

# Identity Theft: Good News-Bad News Edition



Peter Silva, 2011-08-02

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So which would you like first?

[Javelin Strategy & Research](#) said identity theft incidents were down 28% in 2010 (vs. 2009) according to their [latest consumer survey](#). This is the lowest level since 2007 and about 3 million less victims than in 2009. They partially attribute this to a decline in industry reported data breaches going from 604 (221 million exposed records) to 404 (26 million exposed records) in 2010 along with economic conditions, better security measures and busts by law enforcement playing a major role. If you have an existing credit card account, there's good news on that front also – fraud from existing credit cards was down 38% (\$14 billion) compared to 2009 (\$23 billion). New account fraud, where the victim might not have any idea that an account was opened in their name, took top honors in types of fraud with \$17 billion siphoned. ['Change in physical address' was the No. 1 method of account takeover reported by victims.](#)

Don't drop the confetti yet, however. While the overall numbers look encouraging, the devil is in the details as the cliché goes. Even though the overall numbers are down, the consumer out-of-pocket expense to resolve ID fraud went from \$387 per incident to \$631 in 2010 – a 63% increase. Because criminals are using more clever ways to steal your data, you have to spend more time fixing the issue and the costs can grow. Your friends and family are also sticking it to you. 'Friendly Fraud,' when someone you know steals your info, increased 7% with 41% of this batch saying their SSN was stolen.

They also found a correlation between retail sales and identity fraud. When sales are up, fraud is down and when sales are down, fraud goes up, says [James Van Dyke](#), founder of [Javelin Strategy & Research](#). He feels that when the economy is doing well and people can make purchases with their own money, they are less likely to steal. Add to that, better security measures are in place and people are more aware of identify fraud, thus they keep a better eye on questionable transactions. Another bad sign is that while credit card fraud has dropped, debit card fraud went from 26% to 36% in a year. This could be due to more people using debit cards rather than credit for purchases but also due to debit's lower level of protection when it comes to fraud. [Some would question the validity of the survey since it is a 'self-report' telephone survey and bank data would argue that fraud is actually up in many areas.](#) There are many more intriguing tidbits in the report and you can check out Javelin's report with a couple interesting charts [here](#).

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