



CIBIL Credit Digest

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What is identity theft?

Identity theft occurs when someone uses your personal information to apply for a loan or credit card. If this application is successful the individual has access to finance that you are liable for. The individual who has stolen your identity will probably not pay back the misappropriated funds. Hence, the lender will update your Credit Information Report (CIR) to say that you have defaulted on a loan. Unfortunately, in the event that your identity is stolen, you will be unaware that this has occurred. You will most likely only discover this when you apply for a loan and your loan application is rejected.

What does it mean when I see “Enquiries” on my CIR when I haven’t applied for a loan?

Enquiries are usually made on your credit history when you apply to a lender for a loan. The lender accesses your CIR to assess your repayment capability. When you see Enquiries that you have not made it means one of 2 things:

1. The lender is making an Enquiry to review your overall financial health
2. Someone with access to your personal information may have approached a lender in order to apply for a loan. This is worrisome because the lender could believe that the applicant is genuine (even though this may not be the case) and may proceed to sanction the loan.

In the event that a loan is sanctioned by a lender the account will appear on your CIR within 45 days.

What should I do when I see “Enquiries” that I haven’t made?

The first thing you should do when you see Enquiries that you have not made is to check your CIR for loan accounts that do not belong to you. If you do find discrepancies, immediately raise a ‘Dispute Request’ by visiting the ‘Dispute Resolution’ page on the credit bureau’s website.

If you are informed by the credit bureau that the lender has rejected your Dispute Request you should report the erroneous account to the relevant lender immediately so that the lender is alerted to the identity theft case. This will prevent the situation from recurring.

How can I protect myself from identity theft?

The easiest way to prevent Identity Theft is to regularly monitor your credit history. Purchase your CIR 3-4 times a year and ensure that your credit history accurately reflects your credit usage and activity. If you see Enquiries (loan applications) that you have not made, immediately alert the credit bureau via Dispute Resolution and the relevant lender that you have not applied for a loan.

In addition, it is imperative that you keep your personal information, identity proofs and address proofs stored in a secure environment. If you are discarding documents ensure that the documents are shredded to prevent misuse.