

# Why is Identity Fraud / Theft Rising?

---

*Article by: Steve Jones*

A study by Javelin Strategy and Research in 2005 showed that 9.3 million Americans are victims of identity theft each year. This is about 4.25% of adults. The Home Office in the United Kingdom also claims that this crime is reaching epidemic proportions, although they do not actually collect data and statistics. But why is this becoming such a problem? This article hopes to help answer some of your questions.

In the USA today, about \$52.6B is the annual cost of identity fraud, which works out at about \$5,686 per victim. These statistics from the Javelin study also highlighted that anyone who has been a victim of identity fraud spends about 28 hours trying to sort out the problems. Although the financial cost is met by banks and other institutions, these costs then get passed onto consumers.

In this age of modern technology, it is possible for you to extend your credit without ever having seen your customer. There has also been a massive increase in the use of the Internet and telephones to buy goods and make payments in this way, as well as an increase in the volume of personal information held by third party companies.

You may not realise but, in the USA, a lot of your most personal information is readily available to the public including mortgage details, driving license details, and social security numbers. Although this information is not as easy to get hold of in other countries, it is still held in the relevant organisations where its many employees have easy access to this.

Another problem is with companies such as car hire agencies, car dealerships, and solicitors. They now insist on taking a copy of their client's identity documents, such as birth certificate. So you end up handing over your identity to these companies. Unfortunately, if you need to deal with these companies, there is nothing that you can do but a way to protect yourself is to ask for any of these documents back when you no longer deal with them.

One of the most common ways of illegally accessing your personal information is still through bank statements, cheques and credit cards. This risk is increased if you throw all bank, credit card statements straight into your rubbish bin. Criminals are known to go through your rubbish looking for this information that they can use to gain access to your finances. Therefore, it is absolutely vital that you buy a paper shredder. These are not expensive, but can save you a lot of money if someone ever gained access to your accounts in this way.

The prevalence of identity theft does seem to depend on the country that you live in. A lot of Continental Europe require people to own ID cards, which must be shown when their identity needs to be proven, e.g. when opening bank accounts, hiring cars and so on. These cards are very difficult to copy and it therefore makes it very difficult for people to commit fraud. Since they are so readily available, most companies will not accept any other forms of identification.

More articles from this author can be found at <http://www.identity-theft-center.com>