off your credit card in full each month. This means you will be paying a high rate of interest on the carryover balance.
- Your total debt is increasing, along with your interest payments.
- You're experiencing housing stress. This means rent or mortgage repayments consume more than 30% of your pre-tax household income.
- You're using debt to fund basic living costs.

Taking control

- How do deal with your particular debt problem depends very much on personal circumstances.
- Track your spending. Australians buy huge amounts of clothes they don't wear, food they don't eat and gadgets they don't use. For every purchase ask yourself, "do I really need this?"
- Take out a lower interest rate personal loan to pay off high interest debts such as credit cards. Repay the loan as quickly as possible.
- If you have a home loan, make sure it has a linked offset account that you use for everyday banking. You only pay interest on the difference between your loan balance and offset account balance so all of your money is working to pay down your loan.
- Review your home loan regularly. You may be able to refinance at a lower interest rate. Check for all the fees involved.

Your Futuro adviser has access to many tools designed specifically to assist those who find themselves struggling to effectively manage their debt and the solution is often much simpler and easy to manage than most would imagine.