

News Release

For Immediate Release

1.7 million Canadians are victims of identity fraud Immediate action is required by companies and consumers

Hamilton, ON, Nov. 17, 2008 – Nearly 1.7 million Canadian consumers were victims of identity fraud in the past year, according to a new comprehensive national survey conducted by researchers at the DeGroote School of Business at McMaster University.

These victims spent more than 20 million hours and more than \$150 million of their own money to resolve the fraud.

“The amount of time and money lost due to identity fraud has a severe impact both on individuals and on Canada's economy. Individuals, governments and businesses all have parts to play in preventing identity theft and fraud,” says Susan Sproule, researcher at the McMaster eBusiness Research Centre based at DeGroote.

The survey found that in the past year 6.5 per cent of Canadian consumers – about 1.7 million people – experienced some kind of identity fraud, such as unauthorized credit card purchases or account access, having new accounts or loans taken out in their name, and being impersonated. Online transactions were the source for 15 per cent of identity theft cases. Debit card skimming made up another 13 per cent of cases.

While most respondents said they take steps to protect their personal information, the survey showed that Canadians are not going far enough to minimize the chance of identity fraud. Only 13 per cent of identity fraud cases were reported to the police. And nearly half of respondents – 49 per cent – had never requested a copy of their credit report.

Fully 20 per cent of survey participants report that they have stopped or reduced the amount of shopping they do online because of concerns about identity fraud, and nine per cent report that they have stopped or reduced online banking activities.

Sproule says, “If consumers are afraid to do business online, Canadian companies will not be able to reap the full productivity benefits of e-business.”

Sproule will be presenting this research at the Identity Theft Conference 2008 organized by the Office of the Information and Privacy Commissioner for British Columbia and the Freedom of Information and Privacy Association (FIPA). The conference will be held on Nov. 24-25 in Vancouver. The report is co-authored by Sproule and Norm Archer, professor emeritus at the DeGroote School of Business. Funding for this study was provided by the Ontario Research

Network for Electronic Commerce (ORNEC) with support from Royal Bank of Canada, Canadian Imperial Bank of Commerce, TD Canada Trust, Bank of Montreal and Bell Security Solutions.

McMaster University, a world-renowned, research-intensive university, fosters a culture of innovation, and a commitment to discovery and learning in teaching, research and scholarship. Based in Hamilton, the University, one of only four Canadian universities to be listed on the Top 100 universities in the world, has a student population of more than 23,000, and an alumni population of more than 115,000 in 128 countries.

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Television Editors – Live interviews with Susan Sproule can be arranged using the DeGroot School of Business’s broadcast studio. Call Julia Thomson at 905-525-9140 ext. 27436 to schedule airtime and book a live feed from campus.

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