



February 25, 2026

How Fraud Is Different From a Scam

Fraud and scams can both lead to financial loss, but they happen in very different ways.

Knowing how each one works can help you spot issues sooner and understand your options if something goes wrong. Let's break down the key differences and cover some tips on how to protect yourself:

What Is Fraud?

Fraud is a broad term that refers to financial activity conducted without your authorization. For example, fraudsters frequently commit identity theft and use their victims' personal information to open credit cards or bank accounts. They may also gain access to your existing cards to make purchases.

You typically aren't aware of fraud until you see suspicious charges or discover that your credit has been damaged.

What Is a Scam?

You will likely never interact with the person or people behind fraud. Scams, on the other hand, are a different matter. In these cases, someone will convince you to willingly part with personal information or money.

Common types of scams include:

- **Employment Scams:** Fake job ads can lure unsuspecting victims into sharing personal information or sending money.
- **Romance Scams:** Romance scammers manipulate victims into sending money by pretending to build an emotional connection.
- **IRS Scams:** Scammers will pose as the IRS to frighten people.

How to Protect Yourself

Fraudsters and scammers are clever and creative, but you can do a few things to safeguard yourself.

- **Keep your personal information safe.** Be cautious when sharing your Social Security number, bank details or credit card information, especially if the request is unexpected.
- **Don't rush.** Scammers often rely on urgency or pressure. If something feels rushed or too good to be true, pause before sending money or information.
- **Confirm requests independently.** If someone claims to be a company, employer or government agency, look up their contact information yourself and reach out directly.

If you have any questions about safeguarding your finances, get in touch today.

Helping clients get back to the basics of building and maintaining wealth in a tax efficient way.



ROI  **FINANCIAL**
A Registered Investment Advisor

Lance Johnson | ROI Financial Advisors, LLC
CEO and Investment Advisor Representative
p. 503.941.5925 e. Lance.j.johnson@roi-fa.com
a. 14675 SW Millikan Way | Beaverton, Oregon 97003

[Facebook](#) | [Instagram](#) | [LinkedIn](#)

DISCLAIMER

Content provided by subscription to Outbound Engine, an entity unrelated to ROI Financial Advisors, LLC. ROI Financial Advisors, LLC (dba ROI Financial) is an SEC registered investment advisor. This publication is in no way a solicitation or offer to sell securities or investment advisory services. Statistical information, quotes, charts, references to articles or any other quoted statement or statements regarding markets or other financial information is obtained from sources which we believe reliable, but we do not warrant or guarantee the timeliness or accuracy of this information. This material does not constitute a complete description of our investment services and is for informational purposes only. ROI Financial does not provide tax or legal advice, however an affiliate firm ROI Tax LLC, (ROI Tax) which is a separate entity may provide tax preparation and CPA services. Please see our form ADV Part 2A at <https://adviserinfo.sec.gov/firm/summary/160100>, or visit our website at www.roi-fa.com for a complete description of our services. Please be advised to consult your investment adviser, attorney, or tax professional before making any investment decisions.