

FROM LOSS TO RECOVERY: A QUALITATIVE INQUIRY INTO CONSUMER INVESTMENT FRAUD VICTIMIZATION IN LA TRINIDAD, BENGUET, PHILIPPINES

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Abstract

Investment scam is a problem of society that worsened during the COVID-19 pandemic. The study employed the qualitative research design specifically descriptive phenomenology. Fifteen participants from La Trinidad, Benguet, Philippines, selected through purposive sampling, were interviewed and their narratives were analyzed using the Colaizzi Model. Findings reveal that scammers employ a staged process of grooming and manipulation, starting with small gains to establish trust, then escalating investments through urgency, authority, and emotional appeals, often reinforced by personal or religious ties and counterfeit legitimacy. In the Philippines, these tactics are intensified by widespread internet use and strong social bonds. The consequences extend beyond financial loss, undermining victims' economic security, emotional well-being, and social relationships, with its effects spilling over to families and future prospects. Victims cope by limiting further losses while adjusting to the long-term impacts. The study highlights the importance of government support for victims and intervention for its prevention.

Keywords: Qualitative Inquiry, Consumer Investment Fraud, Victimization, Philippines.

I. INTRODUCTION

Scams have existed throughout history, continually evolving but always aiming to exploit people for personal gain through deception. The rapid expansion of new types of media and communication platforms has increased both the speed and complexity of scams, turning them into significant global issue (Zhou et al., 2025). Perpetrators can commit crimes from anywhere and defraud any person anywhere, as modern electronic means easily transcend boundaries (Ibrahim et al., 2024).

Over \$1.03 trillion lost to scammers globally in the last 12 months (Global Anti-Scam Alliance & Scam Adviser, 2024). That is roughly 608 million victims of scams worldwide every year or 1.67 million scam victims per day. In the US, data show a big jump in reported losses to fraud to \$12.5 billion in 2024 with consumers reported losing the most to investment scams at \$5.7 billion (FTC, 2024).

In the Philippines, a large number of Filipinos have experienced fraud attempts. TransUnion (2025) reported that 74% of Filipino respondents reported being targeted by scams via email, phone calls, text messages, or online platforms. This rate is significantly higher than the overall average of 53% across all countries surveyed. Additionally, 34% of Filipinos reported losing money to scams – higher than the global average of 29% - with an average loss exceeding ₱ 44,700. Dela Cruz (2025) added that there were over 6 million scam texts and over 600,000 scam calls recorded in the Philippines in 2024. Tupas (2020) reported that cases of online scams and computer-related identity theft have increased during the COVID-19 pandemic, according to the Philippine National Police Anti-Cybercrime Group (PNP-ACG). Criminals exploited the pandemic, during which people stayed indoors to avoid the virus.

In addition to causing financial losses, scams cause significant emotional distress for victims, often resulting in feelings of fear, vulnerability and mistrust. Countries like Kenya, the Philippines, and South Africa have reported the greatest emotional impacts (Global Anti-Scam Alliance & Scam Adviser, 2024). Furthermore, 70% of scam victims did not report the incident; some felt it would be ineffective, others found the process to complicated, and some uncertain about the appropriate authority with whom to report to.

Research Questions

The study aimed to explore the experiences of consumer investment scam victim-survivors by tracing their journey from initial exposure to the scam through to their recovery. The study specifically aims to answer the following questions:

1. What are the impacts of the scam on the victim-survivors and their family members or close associates?
2. How did the scammers carry-out their schemes, as perceived by the victim-survivors?
3. How did the victim-survivors respond to and cope with the aftermath of the scam?

II. LITERATURE REVIEW

2.1 Financial Wellness

In the past decade, growing interest has emerged around the concept of financial wellbeing, particularly its aspects on financial health and resilience (Kaur et al., 2021; Wilmarth, 2021). It encompasses the ability to manage current living expenses, maintain one's preferred lifestyle, and ultimately attain financial independence (Riitsalu et al., 2023). It occupies a pivotal juncture between money and happiness, serving as fundamental components for favorable individual and organizational outcomes (Garg et al. 2024). It plays an important role in achieving Sustainable Development Goals (SDGs). Increasing financial well-being helps to promote SDGs 1, 3, 10 and 16 (Biswas & Sharma, 2024). Fu (2019) further stated that financial wellness can be used as an indicator for monitoring progress toward achieving the four aforementioned SDGs.

Hassan et al. (2021) found that financial well-being has a significant impact on mental health. Particularly, the lives of those affected may be significantly impacted by stress related to money and finances (Brown et al., 2020). Xiao and Porto (2022) emphasized that among fraud victims, financial behavior plays the most crucial role in enhancing overall financial wellbeing.

2.2 Fraud

Beals et al. (2015) defined fraud as "intentionally and knowingly deceiving the victim by misrepresenting, concealing, or omitting facts about promised goods, services, or other benefits and consequences that are nonexistent, unnecessary, never intended to be provided, or deliberately distorted for the purpose of monetary gain." It is a unique type of crime because it relies on deception – a psychological manipulation that involves both the perpetrator and the victim. Unlike crimes such as murder, fraud requires a distorted form of understanding between the perpetrator and the victim. The crime only occurs when the deception is intentional and the victim is misled by it. If the perpetrator does not aim to deceive, or if the victim does not believe in the lie, then fraud has not taken place (Johnson, 2025). Although fraud and scam have slight technical differences, they are used interchangeably in this study.

Beals et al. (2015) categorized fraud into the highest level of taxonomy which can be divided into two: fraud targeting organizations and fraud targeting individuals. There are seven sub-categories, one of which is Consumer Investment Fraud. Consumer investment fraud involves situations in which the individuals believe that they have been financially exploited – such as being sold inappropriate investment products, misled through false or incomplete information (e.g. undisclosed fees), or subjected to improper handling of funds by third parties, such as misconduct by investment advisors (Brenner et al., 2020). Financial and investment fraud, in particular, involves schemes that trick victims into investing money based on false information and/or promises (OCC, 2024). These scams often promise high returns with little or no risk, but victims end up losing their money. Other examples of this type include securities fraud, Ponzi and pyramid schemes, commodities fraud, Hollywood film scams, etc. Consumer investment fraud applies to both organizations and individuals but this study focuses on the latter.

2.3 Who are at Risk?

An important question in research on fraud against individuals is why some people fall victim, while others do not. Answering this question is key for effective and efficient measures that prevent victimization (Burke et al., 2022). The most consistently supported risk factors across studies include low conscientiousness, high impulsivity, reduced cognitive functioning, social isolation, loneliness, lack of financial literacy, poor financial capability, and other social risk factors (Lacey et al., 2024; Button et al., 2024; Dada et al., 2025). DeLiema et al. (2019) added that victims tended to be more materialistic, engaged in investment ventures more frequently, and were likely to respond to unsolicited sources like cold calls, emails, ads, or free seminars, but were less influenced by recommendations from their social networks.

Research has also shown that victims of fraud are often older, financially well-off individuals, typically retirees. They are targeted due to factors like asset accumulation, cognitive decline, social isolation, and overconfidence (U.S. Department of Justice, National Institute of Justice, 2024). Bedona et al. (2022) revealed that Gen Z individuals were driven to engage and persist in scam offers due to personal constraints, internal influences, and trust. Their findings further indicated that scam victimization was strongly linked to impulsive behavior. Patiu et al. (2025) found that Gen Y and Gen Z investment choices are strongly shaped by behavioral biases such as overconfidence, herding, disposition effect, and risk aversion. These findings highlight that psychological and behavioral biases make younger generations particularly vulnerable to scams.

2.4 Strategies Employed by Fraudsters

Relevant studies that have specifically examined investment fraud have reinforced the importance of trust in the scam commission process. Building trust is crucial in both long- and short-form scams, with scammers using rich media to create hyperpersonal connections and make the fraud appear more legitimate (Anderson et al., 2024). Findings such as the use of "persistent engagement" by scammers to establish a "friendship" (Lacey et al., 2020) mirror the results of the analysis, where scammers maintained their hyperpersonal relationships through the manipulation of the channels of communication. In addition, they also use appeals to authority, establish themselves as trusted sources of information, and try to build interpersonal rapport with their victims (Kassem, 2023).

2.5 Impact of Scams

The most immediate consequence of financial fraud is the direct financial losses incurred by the victims. For individuals, it can result in the loss of life savings, retirement funds, and even their homes (Bao, 2023). Investors who fall victim to scams often become more risk-averse and hesitant to invest in the future (Shi & Luo, 2022), contributing to a broader decline in public trust toward financial institutions and markets (Bao, 2023).

Prior research has also established that fraud severely and negatively impacts individuals' wellbeing. Brenner et al. (2020) identified two ways victimization can lower perceived financial wellbeing: through psychological effects, such as diminished confidence in financial matters, and economic effects like a reduction in net wealth. They further found that fraud is more negatively associated with loss in individuals' confidence. The findings indicate that fraud victims often lose confidence in managing finances, affecting future financial decisions. Cazanis et al. (2025) found that the psychological effect of scams are pervasive, leading to significant distress, feeling of shame, erosion of trust and interpersonal conflicts. It could result in stress, anger, upset, worries, fear of future victimization, shame, loss of self-esteem, health deterioration, loss of confidence in financial matters, suicide ideation, unemployment, homelessness, less happiness and life satisfaction and broken relationships (Kassem, 2023).

2.6 Research Gap

Research on how fraud impacts individuals' wellbeing is scarce and has yet to receive substantial attention (Kassem, 2023). In addition, while numerous studies have been conducted on scams and fraud globally, there is limited research focused specifically on the Philippine Context.

III. METHODOLOGY

3.1 Research Design and Sampling

The study made use of the qualitative research design employing phenomenology as the approach. It is utilized in order to more deeply understand the specific situations and circumstances surrounding the investment scam experiences of the victims. In particular, descriptive phenomenology was utilized appropriate for capturing the lived experiences of the victim-survivors. Descriptive phenomenology explores how individuals experience phenomena as they enter their consciousness, aiming to uncover the core structure of these experiences by examining the underlying relationships, thoughts, emotions, and behaviors to reveal the essence of "things as they are" (Giorgi, 2009).

The population of the study comprise victims of consumer investment fraud residing at La Trinidad, Benguet, Philippines. The Province of Benguet has been classified as a first class Province since 2024 (Province of Benguet website). According to the data from the Philippine Statistics Authority (PSA), Benguet has consistently performed well in terms of human development. In 2019, it ranked first nationwide among provinces with an HDI of 0.88. These attributes make the province attractive not only to legitimate investors but also to scammers. The participants of the study were selected through purposive sampling based on the following inclusion criteria: being of legal age, having experienced being scammed at least one scam in the last three years regardless of the investment amount, and have provided informed consent to participate. A total of 15 participants were interviewed, with data collection concluding once saturation was reached.

Table 1: Profile of Participants

Participant Code	Age	Occupation	Type of Investment Scam or scheme Involved with	Amount Involved (Approx.)
1	68	Retired Professor	Research company	6,000,000
2	27	Office staff, private company	Pyramiding scheme (Food supplements company)	150,000
3	52	Finance head, Government office	Crowd funding for loans; Insurance company; Gold trading company	2,000,000
4	37	Teacher	Online Securities Trading company	550,000
5	70	Retired Professor	Crowd funding for loans	4,000,000
6	65	Retired government employee	Ponzi scheme	250,000
7	40	Government employee	Crypto currency & Forex trading company	300,000
8	32	Entrepreneur	Ponzi scheme	2,000,000
9	55	Former Overseas Filipino Worker (OFW)	Pyramiding scheme (Telecomm company)	500,000
10	35	Farmer	Ponzi scheme	3,000,000
11	39	OFW	Real estate company	350,000
12	44	Manager, private company	Online investment company	300,000

13	32	Government employee	Online investment company	750,000
14	30	Engineer	Online gaming company	200,000
15	57	Entrepreneur	Cryptocurrency trading company	175,000

3.2 Data Collection and Analysis

Interviews were conducted using a semi-structured interview guide, validated by experts, to capture the rich narratives of the victim-survivors. The interviews were conducted in a relaxed manner using a mix of English, Filipino or the local dialect that lasted around 45 to 60 minutes. They were recorded, transcribed, and those in Filipino or local dialect were translated to English.

The data transcripts were analyzed using the Collaizi model. The 7-step method is described by Morrow (2015) that involves immersing into participant accounts, identifying significant statements, and deriving meanings while bracketing personal bias. These meanings are then grouped into common themes, which form the basis for a comprehensive description of the experience. This is condensed into core statement capturing the essence of the phenomenon, which is then validated through member checking to ensure that it accurately reflects their lived experience. Key participant responses were quoted verbatim to effectively illustrate and support the identified themes.

3.3 Ethical Considerations

This study adhered to strict ethical standards to ensure protection, dignity, and rights of the participants. An informed consent form was utilized to secure their consent as well as inform them of the details of the study and the nature of their participation. The names of the participants were also anonymized to protect their identities using codes from P1 to P15.

IV. RESULTS AND DISCUSSIONS

4.1 Mechanisms Employed by The Scammers from the Perspectives of the Victim-Survivors

Table 2: Mechanisms Employed by the Scammers to Deceive Their Victims

Essential Themes	Core Ideas
1. Enticement tactics	Deceptive reinforcement
	Illusory rewards
	Appeal to emotion
	Scarcity and urgency cues
2. Trust grooming and persuasive tactics	False credibility or exaggerated claims
	Exploiting social and religious ties
	Social proof and vouching manipulation
	Using falsified or counterfeit documents

4.1.1 Enticement Tactics

The results reveal that the participants believed that the investment scheme was legitimate, as they received the promised returns from their initial investments. Most recounted that they were initially hesitant and chose to “test the waters” by investing small amounts. After confirming the scheme’s apparent success through these early returns, they proceeded to invest significantly larger sums and even encouraged others to join.

“At first, I only invested a small amount since I wasn’t completely convinced. Then I got the promised return so I invested more. I even sold my old car and invested the proceeds expecting that I can replace it with a new and better one once I receive the returns. But from that point on, nothing was returned, and the scammers cut-off all communication.” (P13)

I tried investing in cryptocurrency but I still had little knowledge about it so I only invested the minimum amount. I was contented with the growth of my investment but then the platform’s staff called informing me that of a “promo” in which additional investments within the next 3 days will be doubled. I was so enticed that I withdrew funds from my other investments and wired the money to the platform... After a week, I couldn’t log-in to my account. It was deleted and nothing was returned. (P7)

The results reveal that most fraudsters employed the classic grooming strategy, initially using a “bait” to lure the victims into the scam, followed by a series of manipulative techniques designed to gradually build trust and convince victims to invest increasingly larger amounts, before ultimately disappearing and severing all contact. The results confirm the findings of Lev et al. (2022) who observed that potential victim will perceive an offer to invest in fraudulent schemes as attractive when it sounds credible or limited in some way (e.g. discount for 1 day only).

P9 recounted how the perpetrators cited renowned financial figures such as Warren Buffet and popular books like “Rich Dad, Poor Dad” to emphasize that earning passive income through investment is more efficient than relying on entrepreneurship or traditional employment. While these references were legitimate, the messages were exaggerated and selectively framed to align to the scammers’ narrative. In addition, they drew on “rags to riches” accounts, and highlighted supposed success stories of earlier investors who attained com-

fortable and luxurious lifestyles. Scammers may intensify urgency through storytelling, constructing scenarios that pressure victims to act quickly (Dove, 2018). Norris & Brooks (2021) found that emotional arousal, whether positive or negative, significantly increases susceptibility to fraudulent messages.

4.1.2 Trust Grooming and Persuasive Tactics

Many participants mentioned that aside from the big gains they can potentially earn by investing, they were persuaded because the perpetrators found a way to gain their trust. They accomplished this in a variety of ways. For P1, the scammers accessed her records as an accomplished researcher and used it to deceive her into investing in a research project that they claimed were funded by millions of pesos. The scammers introduced themselves to P3 and P11 as licensed financial advisors and appeared highly knowledgeable about investments, even showing licenses and video clips of prior engagements as proof. Rich (2018), Chiluiwa & Chiluiwa (2022), and Anderson et al. (2024), found that rich media (indexical markers, such as professional elements like institutional visuals, structured e-mail formats, secure-looking URLs, well-designed websites, and complex terminology) were used to aid scammers in establishing themselves as investing experts and worthy of the trust to their victims. In the case of P2, she was convinced as the perpetrators often talked about God and referred to the Bible during their conversations.

Some participants mentioned that the perpetrators befriended or joined them in various activities to establish common interests. For three participants, trust was already present from the beginning, as the perpetrator was part of their social circle – friend, colleague, and a fellow from the same church. As for P3 and P5, the person close to the them had already invested and vouched for the fraudster, having personally experienced success from the scheme. The finding confirm those of Lev et al. (2022) who found that most of the victims decided to invest after being convinced by family, acquaintances or friends whom they trusted. Additionally, they also found that some victims are attracted through the affinity in terms of religion, ethnicity or personal interest. P15's investment decision was also motivated by the investments made by his friends and colleagues. The fraudster pointed out that he is missing out on the opportunity to earn huge income like his friends if he does not invest the soonest. It turned out that it was just an over exaggeration when he learned from his colleagues that they indeed made investments but only achieved “average” returns. In the case of P13, the fraudsters claimed that their investment company has been in operation for many years and presented portfolios containing business documents, brochures, testimonies and photos of properties-allegedly showcasing the gains of previous investors-which were later turned out to be counterfeit and fabricated. Anderson et al. (2024) also found that screenshots and false testimonies provided by other supposed clients were used to help reinforce the authority of the scammer.

4.2 Impacts of the Scam On the Victims and Their Family Members and Peers

Table 3: Impacts of the Scam

Essential Themes	Core Ideas
1. Financial strain	Loss of savings and financial drain
	Depleted assets
	Incurred debts
	Compromised income
2. Emotional Trauma	Emotional turmoil
	Erosion of self-worth and self-blame
	Persistent emotional scars
3. Mental Health Consequences	Mental health deterioration
	Trauma-induced mental disorders
4. Social Isolation and Damage to Self-Concept	Humiliation from social judgement
	Social withdrawal
5. Ripple effect on Family Life and Relationships	Tension in personal relationships
	Strained family relations
	Disruption of family financial stability
	Shared emotional burden

4.2.1 Financial Strain

Most of the participants claimed that they suffered financial loss at the outset of the scam while the rest experienced a more extreme case of financial crisis. Some were not able to recover majority of the amounts they have invested, and others were not able to recover any amount at all. Six participants reported experiencing financial crises, having lost or depleted a significant portion of their own or their family's properties, in addition to the amount originally invested to the scam. Four participants shared that they took out multiple loans from various banks and institutions to raise additional funds for their investments, believing that the potential gains outweigh the interest costs.

“I had to keep paying my loan amortizations and interests for about 3 years. I was receiving a net pay of only around 10% of my gross monthly salary during that period. It was the hardest part I think because the horror of the experience keeps re-playing whenever I receive my pay slip reminding me of my mistake. I was

continuously paying for a loan wiped-out by the scam and has no future benefit. It was really heart breaking.” (P4)

The results indicate that the financial loss was both immediate and long-term. Future income has been compromised due to financial commitments made in relation to the scam. P1 mentioned that her savings for almost 15 years vanished in an instant, while P5 lost a huge portion of the pension she received on a lump-sum basis. The findings confirm those found by Knupfer et al. (2021), who reported that victims often face higher indebtedness, and Bao (2023), who found that victims lost their savings and retirement funds.

“We were financially devastated. Since I used part of our business capital in the investment, my business went bankrupt. We lost the money invested from the sale of our vehicle that my husband uses to deliver vegetables from his farm along with our savings. We had to go back to the province and help my husband farm instead as we can no longer afford to pay the rent here in the city. My kids had to transfer to public school in the province.” (P8)

The financial impact is the most immediate and visible consequence of an investment scam. For some, their disposable income was reduced and as a result, they were no longer able to sustain their current lifestyle. The change likewise contributed to a lot of stress and anxiety as they have to tighten their budget for daily expenses, monthly bills and loan payments, and resorting to further borrowings and sale of other assets when the funds do not suffice.

4.2.2 Emotional Trauma

The results reveal that the emotional trauma experienced by the victim-survivors may be triggered in three distinct ways. First, it arises as an immediate reaction upon discovering the scam. Second, it stems from the actual or perceived fear of ridicule or judgment from other people once the incident becomes known. And third, it resurfaces over time, as victims are reminded by emotional scars left by the experience. The initial emotion felt by the participants at the outset of the scam is shock, disbelief and anger. This was followed by loneliness, regret, anxiety, shame, guilt, humiliation, self-blame and helplessness. It confirms the findings of Cazanis, et al. (2023) in which scams exert widespread emotional impacts, often resulting to intense distress, shame and various other adverse emotions. This was exemplified by the account of P3, who mentioned, *“The mind is really disturbed.”* The loss was huge and it took me many years to save the money that’s why it’s very painful. The amount might even be enough to buy a decent house and lot.”

“I was sweating, restless and agitated. I felt weak and I couldn’t calm down. I panicked... When I confirmed that my investment was lost, I felt sick, nauseous, helpless and very angry toward the perpetrators and to myself. I was ashamed and afraid yet I was helpless as there is nothing more that I can do.” (P7)

When it comes to opening up or revealing the incident to others, most of the participants initially feared the idea. P6 chose not to disclose her experience, fearing others will ridicule her for falling victim to a scam, despite her educational background and her managerial position in finance. This emotional effect was also exhibited by P9, and P3, who was scammed several times.

“I was self-loathing, hating myself for what happened because as a finance officer, I manage the financial transactions of the agency I am working for yet I can’t even take care of my own finances as evidenced by my numerous scam experiences.” (P3)

P4 is constantly reminded of his mistake whenever he receives his monthly pay slip, which details the numerous deductions for his loan amortizations – the proceeds of which were invested and later lost to the scam.

4.2.3 Mental Health Consequences

Some of the participants exhibited mental health issues such as depression, paranoia, suicidal thoughts, amnesia and phobia as effects of the scam. P5 revealed that she was diagnosed and treated for selective amnesia, clinical depression and paranoia. Her family members recounted several occasions when she would run and hide, insisting that she heard footsteps and knocking at the door – despite no one actually being there. Similarly, Balcombe (2025) reported that scams cause prolonged emotional and social issues like depression, anxiety, trauma, and isolation.

“I became socially distant and I was afraid of visitors, even with my family members and relatives. I also had this feeling that some people are out there to get me and inflict more harm to me. I was so afraid that I would hide under my bed when I hear someone knocking at the door.” (P5)

Almost half of the participants claimed to have experienced periods of loneliness and state of absent mindedness. For P10, these feelings were so intense that it manifested into suicidal thoughts. He recounted, *“There were days when I just stared blankly into nothingness for hours. I was even contemplating suicide but I realized I still have young children depending on me.”* P13 mentioned that he developed phobia over investing activities explaining that it was probably because he has been scammed three times. Another effect mentioned by some of the participants is their obsession over the incident in which they keep ruminating over it. *“I was obsessed with my mistake and unconsciously kept thinking of the things I could have done differently and the things I could have bought with the amount of money I lost from the scam over and over again... it becoming bothersome at times as my concentration at work is affected.” (P12)*

The results highlight the psychological effects of investment scam which may progress into severe mental health disorders and possibly even endanger one’s life and those around them

4.2.4 Social Isolation and Damage to Self-concept

The impact on victims' social health and well-being stems from the victims' concern over protecting their reputation in public and maintaining relationships with others. When the scam has been revealed to the public, many of the participants claim that they have received ridicule, mockery and teasing by family members, relatives, colleagues, friends and other people. Similar findings were reported by AARP Fraud Watch Network & FINRA Investor Education Foundation (2022) stating that others close to the victim may exacerbate a deep sense of shame either via direct blame or, more often, through attempted support that can feel like blame. Some participants were scolded and criticized and as a result became socially withdrawn.

"I was afraid my family members would mock me for being such a fool so I did not reveal my ordeal to them. My siblings eventually uncovered the scam though a local newspaper and my fear was confirmed as they mocked me for falling to the scam and not applying my knowledge as a retired university Professor." (P1)

Six Participants likewise claimed that the scam affected their self-confidence, supporting the findings of Brenner et al. (2020), and resulting to reduced confidence in financial decision making. From the participants' narratives, it can be inferred that the blow to their self-esteem stemmed from what they perceived as a mistake with devastating consequences.

4.2.5 Ripple effect on Family Life and Relationships

Another impact of a scam is the changes to family interactions. Tensions could escalate into quarrels, as recounted by P9 with her sister and P10 with his wife. In some cases, family members chose to remain silent and ignore the victim. P2, for instance, experienced weeks of silence from her husband after disclosing the scam to him. Similarly, P6's relationship with her siblings deteriorated when they discovered the scam as they blamed and criticized her, adding to her pain and distress. Similarly, Participant 11's relationship with her boyfriend soured as he became her emotional outlet. But not all the consequences of the scam were negative.

"We had numerous arguments with my wife. I continuously apologized to her and asked for understanding. She couldn't accept it so we eventually separated. My children had ill-feelings about the scam and about our separation. They actually felt the effects of the scam more deeply, as they had to adjust to a lower standard of living while also coping with our separation." (P10)

"It took me weeks before I was able to tell my wife. At first she was mad and sad but later she was able to understand. My relationship with her grew stronger as a result because she did not blame or abandon me but provided emotional support, telling me that it was the scammers who should feel guilty and ashamed." (P4)

For victims who chose not to reveal the scam to their partners or families, trust issues eventually arose. P6 recalled that her husband started doubting her ability to manage the family finances after uncovering the scam himself.

P8 recounted that his family was forced to relocate back to the province after they could no longer afford city rent. His children had to transfer from private to public schools, disrupting their education. Financial constraints also strained family relationships, leading to quarrels and disappointments as they struggled to adjust to a reduced lifestyle. The results show that the victims' suffering often extends to their spouses and family members, especially in emotional and financial terms. The findings align with Cazanis et al. (2025), who identified trust erosion and relationship conflict as some of the effects of scams.

4.3 Coping Strategies of the Victim-Survivors during the Aftermath of the Scam

Table 4: Coping Strategies Implemented

Essential Themes	Core Ideas
1. Support from other people	Emotional support
	Financial support
2. Financial survival strategies	Lifestyle adjustments and sacrifices
	Adaptive financial management
	Supplemental income strategies
3. Reframing suffering into growth	Self-forgiveness and acceptance
	Resilience through motivation
	Learning from mistakes for growth
4. Professional assistance	Assistance for mental health issues
	Assistance in managing finances
	Assistance from authorities

4.3.1 Support from Other People

The majority of the participants reported coping with the effects of the scam through the support of those around them. Emotional support was particularly important, whether in the form of encouragement, advice or simply having someone to listen. P7 shared that his family stood by him despite being harmed by his mistake, which helped him accept what happened, forgave himself, and move on.

Other participants found support from fellow church members and friends who, in addition to emotional comfort, provided a safe environment for victims to open up. P1 shared that talking about her experience helped release the tension she had been carrying. Only P6 chose to keep her ordeal private, even from their families. She explained that this was to protect them from involvement and emotional distress. P13, on the other hand, initially kept his experience private but he later decided to share it, reflecting, "Opening up about my scam experience was actually cathartic and lifted part of the burden off my shoulders."

Financial support is another form of assistance that helped the victims manage the situation. P9 shared that her relatives extended her interest-free loans. P2 received help from her parents in paying her family's monthly bills while the grown-up children of P1 pooled their resources together to help settle part of her overdue loans. The results confirm the findings of AARP Fraud Watch Network & FINRA Investor Education Foundation (2022) in which families remain united despite a horrible fraud encounter by a family member.

4.3.2 Financial Survival Strategies

In response to the financial consequences of the investment scam, the participants coped up with it in a variety of ways.

"We had to stick to our limited budget and restricted unnecessary expenditures until we were able to settle all my loans, which was nearly 3 years. We only included basic necessities such as food and monthly bills. We didn't budget any amount for clothing and recreation... It was like walking on a rope as we didn't have a contingency fund in case of emergencies. It was a painful sacrifice but it was necessary." (P4)

Facing the same dilemma of multiple loans, two participants resorted to "loan recycling" which involves obtaining new loans to pay-off those already due or nearly due, in order to avoid further interest, penalties or possible legal action. P12 added that having a credit card also helped as additional source of credit. P3 coped by engaging in activities that would supplement her income like teaching part-time and monetizing her accumulated leave credits. P4, P8 and P10, on the other hand, economized to reduce expenses. P1, P3 and P13 sold some of their properties to raise cash.

4.3.3 Reframing Suffering into Growth

Some participants coped by changing their perspective and how they look at their ordeal through optimism and positivity.

"I eventually recognized that I am not alone, that I am a victim, not a fool. Other victims come from all walks of life: retirees, businessmen, accountants, university professors and regular salary paid employees. So if it happened to people like them, it can happen to anyone, myself included." (P4)

"I realized that I shouldn't be a prisoner of my past and move on with my life instead on dwelling on mistakes of judgment I made. It's over and it can no longer be corrected. It is an expensive learning experience." (P11)

"I made the mockery of other people as my motivation to overcome my scam experience. I want to prove to them that I can bounce back from the incident and that one mistake isn't enough to label me as a fool." (P14)

P4 and P11 demonstrated self-forgiveness and acceptance, while P14 used the experience as a motivation to disprove the mockery of others toward her. The results reflect the findings of Russo-Netzer and Moran (2016) concluding that facing life adversities can foster personal growth, including stronger self-acceptance and resilience, and a deeper compassion and connection to others. The present findings align with Cognitive Appraisal Theory, by Lazarus & Folkman (1984), as several participants were able to reframe what was initially perceived as a distressing and overwhelming experience into an opportunity for learning and self-improvement. This positive reappraisal helped mitigate their stress and anxiety, enabling them to cope more effectively with the aftermath of the fraud. Lazarus (1991) found that experience of stress differs significantly between individuals depending on how they interpret an event and the outcome of a specific sequence of thinking patterns, called appraisals.

4.4.4 Professional assistance

Some of the victim-survivors sought professional assistance to cope with the effects of the scam. P4, P13 and P15 consulted a financial advisor to address the financial problems caused by their losses. P15, for instance, shared that his advisor recommended pre-terminating one of his existing insurance policies to help manage his debt. Others turned to mental health professionals like P5 who was referred to a psychiatrist for evaluation and treatment. P3 attended counselling sessions to manage her anxiety and depression.

All the participants except P4, P7 and P13 did not report the incident to authorities. A few of them were afraid to go public, while a most believed that reporting it would be pointless. P10 filed a police report but no remedy was provided as the perpetrators already left the country. Similarly, P7 had little success, as he was informed that the company involved was foreign, making the investigation difficult and complex. P4, on the other hand, expressed frustration at the tedious and slow manner in which authorities handled his case.

V. CONCLUSION

Scammers deceive victims through a staged process of grooming and manipulation, beginning with small returns to build trust and escalating larger investments through urgency, fabricated success stories, authority and emotional appeals. These were reinforced by trust-building techniques like leveraging personal or religious affiliations, and presenting counterfeit documents and professional façade. By exploiting emotional

and cognitive biases, they sustain hope and entrap victims. These techniques used by scammers are also evident in the Philippines, but their impact is amplified by the widespread use of internet and social media, coupled with strong social and family ties that characterize Filipino communities.

Regardless of the amount lost, the effects of investment scams are far-reaching, influencing not only their victim but also their family, relationships and future prospects. It undermines the victim's financial security, emotional stability, social relationships, and psychological health. Overall, victims demonstrate coping mechanisms aimed at minimizing additional losses while managing the long-term repercussions of the scam.

VI. RECOMMENDATIONS

Based from the findings of the study, the study recommends:

1. Family members and peers cultivate greater understanding and supportive behaviors; as additional criticism or ridicule may intensify the psychological harm already experienced by the victims.
2. The government's response system be strengthened to encourage more victims to report fraud, bring justice to the perpetrators, and increase the likelihood of recovering the amounts lost by the victims.
3. Counselling and mental health support services be made more accessible to fraud victims.
4. Financial counselling services be offered by relevant government agencies and non-profit organizations to help victims recover through financial planning and guidance. Furthermore, financial assistance may also be extended to them, including options such as low-interest loans.
5. The general public exercise greater vigilance when evaluating investment opportunities. They should be cautious of offers that appear too good to be true and remain alert to potential red flags indicating possible illegitimacy. In addition, staying informed about current events, increasing one's financial literacy, and verifying the legitimacy of companies or investment schemes with the appropriate authorities are strongly advised.

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