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Questions After the Equifax Data Breach

Consumers may be at risk for many years.

How long should you worry about identity theft in the wake of the Equifax hack? The correct answer might turn out to be “as long as you live.” If your personal data was copied in this cybercrime, you should at least scrutinize your credit, bank, and investment account statements in the near term. You may have to keep up that vigilance for years to come.

Cybercrooks are sophisticated in their assessment of consumer habits and consumer memories. They know that eventually, many Americans will forget about the severity and depth of this crime – and that could be the right time to strike. All those stolen Social Security and credit card numbers may be exploited in the 2020s rather than today. Or, perhaps these criminals will just wait until Equifax’s offer of free credit monitoring for consumers expires.

Equifax actually had its data breached twice this year. On September 18, Equifax said that their databases had been entered in March, nearly five months before the well-publicized, late-July violation. Its spring security effort to prevent another hack failed. Bloomberg has reported that the same hackers may be responsible for both invasions.²

Should you accept Equifax’s offer to try and protect your credit? Many consumers have, but with reservations. Some credit monitoring is better than none, but those who signed up for Equifax's TrustedID Premier protection agreed to some troubling fine print. By enrolling in the program, they may have waived their right to join any class action lawsuits against Equifax. Equifax claims this arbitration clause does not apply to consumers who sought protection in response to the hack, but lawyers are not so sure.¹

Should you freeze your credit? Some analysts recommend this move. You can request all three major credit agencies (Equifax, Experian, TransUnion) to do this for you. Freezing your credit accounts has no effect on your credit score. It stops a credit agency from giving your personal information to a creditor, which should lower your risk for identity theft. The only hassle here is that if you want to buy a home, rent an apartment, or get a new credit card, you will have to pay a fee to each of the three firms to unfreeze your credit.¹

Three other steps may improve your level of protection. Change your account passwords; this simple measure could really strengthen your defenses. Choose two-factor authentication when it is offered to you

Building Your Nest Egg for a Secure Tomorrow

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– this is when an account requires not just a password, but a second code necessary for access, which is sent in a text message to the accountholder’s mobile device. You can also ask for fraud alerts to be placed on your credit reports, but you must keep renewing them every 90 days.¹

What other tools can help watch over your statements? If your bank, credit union, or credit card issuer does not offer identity theft protection and credit monitoring, consider free apps such as Credit Karma, Credit Sesame, and Clarity Money. Apart from simply protecting your credit and bank accounts, programs like EverSafe, Identity Guard, and LifeLock have the capability to scan the “dark web” where personal information is sold in addition to monitoring your credit reports. (You may be able to take advantage of a free, 30-day trial.)¹

When a pillar of worldwide credit reporting has its data stolen twice in five months, the trust of the public is shaken. The lesson for the consumer, as depressing as it may be, is not to be too trusting of the online avenues and vaults through which personal information passes.

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Citations.

1 - time.com/money/4947784/7-questions-you-must-keep-asking-about-the-equifax-hack/ [9/20/17]

2 - bloomberg.com/news/articles/2017-09-18/equifax-is-said-to-suffer-a-hack-earlier-than-the-date-disclosed [9/18/17]

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