



Don't let identity theft stop you in your tracks

Imagine this. You swipe your debit card at one of your favourite stores or place a credit card order over the internet with a trusted retailer. A couple of months later, you start to notice strange charges appearing on your monthly statements. Bills arrive in the mail for accounts you never set up. Collection agencies are on the phone demanding that you pay debt you never incurred. You are turned down for a line of credit application you thought would be a routine approval. It starts to sink in that you may be a victim of identity theft.

Identity theft – the act of using personal information without permission to commit a crime such as fraud, theft or forgery – happens more often than you might think. In 2006 Phone Busters, which tracks telephone fraud in Canada, received 7,778 identity theft complaints representing losses of more than \$16 million.¹ Of course, those losses don't include the time and effort identity theft victims have to spend to report the situation, replace compromised cards and repair their credit rating. By far the best solution to the problem is to stop identity theft before it happens.

STAY SAFE

In our information age, when personal data is transmitted over phone lines, internet connections and wireless networks in the blink of an eye, it's not possible to guarantee that you won't ever be a victim of identity theft. However, here are 10 important things you can do to guard your personal information and minimize the risk.²

¹ Phone Busters, www.phonebusters.com/english/statistics_E06.html

² Consumer Measures Committee, www.cmcweb.ca/epic/site/cmc-cmc.nsf/en/fe00088e.html, www.cmcweb.ca/epic/site/cmc-cmc.nsf/en/fe00040e.html,

Office of the Privacy Commissioner of Canada, www.privcom.gc.ca/id/checklist_e.asp

PROTECT YOUR PERSONAL INFORMATION

1. Never share personal information over the telephone, over the internet or by mail unless you initiated the contact.
2. Don't provide more personal information than required – for example, you don't need to use your Social Insurance Number (SIN) for anything unrelated to employment and tax reporting.
3. Glance around you when you're about to enter your PIN to make sure no one is standing too close, and shield the numbers as you type them in.
4. Carry only the ID you need and store the rest (for example, your SIN, birth certificate and passport) in a safe place such as a safety deposit box.
5. Don't lend your credit or debit cards to anyone, and report missing cards immediately.
6. Review bank and credit card statements carefully each month, and shred all documents that contain personal information – including your address – before you discard them.
7. Protect your computer by installing firewall, anti-virus, anti-spyware and security software and updating it frequently.
8. Use complex passwords that mix letters, numbers and symbols, and always look for security symbols (e.g., https://, a closed lock or an unbroken key icon) before entering personal information online.
9. Never reply to spam or any e-mail that asks you for personal banking information.
10. Use overwrite software to delete information on hard drives before you throw them out, or physically destroy the drives.

Another way to protect yourself is a relatively new product in Canada – identity theft insurance, which may be available as part of your home insurance policy. While it won't reimburse financial losses resulting from identity theft (which are often covered by financial institutions), it may pay some of the costs required to deal with the problem, such as legal expenses, costs related to notarizing affidavits, lost wages and loan re-application fees.

ACT QUICKLY

What if, despite your best efforts, the security of your personal information is compromised? Perhaps your wallet, cell phone or personal digital assistant was stolen. Maybe someone took mail out of your mailbox without your knowledge. Or perhaps your bank card number and PIN were lifted from a bank or direct payment machine that was tampered with.

If you have reason to suspect that your personal information is being used by someone else, act quickly:

- File a report with local police
- Contact the financial institutions you deal with
- Place a fraud alert on your credit report (see below for more information about credit reporting agencies)

Equally important, make sure you keep careful records of all the steps you take to address the problem.

The key to protecting yourself is to be aware of the danger; do whatever you can to guard your personal information and remain vigilant so you notice any



questionable activity before the situation escalates. You can find more information about identity theft, including a Consumer Identity Theft Kit and an Identity

Theft Statement to help you report suspicious activity, on the Consumer Measures Committee website at www.cmcweb.ca.

DO YOU KNOW YOUR CREDIT RATING?

The day you applied for your very first credit card or loan, a credit report was established for you. It tracks your borrowing history, including what you owe and what your credit limit is, whether you pay your bills on time and which borrowers have inquired about your credit history.

In your credit report, you have an assigned credit rating – the most common format is R0 to R9. An R0 rating means you are too new to rate. R1 is the one you want – it means you pay your bills within 30 days or as agreed. R9 is the worst rating, reserved for bad debt, collection or bankruptcy.

You are entitled to ask for one free copy of your credit report by mail each year (you can also pay to get an online copy instantly). It's a good idea to check your credit rating periodically to make sure that identity theft or simple mistakes aren't compromising your good credit. For information on how to order your credit report, contact Canada's two largest credit reporting agencies – Equifax Canada (www.equifax.com) and TransUnion Canada (www.transunion.ca).

Generally speaking, the following strategies can help you maintain a good credit rating:

- Paying your bills on time
- Keeping balances below 50 per cent of your credit limit

- Maintaining accounts such as credit cards for a long period of time
- Demonstrating that you have reliably paid several types of debt (e.g., credit cards, lines of credit, car loans)
- Avoiding authorizing multiple credit rating checks in a short period of time

Assuming that your credit report is accurate, the only thing you can do to improve a bad rating is to pay your bills on time and wait for periods that reflect badly on you to slip off what is often a six-year radar. Keep in mind that companies that call themselves "credit repair services" can only correct inaccuracies – which you can do yourself at no cost.

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