

Does Your Identity Really Need a Bodyguard?

The Growth and Evolution of Identity Protection Services

By Neal O'Farrell

A few years ago as identity theft began to evolve from a discomfort into an epidemic, I began searching for something that could help protect my identity in ways my firewall and anti-virus software no longer could.

My search focused in on the growing number of identity protection services , a relatively new industry that seemed to mirror the growth in the adoption of firewalls as one of the fundamental pillars of personal security.

When I worked for Zone Labs (makers of the now famous ZoneAlarm firewall) in 2001, I saw the product's user base surge from around a hundred thousand users to more than 5 million users in just a couple of years, and eventually to become one of the most popular personal firewalls in the world with more than 60 million users worldwide.

The market for identity theft protection has tracked this growth, led initially by a focus on credit monitoring. According to research firm Javelin, in 2007 more than 33 million consumers were using some form of credit monitoring service, while another 32 million consumers turned to credit freezes as a way to block unauthorized credit activity.

That number may be even higher today, as more consumers fall victim to identity theft – according to Javelin more than one in 10 U.S. adults has been the victim of ID fraud – and as awareness of the benefits of these products grows.

When I first started using identity protection services more than six years ago, the best option available was limited to checking one credit report every three months and notifying me of any discrepancies. But as identity theft became more widespread and criminals became more creative, credit monitoring and credit freezes alone offered limited protection against emerging threats.

As with any new market, some clear leaders began to emerge, and the few real leaders so far have one thing in common – a total approach to identity protection that goes beyond monitoring or freezing credit reports.

Consumers now have dozens of options when it comes to identity protection, although not all created equally, and vendors offer a broad and sometimes confusing spectrum of solutions and prices. Prices range from \$10 a month to more than \$30, with vendors presenting an increasingly creative selection of features that include various degrees of credit monitoring, the use of credit freezes and alerts, monitoring of public record databases, insurance, investigative and resolution services, and much more.

But as with all rapid growth markets, the identity protection market has its fair share of questionable products, marketing strategies, and even vendors.

In March 2009 the Consumer Federation of America (CFA) published a detailed study on the identity theft market and its major players.

The study –“To Catch a Thief: Are Identity Theft Services Worth the Cost?” – identified a number of vendor and product issues that concerned the CFA.

For example:

- Identity theft services often fail to provide clear, complete information about what they do and how they work, and in some cases the cost is not disclosed until consumers click to enroll.
- Many identity theft services tout insurance as a benefit but few provide details about the coverage.
- Some identity theft services place fraud alerts on all customers' credit bureau files, even if they're not victims, and make misleading claims about how the alerts will protect them.
- Some identity theft services provide credit reports to customers by requesting the free reports that consumers are entitled to once a year under federal law, preventing them from being able to get their free annual reports on their own.
- Many services attempt to limit consumers' legal rights by requiring mandatory binding arbitration for disputes in their terms of service.

In concluding its report, the CFA made the following recommendations to help vendors provide a better service. Their advice included:

- Clearly disclose the exact services and costs.
- Monitor public and private databases and other places typically unavailable to consumers that may contain their personal information.
- Alert consumers of suspicious activity related to their personal information by their choice of email, phone, text message or mail.

Some vendors have obviously listened more closely than others, and a case in point is IDENTITY GUARD® Total Protection from Intersections Inc., a publicly traded company based in Chantilly, VA.

The Javelin Strategy and Research 2009 Consumer Identity Protection Services Scorecard selected IDENTITY GUARD Total Protection as the "Best in Class" for Personal Information Monitoring Services out of more than 20 vendors. The IDENTITY GUARD Total Protection service costs \$14.99 per month and includes a complete Internet security suite as well as the ID Vault™ password protector.

The win for IDENTITY GUARD may have been in large part due to their holistic approach to protecting consumers with multiple layers of truly effective security. As a security professional for nearly 30 years I've been a big proponent of that idea of "security in layers" as the best way to fend off the constant stream of attacks and exploits that consumers are bombarded with on a daily basis.

In explaining their choice, Javelin Research analyst Rachel Kim observed that "the combination of monitoring public records databases, Internet sites, and credit files from all three credit bureaus provides the most comprehensive resources for detecting exposure or potential misuse of personal information."

The report also singled out Framingham, Massachusetts-based Identity Force for its Fraud Alert Hybrid Service (\$14.95 per month), and ID Patrol by Equifax (\$16.95 per month) for its credit monitoring service.

So where to next?

Today, the great standalone firewalls have clearly adopted the total security approach and are now more often packaged as complete security suites that include virus and spyware protection, spam filtering, anti-phishing, parental controls, and even dedicated identity theft protection.

Identity protection has responded in the same way, offering a truly holistic approach of security in layers that addresses prevention, detection, and recovery. The leaders in this space cover all the basics, including daily monitoring of all three credit reports, but then go the extra mile with dedicated consumer education, genuine theft insurance, resolution, and recovery assistance for victims.

But they also overlap their PC security counterparts to provide protection wherever thieves threaten – on the Internet, through our computers, and wherever our identity can be exposed and vulnerable.

About the Author

Neal O'Farrell is a Consumer Security Advisor for [Intersections Inc.](#), a leading global provider of consumer and corporate identity risk management services. He is also a nationally recognized security expert and a founder and board member of the Center for Information Security Awareness. Neal has nearly three decades of information security experience and is a vocal advocate and educator of consumer security awareness.