



## Website Scam

As previously advised, there's an organisation now operating in Australia that is advertising locksmithing services on the internet in a deceptive, misleading manner. Their method of operation is described below.

There are two entities involved in this, both of which are registered with ASIC:

Name	ACN No	ABN No	Registered
Australia Locksmiths Pty Ltd	133 417 035		25/09/08
Au Locksmiths Pty Ltd	137 240 5210	20 137 240 521	21/05/09

The principal of both companies is a Mr Eric Cohen who is based in the USA and who also runs similar operations in America and the UK (USA Locksmiths; Prestige Business Solutions, Inc and UK Locksmiths).

Here's how they operate. If you Google "**Australia Locksmiths**", one of the first few links that appears is "**Locksmiths Australia**" which advertises 24-hour emergency locksmith services. Their website shows the above ABN number, a 1800 telephone number but no address. Clicking on the Locations tab on their Home page brings up a list of around 200 towns, cities and suburbs that they claim to service. This list is essentially a list of locations around Australia all with the prefix "Locksmiths", e.g.

**Locksmiths Melbourne** 3000  
**Locksmiths Oakleigh** 3166  
**Locksmiths Mount Isa** 4825, etc. etc.

All of these are linked to generic websites which are identical in content except for the names which are shown as "Melbourne Locksmith", "Oakleigh Locksmith" and so on. They give a definite but false impression that these are all real businesses which they're not. They are clearly trying to mislead the public and poach business from the hundreds of legitimate, registered businesses with generic locality names similar to those on the "bogus" websites.

Curiously, there have been a couple of reports of some of these websites showing addresses which in fact are local post offices!

The websites all list the ABN registered to AU Locksmith Pty Ltd and the domain names were purchased through Melbourne IT by Australia Locksmiths Pty Ltd.

Anyone calling the 1800 number in Australia will be connected to an overseas call centre, most recently in Ireland. The operators will usually just answer with the word "Locksmiths" and will avoid any questions about where the company is located and whether it actually operates a business in a particular area. Despite this, there have been a few reports of jobs being accepted by unsuspecting members of the public and this is where the problem begins.

Last week we had a report that the call centre answered as "Precision Locksmiths" which happens to be the business name of a respected business in Melbourne run by Walter Mioch. Walter wants it to be known that he has no association whatsoever with Australia Locksmiths. This might be an indication that generic names other than location names might also be targeted, e.g. 24-hour Locksmiths, Emergency Locksmiths, etc.

The Federal Trade Commission (FTC) is the USA's consumer protection agency. In February 2008 it issued a national Consumer Alert which warned consumers about dealing with persons claiming to be local locksmiths but who may not be locksmiths at all or certainly not local.

The scenario described by the FTC was as follows:

*A company far away from home chooses a name for its business that is very similar to the name used by a local locksmith. The company advertises in the phone book or on the Web using a local telephone number and local address. When you call the number, you're actually connected to a call centre in a distant city. What's more, there's no locksmith shop at the address listed. You may be quoted a price on the phone but, when the locksmith arrives, often in an unmarked vehicle, he may want significantly more money. The locksmith also may only accept cash. Some who claim to be "local locksmith companies" have multiple listings (sometimes 30 or more separate listings in a single phone book) with different names. But the calls to each of these numbers go back to the same central number in a distant city where operators despatch untrained individuals to do the job.*

US News ran a related article which is available at:

<http://www.usnews.com/articles/business/best-careers/2007/12/19/locksmithsecurity-system-technician-executive-summary.html>

The experience overseas suggests that consumers contacting these call centres will usually be quoted an attractive price upfront but, once the "locksmith" arrives, the story is often that the job is more difficult and expensive than first thought. In the case of emergencies in particular, the consumers may find themselves in a poor negotiating position.

Another concern is that the company's history in the US shows that it employs unqualified people as locksmiths - that's why they have to drill locks which other US locksmiths consider easy to pick. It has also been noted that some of their "locksmiths" used bump keys on common low security locks - again, indicating they have no skill at picking. Further, they seem to have no qualms at employing unlicensed/unregistered people, despite local regulations.

This is all just starting to happen here. Obviously, Australia Locksmiths hasn't got a national network of contractors in place so they've been unable to fulfil some of the few orders they've taken over the phone. In such cases the customer is just left hanging and waiting for a locksmith who never turns up. Ultimately the customers contact local MLAA members demanding to know when they are going to do the job. Eventually they realize that our members weren't the ones involved in the transaction but such events could reflect badly on genuine locksmiths in the area.

The obvious question is what can we do to shut them down? It's no easy task as our fellow locksmiths in the USA and UK have found. We've already alerted Consumer Protection and Security Industry Licensing agencies in NSW and Victoria and are in the process of doing so in other States and Territories. We've also complained to Google and Yahoo and have been comparing notes with our counterparts in the USA and UK. The authorities here are prepared to

act but can't do anything without evidence of consumers being disadvantaged by Australia Locksmiths' actions. In their words, "we need blood on the floor before we can act".

This presents us all with the real challenge of playing a leading role in exposing shady operators like this by gathering as much hard evidence as we can about their methods and activities. If you or your customers come across anything to do with this organization in your area please make a note of the following and notify MLAA's National Office:

- customer name;
- date and details of contact;
- details of transaction including price,
- outcome of transaction.

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