

Green Dot MoneyPak Scam: How to Protect Yourself

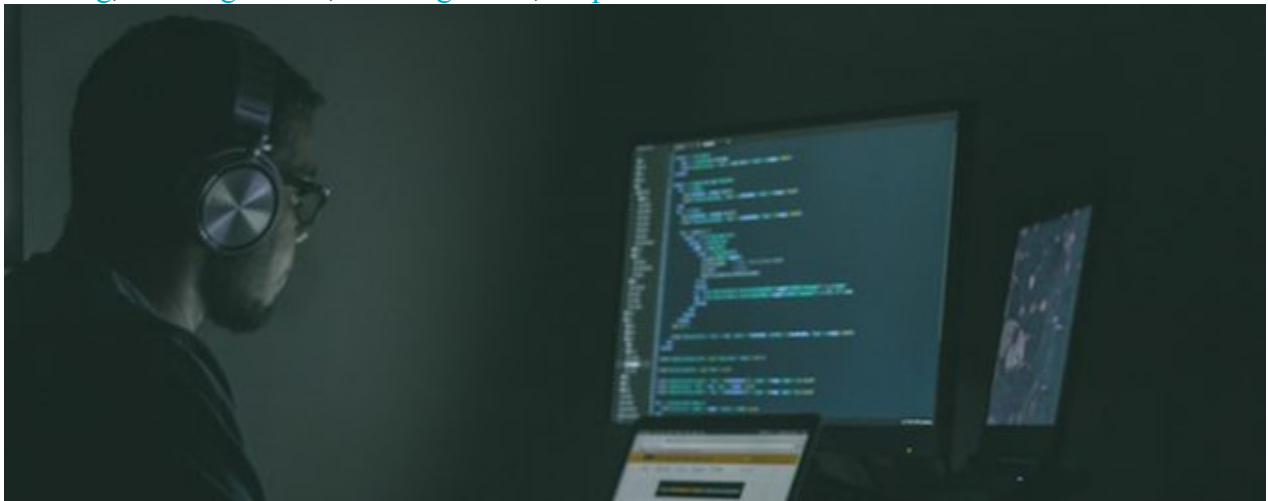
Watch out for any company that claims you owe it money and must supply a MoneyPak number to pay.



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[Banking](#), [Banking Basics](#), [Banking News](#), [Prepaid Debit Cards](#)



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Green Dot MoneyPak scams have been around for years. Fraudsters pretend to be utility companies, government agencies, or others and ask for payment in the form of a MoneyPak. Here's what to know.

What is Green Dot's MoneyPak?

What it is: A MoneyPak is a legitimate card sold by prepaid company Green Dot Corp. that has one job: moving cash from a retail counter onto an eligible prepaid debit card, including Green Dot- and Walmart-branded cards. It also works with some bank accounts.

» **Learn more:** [How do prepaid debit cards work?](#)

How to use one: Buy a MoneyPak at major retailers such as CVS or 7-Eleven, for a fee of up to \$5.95, and add cash amounts generally from \$20 to \$500. Keep your receipt. Next, log onto

www.moneypak.com to enter the card number and apply funds to your prepaid account. You must have internet access, an email address and a phone that handles text messages to use the latest MoneyPak cards.

When it's helpful: If you deal with cash and don't use traditional bank accounts, MoneyPak is an easy way to add funds onto certain prepaid debit cards. Millions of Americans use prepaid cards as an equivalent to checking accounts.

» **Be aware:** MoneyPak scams aside, a [NerdWallet investigation of Green Dot](#) revealed the company had a history of freezing prepaid accounts when handling fraud disputes.

How the scam works

Here is how two common scenarios start:

- Someone calls claiming to be your utility company and says you're overdue on a payment. They might threaten to turn off your power unless you send the money using a MoneyPak.
- A scammer calls pretending to be the IRS and says you owe taxes. They might threaten to arrest you unless you pay using a MoneyPak.

In either case, the scammer then gives you a phone number to call or an email address, and once you buy the MoneyPak, they ask you to scratch off the serial number on the back and share it.

These scams caught the attention of the U.S. Senate in 2014, but they've existed before and since. The National Consumers League told NerdWallet that the nonprofit sent out an alert in late 2017 about a newer scam, fake MoneyPak websites, in response to an increase in consumer complaints it had received.

More MoneyPak scam variations exist, but the result is the same: You hand over funds to scammers in a way that's difficult to track. And once someone uses your MoneyPak number, you can't reverse the transaction or receive a refund from Green Dot.

3 ways to protect yourself from MoneyPak scams

1. Never give a MoneyPak number to someone you don't know. No legitimate government agency or company will ask for payment using a MoneyPak.
2. Research any company that calls about money you owe. By law, debt collectors must send a debt validation letter that describes your debt. If they refuse, you can challenge their claim. Also, look up the phone number of the organization the caller claims to represent (not the caller ID), dial it and confirm its representative called you. The IRS, for example, will never call to issue threats or demand instant payment.
3. When using a MoneyPak, be sure to type in www.moneypak.com in a web browser and double-check the spelling. You don't want to end up on a fake website.