

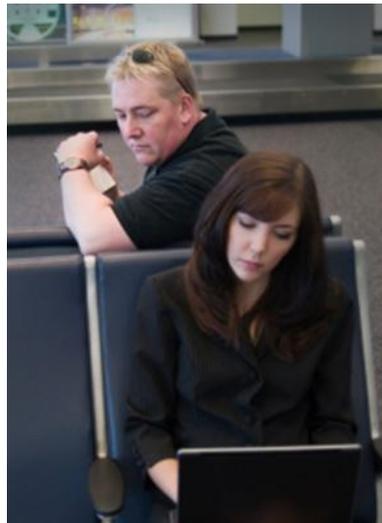
The Importance Of Protecting Your Identity

Unfortunately identity fraud is on the rise in Australia and the Bureau of statistics estimates that there is currently \$1.4 BILLION of credit fraud in Australia per year.

With your information a lot more accessible through internet and digital media; it's only going to get worse. We regularly see the effects of identity fraud when people come to us trying to get home loans after discovering there was a default on their credit report caused by a loan they didn't apply for. You might think your credit is clear but if you've ever lost your wallet or purse, chances are you need to keep a very close eye on it to make sure.

We're going to have a look at some simple methods of protecting your identity as well as ways of checking your credit report and tips to keep an eye on it as well as some ways of dealing with credit identity fraud and some things you can do to try and fix the problem.

The simplest method of protecting your identity is to never lose your wallet, never go online, pick up your mail from a post office box and hope for the best. Unfortunately life isn't that simple.



Take a look at how to protect yourself on the [Internet here](#).

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The easiest items to use for internet fraud are primary documents like your drivers licence, Passport, proof of age card, Australian citizen certificate and birth certificate. The more information it has on it, the easier it is to use. Your driver's licence is the golden ticket in all this as it has your name, address, date of birth, licence number and signature on it; pretty much everything that a person could want to get their hands on some money at your expense.

Just because it's not their photo on it doesn't stop them, there are any number of companies who will approve account over the phone or using a copy of the licence without actually seeing you in person. Sometimes it's just an electrical account, sometimes it's much worse. Think of all those interest free finance packages, they're often approved with very little finance identity check.

Ironically, up until the Anti-money laundering and counter terrorism Act of 2006 (<http://www.comlaw.gov.au/Details/C2006A00169>), you needed 100 points of ID which usually meant at least 2 or 3 forms of ID (drivers licence was worth 40 points, Passports and birth certificates 70 each) . Now, you just need ONE primary document with photo ID to comply with the act. So if you lose your driver's licence, you're in big danger

The next most vulnerable and easier to get are bank statements and utility bills that arrive in your mailbox. While still uncommon, there have been reports of people going around targeting mail in letterboxes and stealing statements. They usually have enough details on them to get some types of small finance or start another account (possibly not finance but possibly a phone or utility account). So please clear your mailbox out promptly and try and avoid having mail sticking out where someone walking past can easily grab it.

If you think your identity has been compromised, you need to get

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on top of the situation as quickly as possible and take as many preventative actions as possible. Don't just put it down to bad luck and walk away, inform the police, inform your lender (and if it involves credit cards etc, shut down the accounts and open new ones). By informing the police, you have some official right of recourse if something does appear on your credit report to back up your story. If you don't inform your lender, you may also be liable for damages if they lose money because you knew and didn't tell them. They can also monitor strange transactions and give you early warnings that something strange is going on

Banks are taking credit fraud VERY seriously because they are wearing a big chunk of the \$1.4 Billion. They have whole divisions set up to try and stop it and would be very happy to reduce their losses in any way they can.

One of the simplest ways of managing your identity information is to keep an eye on your credit report. There are two credit reporting agencies in Australia:

Veda Advantage (The one mainly used by the banks) –

<http://www.veda.com.au/personal/my-credit-file.dot>

Dunn and Bradstreet –

<https://www.checkyourcredit.com.au/?gclid=CJrSyuKwvLYCFQlZpQodlVEAcQ>

You have a file (sometimes more than one if you have changed your name due to marriage etc.) with BOTH. Sometimes things will turn up on both files, sometimes things might only be on one of them.

While the file is housed in the vaults of the credit reporting agency, you still have a right to access your file **FOR FREE** to see what's on there. Of course they're in the business to make money and don't want to give out free files so they make it a long and

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complicated process for the free option but relatively easy for the quick email report which you will get within 24 hours if you just pay this small fee...

Generally the fee is small, for around \$50 you get your report emailed to you. If you have ANY DOUBT about credit fraud in your name, spend the money, get your file and have a look.

There are also options (for an additional fee) of getting an alert every time someone accesses your credit file. This is brilliant if you know you have credit fraud problems! You're sitting at home minding your own business when you receive an email saying you've applied for credit with XY Finance Company. How easy does that make it to get on the phone and protect your Identity?



Fixing the problem of credit fraud after it's happened can be difficult. Once you have credit defaults then they can be difficult to remove. If you have some proof that the credit wasn't yours (such as police reports as mentioned above) then the credit reporting agency can launch an investigation and remove it from your file; *the onus is on you though to prove it's not yours!* If you can't prove it then unfortunately the default is likely to remain.

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The New Breed Of Credit Repair Companies

There is a new breed of companies involved in the credit repair business. This is a relatively new segment of the marketplace and in some ways is still finding its feet. Essentially, they request your credit file from whomever lodged the default (my understanding is that the process is the same for irrespective of whether the default is correct or not).

They then have lawyers go through the procedure of how the default was lodged and if there was a mistake in the process then the default is unlawful and is ordered to be removed.

There are a few credit repair businesses, all of whom state that they are the experts to the detriment of all others. These are the ones we are aware of although there may be others. As the industry is reasonably new there are no set benchmarks as far as how to change and when so do your research before selecting one to help.

It's not the cheapest process as it involves solicitors however it may save you in the long run so weigh up the costs and benefits.

Here are a selection of credit repair people that I'm aware of in no particular order, there are others though:

<http://www.mycra.com.au/>

<http://www.creditrepairclinic.com.au>

<http://www.josephtrimarchi.com.au/>

<https://creditrepairaustralia.com>

The credit repair agencies can't clear every credit problem and you still may have bad credit. For most lenders, this is the end of the line. Certainly for people who want credit cards or personal loans it probably is. Home loans are a different story as there are

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several lenders who specialize in loans for people with adverse credit histories.

Each loan is different as the lenders rate the credit impairment differently and the interest rate is usually higher than mainstream lenders. This is called rate to risk lending.

For more information on home loans for people with bad credit go to www.banksaidno.com.au or call 1300 139 883 to discuss your options.

Credit fraud is a serious business and is bigger than you could imagine. It effects people in all walks of life and had devastating consequences.

Please look after your identity, it's the only one you have

If you require additional information call us on 1300 139 883. Also, like our facebook page to stay up to date on the latest changes in Finance and other related topics at <http://www.facebook.com/grandcapitalfinance>

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