

Tips for Avoiding Identity Theft

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As anyone who has been paying attention lately no doubt knows, identity theft is on the rise, and more people than ever before are finding themselves at risk. With the recent disclosure of missing consumer data by a number of banks, credit card companies and other financial institutions, now is the perfect time to look at steps you can take to avoid the hassle and expense of identity theft.

What is identity theft?

Many people are confused at just what constitutes identity theft. Identity theft involves much more than someone just using your credit card to buy all those things they've always wanted. Instead, the identity thief will open bank accounts, obtain loans and get credit cards in your name. These accounts, unknown to you, can quickly ruin your credit and damage your good name.

The results of this identity theft can be quite devastating, and on average the identity theft victim can expect to spend about \$800 and to put in up to 175 of hard work in order to regain their identity and their good name. Even after all this hard work, the results of an identity theft case can linger for many years, and can continue to have an impact on one's ability to get mortgages and other loans.

What can the individual consumer do?

It can be difficult for the average consumer to know what to do to avoid becoming a victim of identity theft. Fortunately, there are a number of things savvy investors can do to avoid becoming a victim. One of the easiest and most cost effective steps to take is to buy a simple crosscut personal shredder.

Many identity thieves obtain what they need by simply picking through the trash. It is important to shred any document that contains Social Security numbers, bank account numbers, credit card numbers and other sensitive information. A good crosscut shredder can be had for less than \$50, and it will pay for itself in peace of mind.

Another simple step consumers can take is to mail credit card bills at the post office, or from the office. Many thieves troll mailboxes while homeowners are away, scoring valuable credit card numbers and Social Security numbers in the deal.

Knowing when your credit card bills come due is another important step. If you have not received your credit card bill when you usually do, it could mean that an identity thief has changed the address on the account to hide their tracks.

Keep your private information private

Perhaps the most important tip is to never, ever give out personal information like credit card numbers, bank account numbers and Social Security numbers over the phone unless you have initiated the call. Many identity thieves will call unsuspecting consumers and pretend to be bank officials, credit card officials or even law enforcement officers in an attempt to solicit private information. The stories many of these individuals tell can be quite convincing, but do not let yourself be fooled.

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