

Fact Sheet about ID Theft

Over 261,891,160 records containing personal and financial information were involved in security breaches announced from January 2005 to June 2009. *Source: Privacy Rights Clearing House, A Chronology of Data Breaches. June 2, 2009.*

According to a 2007 Federal Trade Commission (FTC) study, 8.3 million U.S. adults become victims of ID theft each year. Consumers Union estimates that this amounts to more than 22,000 victims per day and 15 victims per minute. The FTC study classifies ID theft into three categories: existing credit card accounts, existing non-credit card accounts (such as checking, savings and telephone accounts) and new accounts and other fraud using stolen personal information. A recent private study reported 9.9 million victims and another private study reported 15 million victims. *Sources: Federal Trade Commission – 2006 Identity Theft Survey Report, November 2007; Javelin Strategy & Research, 2009 Identity Fraud Survey Report, February 2009; Gartner, The Truth Behind Identity Theft Numbers, February 28, 2007.*

TIME: Consumers whose personal information was used in the creation of “new accounts or other fraud” spent the most time and money disentangling themselves from the problems created by ID theft.

The number of hours ID theft victims spent resolving the problem varies widely. A study issued by the FTC in November 2007, based on interviews with persons who were identity theft victims in 2005 reported a median of four hours per victim, and ten hours per victim in the category of “new accounts or other frauds.” **Nearly one third (31%) of new accounts victims spent 40 hours or more resolving problems from the ID theft.** Some consumers spent much more time. **Ten percent of consumers with new account fraud spent 100 hours or more, and five percent reported that they spent 1,200 hours.** A private 2007 study reported that the average number of hours for victims of new account ID theft was 40 hours. *Sources: Federal Trade Commission – 2006 Identity Theft Survey Report, November 2007; Javelin Strategy & Research. February 2007.*

MONEY: The out of pocket cost to ID theft victims also varied widely. The FTC study reported median expenses of zero, with a \$40 median for new accounts victims. **However, 10% percent of all ID theft victims reported costs of \$1,200 or more, and 10% of victims of new accounts and other frauds reported out of pocket costs of \$3,000. One quarter of all new accounts victims reported expenses of at least \$1,000.** A private study reported that identity fraud amounts to \$48 billion annually. *Sources: Federal Trade Commission – 2006 Identity Theft Survey Report, November 2009; Javelin Strategy & Research, 2009 Identity Fraud Survey Report, February 2009.*

Non-monetary consequences of ID theft were serious for many consumers. Thirty seven percent of victims reported experiencing problems other than out-of-pocket expenses or loss of time. These problems included **collection agency harassment, denial of new credit, being unable to use existing credit cards, being unable to obtain loans, utility shut off, criminal investigation, arrest, civil suit and difficulties opening or accessing bank accounts. Victims of new accounts and other frauds experienced one or more of these problems 68% of the time.** *Source: Federal Trade Commission – 2006 Identity Theft Survey Report, November 2007.*

Need to improve the credit report dispute resolution process. For the 31% of all ID theft victims who spent more than 10 hours resolving the problems, **38% reported that the most difficult part was the dispute resolution process**, and 34% reported that the practical consequences of the thief's actions were the most difficult part of their experience. **Another 26% said they were most affected by the emotional impact and stress.** Source: *Federal Trade Commission – 2006 Identity Theft Survey Report, November 2007.*

More than half of consumers (56%) who suffered new account fraud did not discover the fraud until after the first month, and for 24% of consumers, it took more than six months to discover new account fraud. A private study found that it took victims 134 days to discover new account fraud and 42 days to discover misuse of existing accounts. Sources: *Federal Trade Commission - 2006 Identity Theft Survey Report, November 2007; Identity Fraud Survey Report, Javelin Strategy & Research.*

More than half of all ID theft victims (56%) did not know how their information was stolen. Source: *Federal Trade Commission - 2006 Identity Theft Survey Report, November 2007.*

Only 16% of all victims were personally acquainted with the identity thief. This includes the many victims who did not know how their information was stolen. Source: *Federal Trade Commission – 2006 Identity Theft Survey Report, Federal Trade Commission. November 2007.*

Consumers with incomes of less than \$15,000 a year were less likely to experience ID theft as those with annual incomes at or above \$150,000, but lower income consumers spent twice as long and twice as much money to resolve their ID theft problems as those in the highest income group. Source: *2007 Identity Fraud Survey Report, Javelin Strategy & Research.*

People aged 18-24 years old were most likely to experience ID theft. People aged 65 and older were least likely to become victims, but it took them more time to resolve the problem. Source: *2007 Identity Fraud Survey Report, Javelin Strategy & Research.*

Notice of security breach helps. The FTC study showed that a majority of people who received a notice of a security breach (55%) took some action in response to that notice. Over one third (37%) of those individuals closed an account or placed a password on an account. Source: *Federal Trade Commission - 2006 Identity Theft Survey Report, Federal Trade Commission. November 2007.*

Methodologies

Federal Trade Commission 2006-Identity Theft Survey Report, issued November 2007, is based on data collected via telephone survey from 4,917 U.S. adults between March 27, 2006 and June 11, 2006.

Javelin Strategy & Research 2007 Identity Fraud Survey Report is based on data collected via telephone survey from 5006 U.S. adults between September 29, 2006 and November 7, 2006.

Javelin Strategy & Research 2009 Identity Fraud Survey Report is based on data collected via telephone survey from 24,000 U.S. respondents between 2005 and 2009.

Gartner Research *The Truth Behind Identity Theft Numbers* is based on an August 2006 survey conducted on behalf of Gartner with 5,000 online U.S. adults who belong to the survey company's internet panel.