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1Password Employee • 1 year ago

Identity theft

Identity theft is a serious crime that can affect anyone.

Attackers can use a victim's identity to try to steal money, take over online accounts, or commit crimes in the victim's name. As more aspects of daily life move online, the risk of your personal information landing in the wrong hands increases. This makes it all the more important to know how to protect the various aspects of your identity from being used in unauthorized ways.

But there's a lot you can do to minimize the threat and impact of identity theft. In this article, you'll learn what identity theft is, how to avoid it, what you should do if you're targeted, and how password managers like 1Password can help keep you safe online.

What is identity theft?

Identity theft refers to any activity in which someone uses your personal or financial information without your permission. This can include details like your name, Social Insurance Number, driver's license, or credit card number.

Criminals often use identity theft for some type of financial benefit, such as:

- Accessing the targeted person's bank account,
- Fraudulently signing up for a new credit card or taking out a bank loan,
- Filing a false government tax return,
- Pursuing other benefits, like filling a medical prescription or traveling under another name.

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How does identity theft occur?

How a thief gains access to personal information can vary.

For example, the thief could steal the targeted person's financial information without their knowledge by attaching a credit card skimmer to an ATM. They can trick the target into sharing personal information by calling the target and pretending to be a bank employee. (This is also known as "social engineering".) They could even gain access to accounts that store the target's personal information, such as taking advantage of a data breach to obtain sign-in credentials.

Why is it important to keep an eye out for identity theft?

While the chances of being affected by identity theft are relatively low, it's important to take the threat seriously, as the consequences can be severe and long-lasting. One of the biggest impacts is the financial loss that can occur. This can lead to the victim losing substantial amounts of money – even their life savings – which can be burdensome or sometimes impossible to restore.

Credit score damage is another common consequence of identity theft. Excessive spending on a credit card can result in a credit card bill that's challenging to repay, especially if the credit card company can't or won't reverse the charges. You may not even realize a new credit card is in your name until you notice a decrease in your credit score. It can then be difficult to get a bank loan, mortgage, and other credit approvals if your score has been damaged in this way.

Beyond your savings and credit score, identity theft can lead to additional stressors like your accounts being flagged or inaccessible, unexpected legal fees, and the emotional distress that comes with someone stealing your identity.

While the repercussions can be serious, you shouldn't lose hope. There are plenty of ways to protect yourself and minimize the likelihood of being someone's next victim.

What are the indicators of identity theft and how should you respond?

Here are some telltale signs of identity theft to keep an eye out for:

- Unauthorized transactions in your bank accounts or credit cards.
- Unexpected changes to your credit score or report.

- Mail or bills in your name that you didn't sign up for.
- Data breaches that could include your personal information.

If you suspect you've been the target of identity theft, the most important step is to tell someone. It can feel embarrassing to realize someone has stolen your information, but it's important to act fast. This can include reporting the suspicious activity – such as calling your bank, credit card company, and/or local authorities. If your credit score may be affected, you can also report the theft to a credit reporting agency. And be sure to freeze any accounts in question to prevent any further unauthorized access or spending.

How can 1Password help you defend against identity theft?

The most effective way to protect yourself from identity theft is to prevent others from accessing your personal information to begin with.

You can use a password manager like 1Password to securely store your account credentials and other private information, making it much harder for anyone else to gain access. 1Password is especially effective thanks to its unique security design. To make your passwords stronger and more unique, use 1Password's built-in password generator. This will help prevent unpermitted access, even by brute force attacks.

1Password's Watchtower is also a useful tool for protecting yourself from identity theft. It will alert you to data breaches that involve your information and other security issues, allowing you to respond faster if your accounts have been compromised. In addition, Watchtower can help you avoid identity theft in the future by flagging weak passwords and online accounts that support 2FA or passkeys.

Need to share an item from your 1Password account? Send a secure link using our item sharing feature. Every link is a "snapshot" of the item in your 1Password account. So, if you change the item after you've sent the link – such as updating the password – your recipient won't have access to the new version. It also allows you to specify who can view the item and to set an expiration on the link.

Beyond the tools you use to keep your personal information safe, it's important to stay alert and be cautious of any suspicious activity. Turn on notifications for credit and banking charges, read your emails from your bank and government accounts, avoid sharing personal information unless absolutely required, and put on your detective hat if something doesn't

seem right with your credit score. Some preventative action now can save you from a big headache in the future.

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