



**Better Business Bureau<sup>®</sup>  
of Central and Northern Alberta**

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**Media Release**  
(For Immediate Release)

**New Research Shows Identity Fraud Growth Is Contained &  
Consumers Have More Control Than They Think**

**One Surprising Finding: the Core Demographic – 25 to 34 – Has the Highest Rate of Identity Fraud Rather Than Seniors**

**EDMONTON, February 6, 2006** – The 2006 Identity Fraud Survey Report – released by the Council of Better Business Bureaus provides new facts on how identity fraud occurs, counterintuitive insights that challenge conventionally accepted beliefs about these crimes, and steps consumers can take to further protect themselves against this problem. One surprising finding was that the core demographic of 25 to 34 has the highest rate of identity fraud, rather than seniors.

“This new research offers a very different but accurate and helpful perspective about identity theft fraud and shows how we can stay on top of this problem,” says Christine Lawrence CEO of the Better Business Bureau of Central and Northern Alberta. “Consumers can do a lot to make sure they cut down the risk associated with this fraudulent activity.”

In conjunction with the survey results the Better Business Bureau has released an Identity Safety Quiz so consumers can determine if typical behavior places them at greater risk of becoming identity fraud victims and what specific steps can be taken to increase their safety. The quiz can be accessed at [www.idsafety.net](http://www.idsafety.net)

**Identity Safety Tips That Can Protect Consumers**

Based on the latest findings, the Better Business Bureau has issued the following tips for consumers to protect themselves against financial identity fraud:

**PREVENT access to your personal information**

Do not release Social Insurance or account numbers in response to e-mail, phone or in-person requests.

When responding to e-mail, ignore any Internet links provided and type the full address instead.

Keep all sensitive documents, checkbooks and credit cards securely locked away at home and at work.

Carry only those credit cards that you need in your wallet.

Before discarding, shred all private documents.

Retrieve paper mail promptly and place outgoing checks or other sensitive documents in a Canada Post mailbox.

Sign up for automatic payroll deposits.

Replace paper bills, statements and checks with online (paperless) versions.

Keep passwords hidden (even in your own home) and change them frequently.

Use and regularly update firewall and anti-virus software.

Do not respond to suspicious e-mails. Delete them, and if there is any doubt contact the company to determine if the e-mail is real.

Don't discard a computer without completely destroying the data on the hard drive.

### **DETECT unauthorized activity**

Review bank, credit card and billing statements weekly – available through online account access.

Contact your financial provider if you fail to receive statements in a timely manner.

Review your credit information regularly.

Use e-mail-based account “alerts” to monitor transfers, payments, low balances, withdrawals, to detect any out-of-pattern activity.

Visit your bank's, credit card issuer's or biller's web site(s) frequently to monitor regular account activity.

### **RESOLVE fraud promptly, minimizing losses and protecting your credit record**

Ask your financial provider about zero-liability guarantees against fraud and dedicated resources to help you resolve and recover from any potential losses.

Victims of theft: notify your financial providers, begin monitoring your accounts more frequently, and place an “alert” at all three credit bureaus (Equifax, Experian or TransUnion).

Alert federal and local law enforcement if you suspect or detect identity fraud.

For additional information and educational tips about Identity Theft please visit the following:

Better Business Bureau of Central and Northern Alberta - [Consumer Tips](#)

Alberta Government Services – [Identity Theft](#)

Office of the Privacy Commissioner of Canada – [Identity Theft](#)

Royal Canadian Mounted Police – [Identity Theft](#)

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# Media Backgrounder

## **10 Key Data Points on Identity Fraud**

The 2006 Identity Fraud Report offers 10 key data points on identity fraud:

### Identity fraud trends

1. The number of adult victims of identity fraud within the past 12 months has declined marginally between 2003 and 2006, from 10.1 million people to 8.9 million people, in the United States.
2. The average fraud amount per case has increased from \$5,249 to \$6,383, over 2 years. As a result, the total one-year cost of identity fraud in the United States has remained relatively flat between 2003 and 2006, increasing from \$53.2 billion to \$56.6 billion.
3. The vast majority of identity fraud victims (68%) incur no out-of-pocket expenses. This points out that businesses are victims of fraud as well.
4. Victims are spending more time to resolve identity fraud cases, which has increased from 33 hours in 2003 to 40 hours in 2006.

### Means of Access

5. Most data compromise – 90 percent – takes place through traditional offline channels and not via the Internet, when the victim can identify the source of data compromise.
6. Lost or stolen wallets, checkbooks or credit cards continue to be the primary source of personal information theft when the victim can identify the source of data compromise. (30 percent).
7. Almost half (47 percent) of all identity theft is perpetrated by friends, neighbors, in-home employees, family members or relatives – someone known – when the victim can identify the perpetrator of data compromise.
8. Nearly 70 percent of consumers are shredding documents, so that trash as a source of data compromise is now less than 1 percent.

### Demographic differences:

9. The 65+ demographic age group has the smallest rate of identity fraud victims (2.3%).
10. The 35-44 demographic age group has the highest average fraud amount (\$9,435). (Note: victims' age was not found to be statistically related to Internet usage as compared to traditional types of fraud.)

## **Clarifying Four Key Misperceptions Surrounding Identity Fraud**

### Misperception #1: “Consumers are helpless to protect themselves”

- In 63% of fraud cases, the point of compromise was either theft by close associates of the consumer (friends, family, neighbors, etc.), lost or stolen wallets, cards and checkbooks, breached home computers or stolen mail or trash.

- Consumers detect almost half (47%) of identity fraud cases. Self-detection is faster (averages 67 days vs. 101 days), results in smaller average fraud amounts (\$4,431 vs. \$8,466) and smaller consumer costs (\$347 vs. \$538).
- A key way to detect fraudulent accounts is through credit monitoring / reports. Eleven percent of fraud cases were caught via this means.

#### Misperception #2: “Consumers bear the brunt of the financial losses from identity fraud”

- Average out-of-pocket cost for identity fraud victims is \$422 (7% of the average fraud amount of \$6,383) down from \$675 last year and \$555 in 2003.

#### Misperception #3: “Internet use increases the risks of identity fraud”

- Data compromise through the Internet is statistically unchanged from last year (11% to 9% today).
- Internet use can lead to lower damages from identity fraud. Electronic account monitoring is the fastest way to detect fraud and leads to lower losses – (22 days and \$3,806).

#### Misperception #4: “Seniors are most frequent targets of fraud operators”

- Generation X (ages 25-34) has the highest rate of identity fraud at 5.4 percent. The average fraud amount for this demographic is \$6,270 as compared to the average fraud amount for the 65+ segment which is \$2,665.

### **About the Better Business Bureau System**

The Better Business Bureau (BBB) system ([www.bbb.org](http://www.bbb.org)) is dedicated to fostering fair and honest relationships between businesses and consumers, instilling consumer confidence and contributing to an ethical business environment, in both the traditional and online marketplaces. The first BBB was founded in 1912, and the network of BBBs and the Council of Better Business Bureaus have grown to become the most recognized advocate for promoting ethical business and advertising practices, providing more than 60 million instances of service to consumers and businesses in 2004. BBBs in the U.S. and Canada are supported by 375,000 business members throughout North America.

### **About the Survey**

The comprehensive, longitudinal survey, independently produced by Javelin Strategy & Research, is believed to be the largest ever on identity fraud, with an increased 2005 sample size of 5,000 telephone interviews with consumers. The survey was, in part, made possible by CheckFree, Visa and Wells Fargo & Company. The findings show that despite growing fears the growth of identity fraud is contained and that data compromise through the Internet is actually less severe, less costly and not as widespread as previously thought.

Identity fraud victims as a percent of the United States adult population have declined slightly from 4.7% to 4.0%, between 2003 and 2006. Consumers need to be aware of the 63% of potential identity fraud that is under their primary control.

“Our numbers clarify four key misperceptions about identity fraud,” says James Van Dyke, Javelin’s founder and principal analyst, who oversaw the Identity Fraud Survey Report for the second consecutive year. “Most importantly, people are not helpless in protecting themselves from identity theft. Contrary to popular belief, consumers do not bear the brunt of financial losses from identity fraud, Internet use does not increase the risk of identity fraud; and that seniors are not the most frequent targets of fraud operators. Our findings will help people learn about specific important steps they can take to better protect themselves.”

### **About Javelin Strategy & Research**

Javelin provides research-based strategic direction for financial services, payments, e-commerce, and identity fraud. Javelin rigorously researches technology issues, industry trends, attitudes and activities of consumers, small businesses, institutions, processors, merchants, billers, and other organizations in order to deliver relevant, high-impact strategic guidance. Javelin can be found on the Web at [www.javelinstrategy.com](http://www.javelinstrategy.com).

For more information on this project or other Javelin studies, visit [www.idsafety.net](http://www.idsafety.net) or [www.javelinstrategy.com/reports](http://www.javelinstrategy.com/reports)