FSB™
Financial Strength Builder

Identity Theft and Your Credit

According to the FBI, identity theft is one of the fastest growing crimes in the United States. About 500,000 to 700,000 Americans every year are victims of identity theft. So what is identity theft? It is when someone steals the victim's personal identification, like name or social security number, and makes purchases using the stolen information. Some of those inaccuracies and mistakes in your credit report may actually be the result of identity theft. That's why it is so important to carefully check your credit reports and other financial statements on a regular basis.

Signs Your Identity has been Stolen

Because the words "identity theft" are so serious, you might expect to see dramatic signs if you become a victim. But these signs may actually be quite subtle. In fact, many people don't even know they have been victims of identity theft.

Some signs include being charged for something you didn't buy, like gasoline from a gas station in a different city or charges on your statements that you didn't make. If your identity is stolen you might not receive your bills, or you might receive credit cards for which you didn't apply. One of the most disturbing signs of ID theft is being denied for credit when you thought everything in your report was fine.

While you certainly don't want to have your identity stolen, the way to ensure you are not a victim is to check your credit report on a regular basis. Let's talk about what to do if you suspect identity theft.

Catch ID Theft Early

Keeping close track of your own spending will help you catch identity theft early. If you check your bank statements and credit history regularly, you should see signs of identity theft before they become too damaging.

If you think someone has stolen your identity, you will need to take immediate steps to prevent further damage.

First, you should contact the fraud department of any of the three credit reporting companies. Next, you should close the account you think was affected by the theft, with an explanation to the account

institution. Third, you will need to file a complaint with the Federal Trade Commission. Finally, file a report with your local police department and give them your FTC identity theft complaint form.

Pay Attention to the Details for a Healthy Credit History

Most of what you have just learned boils down to the details. In the past, you may have been tempted to ignore these details. But repairing credit mistakes and preventing identity theft depend on your watchful eye over the small details of your own financial life. With practice and determination you can become the type of person who attends to every aspect of your financial health, even the small and sometimes tedious ones. It will be worth it.