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3 Tips to Protect Real Estate Agents & Firms from Cybercrime

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3 TIPS TO PROTECT REAL ESTATE AGENTS & FIRMS FROM CYBERCRIME

Did you know Americans lost nearly $150 million to real estate internet scams last year? That makes real estate cybercrime a greater risk to Americans than identity theft ($100 million in losses) or credit card fraud ($89 million in losses), according to the FBI's 2018 Internet Crime Report.

Experts estimate these losses are likely much worse because these attacks are widely underreported. Many victims, particularly industry professionals, do not report fraud out of fear of reputational harm. Despite the high rates of underreporting, the real estate industry earned the No. 2 ranking among all sectors for the highest number of cyberattacks in the second quarter of 2018.

Buyers and sellers are not the only people at risk. Real estate agents and other industry service providers have been held liable for losses arising from cybercrime. In *Bain v. Platinum Realty*, a jury found the seller's real estate agent and real estate brokerage firm 85% liable for the buyer's nearly $200,000 loss after the buyer forwarded wiring instructions sent from the seller's real estate agent's email account, which was comprised by a cybercriminal.

Below are three tips to protect yourself and your firm from being a victim of or held at fault for a cybercrime:

1



Be wary of urgent or rush requests, changes to wiring instructions, and changes in email addresses.

Hacked email accounts are the leading cause of real estate scams. Cybercriminals typically learn enough about the transaction to send a fraudulent email instructing the buyer to pay the wrong person and trying to create a sense of urgency so the buyer will rush to respond without questioning why a change has been made. The fraudulent email may originate from a hacked email account or an email address nearly identical to that of another person involved in the transaction.

2

Verify wiring instructions by voice using a phone number identified independently of the email

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