

National Identity Fraud Prevention Week or Was it "Identity Theft for Dummies?"

Article by: Vincent Woodall

National Identity Fraud Prevention Week ran from the 17th – 23rd October last year for the first time. There was a great deal of publicity regarding identity fraud as might have been expected but was it perhaps a case of “too much information”? It is certainly understandable that a great deal of information was given about how to prevent identity fraud and what to do if you fell victim to it. However, there was also a great deal of information given that would certainly help the criminally-inclined who might otherwise never have thought that this was a way to make some easy money.

Identity theft is growing fast, costing around £1.7 billion and affecting up to 100,000 people each year. Strangely, it's not a crime at the moment although the Government is considering making it one. It only becomes a crime when a stolen identity is actually used to obtain goods and services by deception at which point it becomes known as identity fraud.

Banks alone acknowledge about £500m of such fraud a year in the UK - up from £213m in 2000 and £62m in 1995. But banking insiders recently told the newspaper “Scotland on Sunday” that as much as another £500m was discovered by the industry but never reported to police, under a controversial policy of dealing in-house with any theft of £2,000 or less.

Somebody once said that if you want to know what is going to be happening in the UK in ten years time, then you need only look at what is happening in the USA today. Unfortunately, with the scourge that is identity fraud, the UK is very much in danger of catching up with the USA in less than ten years. Almost 20% of consumers in the USA admit to falling victim to identity theft. Younger adults are most at risk according to Experian-Gallup Personal Credit Index published on the 4th August 2005. Identity theft in the UK is rapidly on the up, with an increase of 165% over the available figures for 2004 according to Credit reference agency Experian. It has been suggested that over 100,000 people will have been the victims of identity theft in the UK in 2005 (and the figure is rising year on year) and it is estimated that this will have cost the British economy over £1.7 billion (and again the figure is rising). It can also take up to 300 hours of your time to repair your credit record if you become a victim of this particular crime. Many victims do not discover their identity has been stolen for an average of 18 months.

However, is it any wonder that this particular crime is on the increase, when so much detailed information is given as to how identity thieves go about their task? I am reminded of an article I read in one of the tabloid newspapers only a few months ago, in which a convicted burglar, originally from Eastern Europe, explained how he had learnt valuable tips of the trade from, of all places, a police website. The same could be said about identity theft but this information is not confined to police websites. If you were to type in “identity theft” into the Google UK search engine, you would see that this returns some 775,000 results. Now not all of these results are specifically about identity theft. However thousands of these results describe in detail how easily identity thieves go about stealing other people's identities.

Some of the things you might discover if you were to carry out a search for the term “identity theft” are:

- The increase in the practice of bin-raiding (dumpster-diving as it is known in the USA – and the American courts have decided that dumpster-diving is not in itself illegal) where a would-be identity thief goes through the contents of your dustbin to see if you have carelessly discarded information that could be used in helping to “steal” your identity. Identity theft often occurs because someone has been careless with personal or business information. UK credit reference agency Experian, in co-operation with the London Borough of Camden, analysed the contents of the dustbins of 327 domestic homes and 71 companies and organisations to assess the potential for identity fraud (apparently bin raiders in certain parts of London are paid up to £5 a document by would-be identity thieves). Some of the information found included the names, addresses and mobile telephone numbers of well known film and television stars that had been discarded by a film and theatrical agency. Photocopies of passports with passport numbers, dates of birth and photographs of customers had been thrown out by a travel agent. Full financial details of applicants for courses at an educational establishment had been put into dustbins. Detailed scaled plans of NHS hospitals and other public buildings had been thrown out by an architect. Full medical records of the patients of a doctor's surgery had been thrown away. Signed witness statements and sworn affidavits had been discarded by a barrister's chambers. A PR company had thrown out embargoed press releases and bank account details of its clients. A mortgage broker had discarded numerous completed mortgage applications containing full financial details of its clients.

Apart from the above, one in ten domestic households was found to have discarded a complete combination of credit or debit card number, with expiry date, issue number and signature. This would have proved a golden opportunity for someone to carry out card-not-present fraud which is one of the fastest growing ID frauds in the UK and costs £110 million a year. Small wonder that many if not all credit and debit card companies now insist on the three-digit security number from such cards being taken for such card-not-present transactions. Chip and Pin is now becoming more commonplace for cardholder present transactions involving credit and debit cards.

Many other assorted articles were also found in this selection of dustbins including mortgage statements, bank account

numbers and balances, a cheque book complete with ten cheques, an uncashed cheque, medical information, an MP's signature, CVs, driving licences and a death certificate. Jill Stevens, Consumer Relations Director at Experian, commented "...as consumers, we are all still binning far too much personal information which can and is being used by fraudsters to fuel the current boom in ID fraud".

- Information as discarded above can, as the Home Office point out, be used to open bank accounts, obtain credit and debit cards, store cards or benefits or services in the victim's name.
- Such information may be used to establish mobile telephone or utility accounts or take out loans.
- An identity thief could open a bank account and write bad cheques in the victim's name.
- Credit reference agency Experian's research shows that the people most likely to be the victims of identity theft include young professionals and middle-aged families living in central London with office and service jobs.

These groups are twice as likely to be victims of identity fraud.

- Those who earn over £60,000 are almost three times more likely to be victims of identity fraud and the better-off in the suburbs are four times more likely to be victims of identity fraud.
- An identity thief could give your name to the police during an arrest. If they are released and fail to show up at a later court hearing, a warrant for the victim's arrest could be issued.
- Identity thieves even steal the identities of deceased people.
- If you use a mailbox rather than a letterbox you are more likely to have your mail stolen
- London is the UK's identity theft hot spot. A quarter of all identity theft cases have taken place in the capital this year. Experian reveals that Londoners are twice as likely to become victims of identity theft as the average UK region.
- Enfield residents are more than twice as likely to become victims of identity theft as the average London borough. Enfield is followed by Bexley and Harrow in second and third places respectively.
- Identity thieves will intercept victim's mail, telephone victims pretending to be from their bank, send out "phishing" emails asking the intended victim to click on a link and generally "reconfirm" personal details.
- Amongst many other tales of stolen identity, there is the story of the woman from Ipswich who received more than 50 unpaid parking fines notices totalling thousands of pounds, from several London boroughs. Despite the fact that she had never held a driving licence, a fraudster had been able to register his vehicle in her name and run up parking fines.
- Your mother's maiden name can be particularly useful to an identity thief.
- Anyone can apply for a copy of your birth certificate or driving licence. With a birth certificate, a fraudster will know your mother's maiden name, and can acquire a passport in your name. Include public records like the Land Registry, Companies House and the Electoral Roll and there's not a lot about you that can't be discovered.
- Identity thieves can get your mail redirected, or apply for credit cards using your name and your real address as the former address on the application. Mobile phone accounts, loans, overdrafts – all can be taken out in your name.
- Capital one (the credit card company) carried out research that showed that 43 per cent of people did not remember to redirect their mail when they moved house. Only five per cent of those that did redirected it for more than a year.
- A research company, Populus, found that 40 per cent of those polled feared being a victim of identity fraud more than pickpocketing, mugging or burglary – and rightly so if the statistics are anything to go by.

- There is a case of identity fraud every four minutes, according to Professor Martin Gill, a criminologist at the University of Leicester. Professor Gill interviewed five criminals as part of a study into identity theft commissioned by Capital One, the loan company. One thief preyed on flats with shared mailboxes, which make it easier for mail to be stolen. Another used mail addressed to the former resident of her flat to open a credit account.
- Two identity thieves admitted to bribing delivery men into parting with items.
- Unattended handbags were also a useful source for thieves. Capital One's data suggested more than 3 million people regularly carried their bank statements with them, 4.9 million carried their payslips, and 3.4 million took their passports around with them. Around 7 million people admit to leaving bags and briefcases unattended in public places. Professor Gill said criminals who got an illegitimate credit or debit card found it easy to use them. Signature checks were reportedly lax. Some male perpetrators even managed to use cards bearing female identities.
- A thief can spend freely with a stolen credit card until it is reported stolen or lost. Even then, they can be used as identification to acquire store cards in your name. This is because at present shops issuing store-cards are denied access to the banks' hot card file of stolen card numbers.
- According to the BBC's news website, Fraudsters bribe burglars and postmen for bank statements, which contain enough data to open new accounts and take out fraudulent loans in your name.
- "The Money Programme" was told by a convicted fraudster, Glenn Davies, now in jail, about his role in a nationwide ring of identity thieves, which utilises private financial information, supplied by corrupt bank staff.

Only very recently, in February this year, two identity fraudsters got confidential information about comedian Harry Hill, 41, from a bank clerk and used it to set up an internet account in his name. They then siphoned cash from the comedian's genuine Halifax accounts into the bogus one. In one month a series of large sums were transferred out of the online account to various beneficiaries and stolen. Hill, whose account was in his real name of Dr Matthew Hall, discovered the theft when he visited his Halifax branch in Battersea, South London, to query the transactions. The stand-up comic was one of five wealthy clients targeted. The unnamed conmen got their confidential details from Sharmane Dillon, 23, a Halifax customer adviser. Dillon claimed the men, who were not caught, threatened her with violence. They sent her the names of chosen victims by text message and she searched the computer database for dates of births and answers to security questions.

Prosecutor Andrew Evans told Harrow crown court that one conman then posed as Hill to alter the bank's records of his address. He said: "It was changed to somewhere in Woolwich. A code was then issued to that address which enabled fraudulent transactions." Almost £500,000 was taken from the customers. About £150,000 was recovered. The bank refunded the rest.

Dillon, who worked in Wembley, admitted passing on customer details but denied plotting fraud. She denied the charge of conspiracy to defraud saying she did not profit from the crime, and only took part because the conmen had threatened to hurt her family and slit her throat if she did not help.

However a jury at Harrow Crown Court found the 23-year-old guilty by a majority verdict . The fraudsters themselves were not caught. Judge Susan Tapping told her: 'It would be very wrong if I didn't warn you that a custodial sentence is very much on the cards for this offence.' Four other accounts were targeted in the sting, which netted more than £578,000 in 2004; although all the victims have got their money back. She was released on bail and will be sentenced next month. Last year another comedian, Ricky Gervais, was also a victim of identity fraud when a picture taken from the cover of a DVD was used in a stolen passport.

So where does this leave you? If you can't even trust the staff at your bank it doesn't leave too much hope. MPs recently voted to bring in voluntary ID cards. Presumably criminals will choose to opt out given the choice. But apart from biometric ID cards what can you do to protect your identity? If you are not rich or famous, and thus specifically targeted as Ricky Gervais and Harry Hill were, you should stand a better chance of protecting yourself by, at the very least, investing in a decent shredder, of at least security level 3 or 4, and shred every bit of correspondence that you throw in your dustbin, absolutely everything and anything that has confidential information on it, even if it is only your name and address.

AB Technology (London) Ltd supply the widest range of paper shredders from no less than 9 major manufacturers including desktop CD shredders. By shredding often and shredding well, you will go a long way to protecting yourself against opportunistic identity thieves who might be looking to raid your dustbin for useful personal details.

Vincent Woodall is the sales and marketing manager for AB Technology (London) Ltd. ABT supply paper, CD and Multimedia and cardboard shredders, well over 300 models from 9 major manufacturers. They offer the widest choice of quality shredders available from one supplier in the UK.

www.abt-shredders.co.uk