



Consumer Federation of America

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Nine Things to Check When Shopping for Identity Theft Services

Many companies and organizations sell services that promise to “protect your identity.” Identity theft services may be able to help you detect identity theft quicker than you could yourself so that you can take action to prevent further damage. Some services provide software or other technology to safeguard the personal information in your computer from ID thieves (though you can easily install antivirus and antispyware software yourself). And some services help victims resolve problems caused by identity theft. But, as Consumer Federation of America has [reported](#), the claims that some identity theft services make are exaggerated or misleading, and it’s not always easy to tell from their Web sites and advertising exactly how these services work, how much they cost, or what protection or assistance they really offer.

This checklist was developed by CFA’s ID Theft Service Best Practice Group (which includes companies that provide identity theft services, consumer organizations, and consumer agencies) to help you look for identity theft services that follow good practices. CFA also offers [tips](#) on steps consumers can take to protect their personal information and detect fraud. Two good sources of advice about how to reduce the chances of becoming a victim and how to resolve identity theft problems on your own are the Federal Trade Commission, www.ftc.gov/bcp/menus/consumer/data/idt.shtm, and the Privacy Rights Clearinghouse, www.privacyrights.org/Identity-Theft-Data-Breaches.

- 1. Do the claims on the identity theft service’s Web site or in its advertisements make you think that the service will completely protect you against identity theft?** If the answer is yes, steer clear! No one can absolutely protect your personal information from being stolen or fraudulently used, and identity theft service providers that follow good practices won’t imply that they can.
- 2. Does the identity theft service use scare tactics to try to get you to enroll?** If the answer is yes, steer clear! While identity theft is a serious problem, not everyone is or will become a victim, and the impact of identity theft varies. For instance, if someone steals your credit card number and uses it, you’re not liable for more than \$50, and most credit card issuers won’t make you pay anything if you report the problem as soon as you discover it. Other identity theft problems can be harder to fix. Identity theft service providers that follow good practices won’t exaggerate the likelihood of becoming a victim or the harm that identity theft causes.
- 3. Does the identity theft service make basic information about the company easy to find on its Web site?** If the answer is no, steer clear! Identity theft service providers that follow good practices will provide basic information such as the company name, the physical location of its headquarters, and how to contact it or its product distributor directly for answers to questions.
- 4. If the service offers to monitor your personal information and alert you if someone may be fraudulently using it, is it clear what it monitors?** If the answer is no, steer clear! Identity theft service providers that follow good practices will make it easy to find information on their Web sites and through their customer service representatives about which of the three major credit bureaus (Experian, Equifax, and TransUnion), if any, they monitor. They will also tell you whether they monitor other places such as commercial databases, public records, and the Internet for clues that you might be a victim, and how frequently they monitor.

- 5. Does the identity theft service make clear how monitoring or other features of its program actually help you?** If the answer is no, steer clear! This information can help you decide which service best meets your needs and what other steps you might want to take to protect yourself. For instance, if credit monitoring is a feature, the identity theft service provider should explain the types of information that credit reports typically contain and that credit monitoring can help to detect new accounts fraudulently opened using your information. Since credit monitoring won't alert you if someone is fraudulently using your existing accounts, you might want to consider monitoring those accounts yourself by checking them online once a week. Also look to see if it is clear how you will be alerted about suspicious situations. Identity theft service providers that follow good practices will clearly explain your choices for how to receive alerts.
- 6. If the service offers to help identity theft victims, is it clear exactly what help it provides and who is eligible for it?** If the answer is no, steer clear! Identity theft service providers that follow good practices will make it easy to find information on their Web sites and through their customer service representatives about exactly how they help victims and who can get help. For instance, some services provide customers who become identity theft victims with kits containing general advice about what they need to do to resolve their problems on their own, others may provide one-on-one counseling to actively guide customers through that process, and some actually contact customers' creditors and others as needed to resolve their identity theft problems on their behalf. If you are already a victim of identity theft before you purchase the service, it's also important to know if the service will assist you or if it does not provide help for "pre-existing" identity theft.
- 7. Is the cost of the service provided before you are asked for your payment information?** If the answer is no, steer clear! Identity theft service providers that follow good practices will make clear and complete information about the cost of their programs available before you are asked for your name, address, and payment information.
- 8. Does the service have a clear, transparent privacy policy?** If the answer is no, steer clear! Identity theft services collect personal information from or about individuals for many purposes, including verifying their identities, processing payments, providing lost wallet and monitoring services, helping to resolve fraud problems, and marketing. Identity theft service providers that follow good practices post clear, transparent privacy policies on their Web sites and make that information available from their customer service representatives so that you can easily learn what types of personal information they collect, how they use that information, what types of information, if any, they share with others, and what control you have over the collection and use of your personal information. Identity theft service providers that follow good practices should also explain how they safeguard your personal information.
- 9. If the identity theft service offers insurance or a guarantee, is it clear what is covered and who is eligible?** If the answer is no, steer clear! Identity theft service providers that follow good practices should make it easy to find information on their Web sites and through their customer service representatives about exactly what the insurance or guarantee does for you and in what situations. For instance, if it reimburses you for expenses related to resolving identity theft problems, the identity theft service provider should explain what types of expenses are included, whether there are limits to how much you can get or other restrictions, and what's required to make a claim. Identity theft service providers should also tell you if things aren't included that you might expect the insurance or guarantee to cover. For example, if you won't be reimbursed for money stolen by identity thieves, or you're not covered for identity theft that is committed by a family member, that information should be easy to find and clearly explained. If the guarantee is that the service provider will resolve your identity theft problems for you, any limits to the situations that are covered or the assistance that will be provided should be clearly spelled out.