

[Guest Post] How to guard yourself against identity theft and credit card fraud

Today's post is contributed by Phil. A few weeks ago he reached out asking if he could write a piece for the blog around protecting and preventing identity theft. Luckily I have never had to deal with my own identity being tampered with. He also shares a few stories of scams that happened to a friend's mother and a relative. I personally don't know how people fall for these things, but I guess they do. Reading through his two stories, I know there is absolutely ZERO chance I would have ever fallen for either scams.

We would all also like to believe that our friends and family are smart enough not to fall prey to the scammers out there as well. Unfortunately that is not always the case. I actually remember a scam that someone close almost fell for, but luckily she asked my wife and I if we thought it was legit or not before moving forward. In short she was looking for a place to rent by the beach and found a house for a ridiculous price (i.e. something renting for \$1,000/month that should have been renting for \$5,000/month). Essentially the scammer wanted you to wire them the deposit, because they were out of the country, and then they would send you the keys in the mail...REALLY?

Without further ado, let's hear from Phil...

Before I begin, I would like to share two personal experiences with you guys.

First - One of my friends' mother lost \$8,000 in a phone scam. The scammers gave her the bait of 1.5 million that she had won as the Publishers Clearing House prize. She was told to send the money to the Western Union to receive the prize. Another company, which said they would help her get back the money also scammed her. Later, she again lost \$4,500 more in a credit card scam in the hands of a fraud company that claimed itself to be the FBI. So, in total she was scammed for three

times.

Second - This incident was almost same as the first one. A close relative of mine had lost \$15,000 in a phone scam. She was also given a delicious bait of a car, which resulted in losing \$15,000.

Believe me, I was speechless when I heard the above incidents. I don't know how to react. How can a person be scammed for several times? I was disturbed by this question. I wanted an answer. So, I started doing research on my part.

Based upon my research, I'd like to share few points. Just have a look, my dear friends:

- Scammers are clever enough to steal your identity and credit card access details without your knowledge.
- These fraudsters are cheating you in disguise.
- By the time you get to know about them, you lose everything - your identity, your money, your self-esteem, and your confidence.
- Basically, you're left nowhere and you've nothing.

I would also like to share a recent data, which shows that identity thefts and credit card frauds are spreading like wildfire.

- According to the 2015 Identity Fraud Study released by Javelin Strategy & Research, "\$16 billion was stolen from 12.7 million U.S. consumers in 2014, compared to \$18 billion and 13.1 million victims a year earlier. There was a new identity fraud victim every two seconds in 2014."

You should know that tricksters are taking up several methods to cheat you. So, [keep yourself ready to fight against these frauds](#). Remember, your one wrong step will push you in the dark well.

Well, my research didn't stop here! I thought to take a step forward. I was determined to find out a remedy for this problem. So, I began my research from a different angle and came across certain measures, which can help you achieve a fraud-free life.

I'm sure if you follow these measures you can keep the scammers at bay:

Keep your personal information under lock and key

- Try not to keep your Social Security card in your wallet. Don't disclose your Social Security number to someone unknown.
- Keep bank account numbers, PIN numbers and other crucial information confidential.
- Avoid handing over your personal information to anybody. Verify the person's background before you give your personal details.

Wipe out the unnecessary documents

- Cut down old records into pieces that you no longer need, so that no one has the opportunity to get hold of your personal information. Such records include
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 - - bank statements
 - - health insurance forms
 - - medical bills
 - - credit card bills

- - receipts that display your credit card number
- Sign up for fraud alerts to get notifications if your personal identity is at stake.

Take safety measures while using technology

- Try to avoid public or unsecured computers and wifi.
- Be cautious while using online banking.
- Use the COD (cash on delivery) option while purchasing goods from online stores. It is the safest.
- Refrain from replying to emails or calls that ask for your bank details and other personal information.
- While using an ATM machine make sure no one is keeping an eye on you. Avoid using unfamiliar ATMs.
- Give strong passwords to protect your online identity.
- Protect your smartphone with passwords and don't leave it unlocked when it's not in use.
- Read the privacy policy and safety measures carefully while using social media and other online portals.
- Look out for the https:// mark or the lock sign before using the websites for any transactions. If you can't find the https:// mark or the lock sign, then it's better that you don't use it. You may fall into the foolproof trap of the scammers.

- Instead of using a regular credit card, use EMV chip credit cards. These are thousand times better than regular credit cards. EMV chip credit cards guard you against frauds.
- Use an encryption software, install an anti-phishing toolbar, update your browser to protect your online identity.

Keep a watch on your finances

- Check your credit reports at regular intervals. Inform the credit bureaus in the case of any fraud.
- Keep photocopies of your credit card or debit card in a secure place. It'll help you in case the card is lost or stolen.
- Keep track of your savings and expenses.
- Use automatic deposit option for your payroll, Social Security, and other federal benefits checks. To sign up, you can call at [\(800\) 333-1795](tel:8003331795).
- Examine your credit score every month.
- Try to carry fewer cards and money in your wallet.
- Be alert while you hand over your credit card to waiters because the swiping machine might contain skimming device.

A quick help

- Where do you report an identity theft?

- You can contact the Federal Trade Commission (FTC) to report an identity theft. If you have been a victim of identity theft, then call at [877-438-4338](tel:877-438-4338) and file a complaint. It is FTC's identity theft hotline number.

A final tip

Whenever you don't feel like taking steps against fraud, keep this thing in mind - "Prevention is better than cure." Scammers are always ready to cheat you. Your carelessness will only harm you. So, you must take precautionary measures before it's too late. Remember, your identity is your hallmark. Don't let others play with it!

I hope I'm able to guide you against identity theft and credit card fraud. I would love if you guys share your experiences and thoughts with me.



Gen Y Finance Guy

Hey, I'm Dom - the man behind the cartoon. You'll notice that I sign off as "Gen Y Finance Guy" on all my posts, due to the fact that I write this blog anonymously (at least for now). I like to think of myself as the *Chief Freedom Officer* here of my little corner of the internet. In the real world, I'm a 30-something former C-Suite executive turned entrepreneur turned capital allocator. I am trying to humanize finance by sharing my own journey to Financial Freedom. I believe in total *honesty* and *transparency*. That is why before I ever started blogging, I decided that I would share all of my own [financial stats](#). I do this not to brag, but instead to inspire motivate, and also to hold myself accountable. My goal is to be a beacon of hope, motivation, and inspiration for *you*, the reader, by living life by example and sharing it **all** here on the blog. My sincere hope is that you will be able to learn from me - both from my successes and my failures! [Read More](#)