



CREDIT REPORT AND IDENTITY THEFT MONITORING IS ESSENTIAL FOR CONSUMERS



To protect their financial wellbeing, modern consumers need to prioritize credit report and identity theft monitoring.

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The Importance of **Credit and Identity Protection** for Consumers

Everyone who pursues financial prosperity should recognize the monitoring their credit reports and identity is essential for credit health. Maintaining a secure identity and strong credit history is important for many financial milestones. These include opening a credit card, buying a home or owning a car. In some cases, strong credit is needed to rent an apartment or get a new job.

For these reasons, credit report and identity theft monitoring are mainstays of financial wellbeing. But in the modern world, cybersecurity threats and identity theft cannot be ignored. On average, there are three data breaches a day, exposing personally identifying information (PII) that allows thieves to steal your identity.¹ Cybercriminals and low-tech scammers alike pose a direct threat to the financial security of Americans.

Consumers must be proactive when it comes to watching, and protecting, their credit and identity. The longer that fraud continues unnoticed, the more expensive, time-consuming and distressing the consequences.

Why Credit Is **Worth** Protecting

Strong credit is worth protecting because it conveys many financial benefits to consumers. Consumers with good credit often can:

- *Get approved for the financial products they need, including mortgages, auto loans and credit cards. Some landlords and employers conduct credit checks as well.*
- *Access lower interest rates, keeping their monthly payments down and reducing the cost of borrowing over time. For example, mortgages for subprime borrowers (consumers with poor credit) may cost tens of thousands of dollars more.²*
- *Come to the table with less money up front; subprime borrowers may need larger down payments to receive financing.²*
- *Credit-based insurance scores can be used when calculating premiums.*

In short, strong credit often can help consumers access the financial products they need at a lower cost.³

The Threat of Cybersecurity and Identity Theft

Countless organizations store sensitive data on customers, users, employees and citizens. Data breaches to those organizations have exposed the PII of millions. Malware and malicious spam are the top reported causes of data breaches among organizations. ⁴

Data breaches are not the only threat. Criminals may run email phishing scams, steal mail and even call consumers on the phone to gain unauthorized access to accounts or PII. Even family members, spouses and friends can steal the identity of those close to them.

No matter how PII is stolen, it can be leaked, sold to the highest bidder on the dark web or used by the malicious actors who obtained it. Depending on the type of data stolen, criminals can use the information to make fraudulent purchases, gain access to accounts or commit identity theft that damages the victim's credit for years.

Credit Awareness and Monitoring Provides Protection

Consumers who aren't watching their credit are especially vulnerable. Too often, someone may not realize identity theft has occurred until he or she starts getting unrecognized bills in the mail or receives calls from debt collection agencies. By that time, the fraud has already happened, and significant damage may already have been done.

Consistent credit report and identity monitoring reduces this threat. It helps the individual recognize changes to their credit profile, including those caused by identity theft, much faster. Responding quickly is important for many reasons:

Dealing with identity theft takes time.

The time required to deal with fraud and identity theft depends on the nature of the fraud and the extent of the damage. For example, a stolen credit card may only require the consumer to dispute fraudulent charges, cancel his or her card and receive a replacement from his or her credit card issuer. But when a consumer's Social Security number has been used to open multiple fraudulent accounts, reversing the consequences and untangling the issues can take years.

The consequences of identity theft may include damaged credit, tax debt and even a criminal record. Identity fraud victims can spend dozens of hours resolving identity theft problems, with 3% of victims still experiencing problems six months or later. ⁵ A rising number of victims are unable to resolve their cases within a year. ⁶

The sooner that identity theft has been discovered, the faster it can be dealt with and resolved.

Dealing with identity theft costs money.

Fraud caused more than \$3.5 billion in losses for consumers last year, according to data reported to the FBI's Internet Crime Complaint Center. Beyond initial monetary losses, clearing up issues related to fraud can create additional out-of-pocket costs. Victims who saw fraudulent accounts opened or PII misused experienced greater loss than victims of other types of fraud.⁷

These costs demonstrate the risk to consumers who must clean up the mess of identity theft after the fact. Early detection can assist in mitigating these out-of-pocket expenses.

Dealing with identity theft causes emotional distress.

If you think the only consequences of identity theft and other types of fraud are economic, think again. Victims of fraud may experience emotional responses that resemble survivors of violent crimes. The term "fraud trauma syndrome" was coined to reflect this impact.

Studies have shown mental health issues can include increased stress, agitation and fears of additional fraud incidents. Physical health problems may include headaches, fatigue and insomnia. And victims of medical identity theft may experience negative health consequences due to misdiagnosis, incorrect treatment or delayed care.⁷

Credit Report and Identity Theft Monitoring **Reduces Threat**

Active credit report and identity theft monitoring helps bring protection and peace of mind to consumers. Consistent monitoring of credit is impactful because:

- *Active monitoring notifies consumers of suspicious changes to their credit profile and helps alert them to possible suspicious activity.*
- *Active monitoring gives consumers insight into the root cause of changes made to their credit report.*
- *Active monitoring helps consumers identify symptoms of identity theft, including change of address, change of personal information, delinquent accounts, credit inquiries, public records, judgments and new credit accounts or loans opened in their name.*

Identity theft insurance coverage also provides protection for victims' losses and expenses, including out-of-pocket expenses, hiring lawyers and other professionals and reimbursing stolen funds.

Consumers in the modern world need to be assured that their personal data and accounts are protected. Credit report and identity theft monitoring are paramount to the wellbeing and financial security of consumers nationwide.



SCOTT HERMANN
CEO

The **Solution**

IdentityIQ services provides the active credit and identity theft monitoring consumers need. Offered by IDIQ®, the IdentityIQ brand is recognized as one of the fastest-growing industry leaders in credit report and identity theft monitoring. Benefits include credit reports and scores; credit monitoring; identity theft monitoring; dark web and internet monitoring; and fraud restoration. IdentityIQ services also offers \$1 million in identity theft insurance, underwritten by AIG, for stolen funds reimbursement, coverage for lawyers and experts and coverage for personal expenses. The company provides 100% U.S.-based customer service and support.



¹ Source: Identity Theft Resource Center

² <https://www.bbb.org/new-york-city/get-consumer-help/articles/your-rights-as-a-borrower/>

³ https://www.naic.org/documents/consumer_alert_credit_based_insurance_scores.htm

⁴ Source: Cisco's 2020 CISO Benchmark Report

⁵ Center for Victim Research, Identity Theft and Fraud Research Brief

⁶ Federal Bureau of Investigation, 2019 Internet Crime Report

⁷ Center for Victim Research, Identity Theft and Fraud Research Brief

For more information, visit idhq.com and identityiq.com.

