

Reports on credit

and other financial information

Protecting yourself against credit card fraud

How widespread are credit card fraud and identity theft?

According to a variety of sources, losses to credit card fraud and identity theft are just a fraction of the total amount of credit card spending in the United States. Studies also have indicated that losses due to default far exceed those caused by fraud. From that perspective, credit card fraud and identity theft may not seem all that terrible. While credit card fraud can be frustrating, it typically does not involve your credit report. Instead, it involves takeover of existing accounts. Usually, fraudulent charges can be resolved easily by contacting your creditor. However, true identity theft can be more complex for victims. Though they may be protected financially, they often must file police reports, sign affidavits and invest time and money to stop the crime. While it is not uncommon for family members and friends to commit fraud, many do not know how or why they were chosen as a victim.

Moreover, all of us pay the costs of fraud and identity theft through higher prices, higher interest rates and increased inconvenience.

How can you protect yourself?

The following actions can help prevent fraud:

- Sign your new cards as soon as they arrive.
- Treat your cards like money. Store them in a secure place.
- Shred anything with your account number or other identifying information before throwing it away.
- Don't give your card number over the phone unless you initiate the call.
- Don't provide credit card numbers, bank account numbers or other identifying information in response to unsolicited e-mail.
- Don't write your card number on a post card or the outside of an envelope.
- Remember to get your card and receipt after a transaction, and double-check to be sure they're yours.
- If your billing statement is incorrect or your credit cards are lost or stolen, notify your card issuers immediately.
- If you don't receive your billing statement, notify the company immediately.
- Request a copy of your credit report at least once a year. Reviewing your report will tell you if anyone has applied for credit in your name and whether any accounts are being used without your knowledge, with the billing statement being sent to a different address.

What can you do if you become a victim?

In some cases, highly organized, sophisticated fraud rings target specific groups of people. There is little a single consumer can do against such a crime ring except




*You open your credit card bill to discover hundreds of dollars of charges that you didn't make. Someone stole your card number and is committing credit card fraud. Or they might have stolen your identity and opened new accounts in your name, making you an identity theft victim. How did this happen? What should you do now? This issue of **Reports on Credit** gives you practical advice, answering these important questions:*

- *How widespread are credit card fraud and identity theft?*
- *How can you protect yourself?*
- *What can you do if you become a victim?*
- *What is Experian doing to protect you?*
- *What are credit grantors doing to protect you?*

be prepared to recover from identity theft. Be prepared to complete affidavits and provide information to help creditors determine the account is fraudulent.

Experian's specialized fraud services can help you restore your good credit quickly by:

- Immediately placing an initial fraud security alert on your credit report. This alert, which warns potential credit grantors that your identification has been or is likely to be used fraudulently, stays on your report for 90 days, giving you time to verify that fraud occurred.
- Adding a fraud victim statement to your Experian report. This allows credit grantors to confirm your future credit applications by calling you at a day or evening phone number you designate. It can remain on your report, at your discretion, up to seven years, but it may make it difficult for you to quickly obtain new credit. In order to add a victim statement, you must provide a police report or other valid identity theft report.
- Instantly analyzing many fraud claims over the phone, eliminating the need for you to supply extensive documentation. With a police report, you can block fraudulent accounts from reporting until you can get them resolved with your creditors.
- Providing free reports to credit fraud victims.
- Resolving most fraud claims and removing fraudulent information from your credit report within 30 days.
- Removing your name from preapproved offer mailing lists for two years.
- Automatically sharing your information with the other national credit reporting agencies, Equifax and TransUnion, which also will add a fraud alert, remove you from preapproved offer mailing lists they compile and send free credit reports upon request.

If you are a victim of credit card fraud, visit Experian's Credit Fraud Center online at www.experian.com/fraud or call Experian at 888 EXPERIAN (888 397 3742) and follow the automated prompts to begin the fraud recovery process. A fraud security alert will be added to your credit history.

You also can access your credit history immediately online through a secure connection at www.experian.com/consumer.

What is Experian doing to protect you?

- Experian® removes your correct Social Security number from credit reports you receive by mail or through the Internet.
- Experian drops several digits from each of your credit account numbers — or eliminates the numbers entirely — on credit reports provided to consumers. In addition, Experian eliminates Social Security numbers and account numbers from the reports sold to many credit grantors.
- To prevent unauthorized access to the credit database, Experian encourages lenders to use special computer terminals and software that limit access to credit reports.
- Sophisticated software continually monitors access to the Experian database. We also work with law enforcement authorities to catch fraud criminals.
- Experian has introduced a number of innovative services to help businesses fight fraud and identity theft at the point of application, including the National Fraud Database,SM a database of known fraudulent activity, and Experian Detect,SM a service that enables businesses to compare application information and credit history information to identify fraud indicators.

What are credit grantors doing to protect you?

Credit card issuers take extensive steps to combat fraud.

Among them are the following:

- Adding your photograph, special characters or holograms (a dove that appears to fly when you tilt the card back and forth, for example) to your card to reduce counterfeiting.
- Requiring you to call an 800 number to verify your identity before using your card.
- Comparing all new credit applications against databases of fraud criminals, known fraudulent addresses and other fraud-related information.
- Verifying your identity if you or someone posing as you changes your address when returning a preapproved offer of credit.
- Notifying you that your card was sent. If you receive the notice but not the card, call the card issuer immediately.
- Verifying your identity before approving large purchases that do not fit your normal shopping pattern.



Experian and the marks used herein are service marks or registered trademarks of Experian.

Other product and company names mentioned herein may be the trademarks of their respective owners.

Reports on Credit is published by Experian's Consumer Education Department to help consumers better understand important credit and other financial issues. You may reproduce and distribute this report. For more information, visit our Web site at www.experian.com.