



# North American Management

## Financial Planning Note

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### **‘Tis the Season**

With the holidays upon us, our credit cards are often in high demand. Unfortunately, so are the opportunities for identity theft. In 2013, according to the Federal Trade Commission, consumers lost more than **\$1.6 billion** to fraud. To avoid any unpleasant surprises in January, here are a few tips for protecting your identity and your credit score.

**Shopping Online:** With many of us ordering more and more gifts online, the risk of our sensitive information getting into the wrong hands increases dramatically. Once you’ve completed your internet shopping, be sure to clear your login ID and password if you are ordering anything from a public computer. While storing your credit card information on your favorite sites might be convenient for future purchases, for safety’s sake, you may want to take the extra minute or two to input the card number each time you order instead. Using your credit rather than your debit card for online payment services (such as PayPal) will give you better protection under federal consumer laws if something goes awry.

Watch out for fake emails or websites. If it looks suspicious, there could be a fraudster “phishing” for your account information. Make sure there is HTTPS (not just HTTP) at the beginning of the web address you are visiting before you enter credit card information. Hold your computer cursor over the link of any website in an email to reveal the actual location to which you are being directed.

**Shopping in a Retail Establishment:** Having seen many big name retail establishments in the news lately, it is clear that there is also risk of identity theft with offline purchases as well. While this is much harder to detect, be alert to the appearance of the point-of-sale card reader. If it looks like it has been modified, consider paying with cash.

If you are unlucky enough to get a notice from a big-box retailer regarding the loss of your credit card information, sign up for any credit monitoring service they offer. This will be your first alert to future fraudulent transactions.

Consider keeping separate cards for online and offline purchases. That way, if fraud does occur, you can narrow down the culprit. Was it an online purchase that triggered the fraud or did it happen after a trip to the grocery store?

## **Good Practices Year Round**

*Travel light* – The more sensitive personal information you carry around with you day to day (think credit and debit cards; checkbook; bills; list of passwords), the more your risk of identity theft increases.

*Get protection from your homeowners insurance* – Many homeowners policies will or can include coverage for credit card losses.

*Check your credit report annually* – By rotating your request through the three credit reporting agencies, you can actually see your credit report every 4 months without charge, without changing your score. This is important, as each of the three agencies can have different information.

*Open and review your monthly statements promptly* – How else are you going to discover unauthorized activity?

*Don't get fooled by the offer of credit card loss protection insurance* - Federal law limits your exposure to \$50 when your credit card is lost or stolen. There is no need for insurance.

*Protect your child's Social Security number.* The FTC recommends requesting a credit report on your child at around age 16 to determine whether there are any issues or fraudulent activity before starting their first job or renting their first apartment.

*Check your elderly parent's credit report.* Older adults living in residential care facilities are at greater risk for identity theft, as medical records and personal belongings are often accessible by multiple caregivers.

**Steps to Take If Your Identity Does Get Stolen.** If you suspect your identity has been stolen, act quickly.

1. Place a fraud alert with each of the three national credit reporting companies listed at the end of this Note. The initial alert will be good for 90 days and can be renewed.
2. Order a free credit report from each company and review it for fraudulent activity.
3. Submit an ***Identity Theft Affidavit*** to the Federal Trade Commission.
4. File a police report (bring the affidavit with you when you file).
5. Contact any businesses that have recorded fraudulent transactions under your ID. Ask those businesses for copies of any documents used by the identity thief to open accounts or charge purchases.
6. Notify any financial institution where you have an account. Some may open new accounts for you and others may put security verification enhancements on existing accounts.

## **Helpful Resources**

[AnnualCreditReport.com](http://AnnualCreditReport.com): The only authorized central source for requesting your free credit reports.

The three credit reporting bureaus:

[Experian – www.experian.com](http://www.experian.com)

[Equifax – www.equifax.com](http://www.equifax.com)

[TransUnion – www.transunion.com](http://www.transunion.com)

[The Federal Trade Commission – www.ftc.gov](http://www.ftc.gov): Lots of good advice for the consumer in each of us.

Here's to a safe holiday season!

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