

# Identity2008

See More Potential

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# Consumer Protection or Consumer Deception?

## TRUTH & LIES IN THE CONSUMER IDENTITY SPACE MARKET

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# The Identity Theft Arena Is Crowded



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# How Many of You?...



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## Let's Ask Ourselves...

- What will this industry look like in the future?
- When will the flow of snake oil stop?
- How will products advance?

And most importantly...

- When will consumers be educated enough to understand:
  - The complexity of the problem?
  - The importance of protection?
  - Exactly what services companies are providing?

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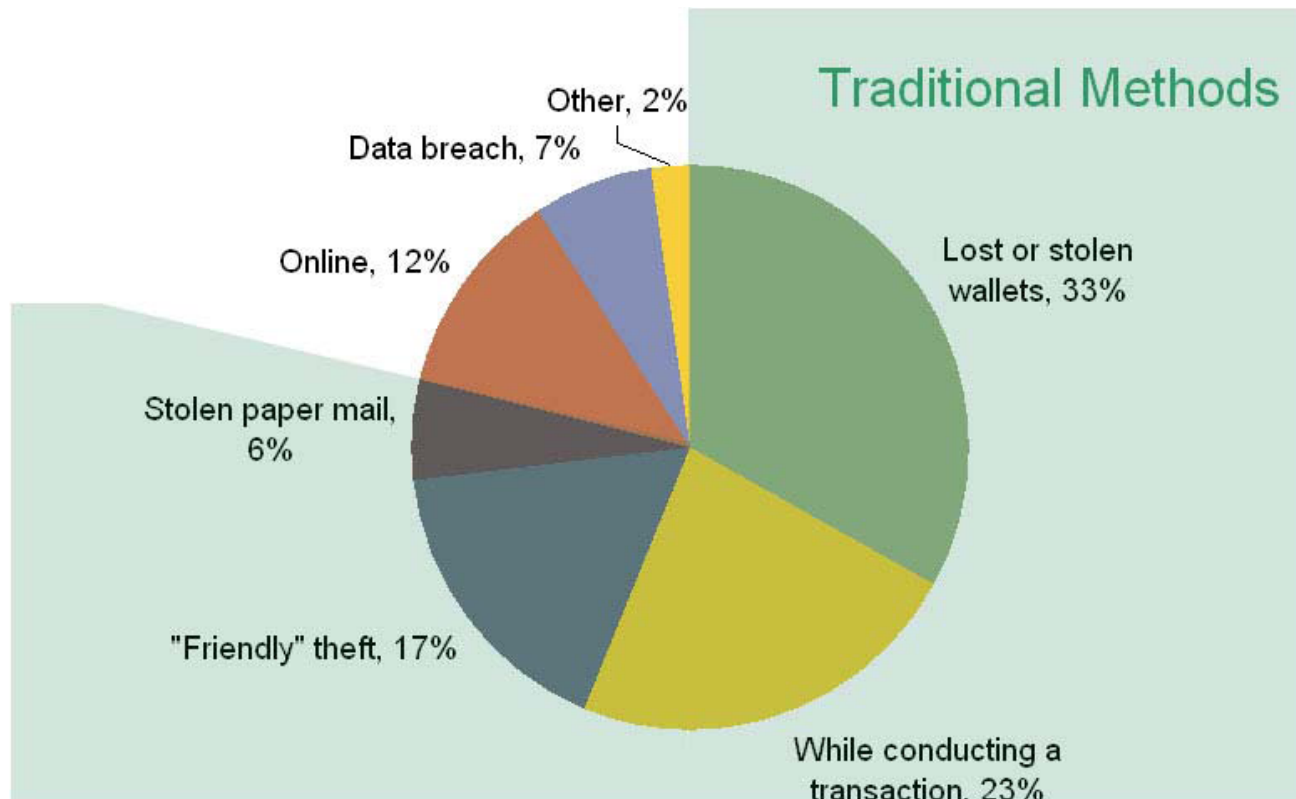


## Why We Are Failing Consumers

- Inadequate education about the many avenues to becoming a victim
- Provisioning limited services, yet declaring those services the panacea of protection
- Making false claims
- Engaging in deceptive advertising

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# How the Bad Guys Get Hold of Information



© 2008 Javelin Strategy & Research. Source: **2008 Identity Fraud Survey Report, Consumer Version**, Javelin Strategy & Research, February 2008.

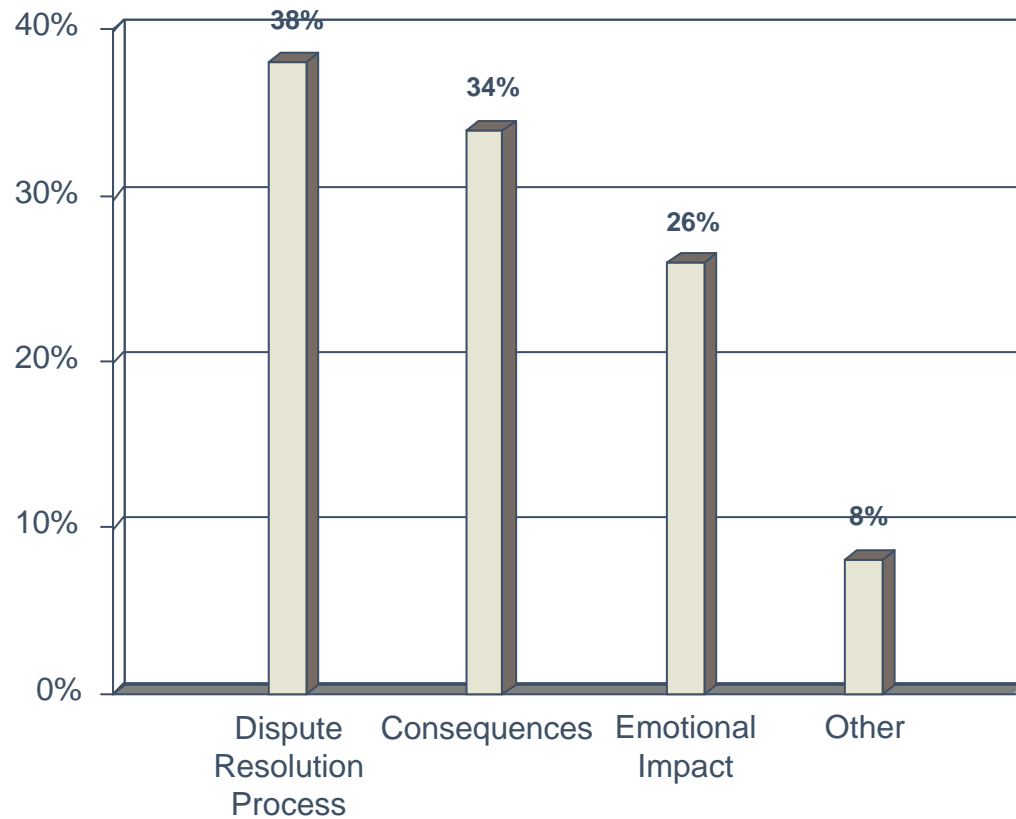
# How the Bad Guys Are Misusing Victim Information

THEFT SUBTYPE	2005	2006	2007
Credit Card Fraud	26%	25%	23%
Loan Fraud	5%	5%	5%
Bank Fraud	18%	16%	13%
Phone/Utilities Fraud	18%	17%	18%
Employment Fraud	12%	14%	14%
Govt. Documents/Benefits Fraud	9%	10%	11%
Attempted Identity Theft	6%	6%	5%
Other Identity Theft	25%	24%	25%

Source: **Consumer Fraud and Identity Theft Complaint Data, January – December 2007**, Federal Trade Commission, February 2008.

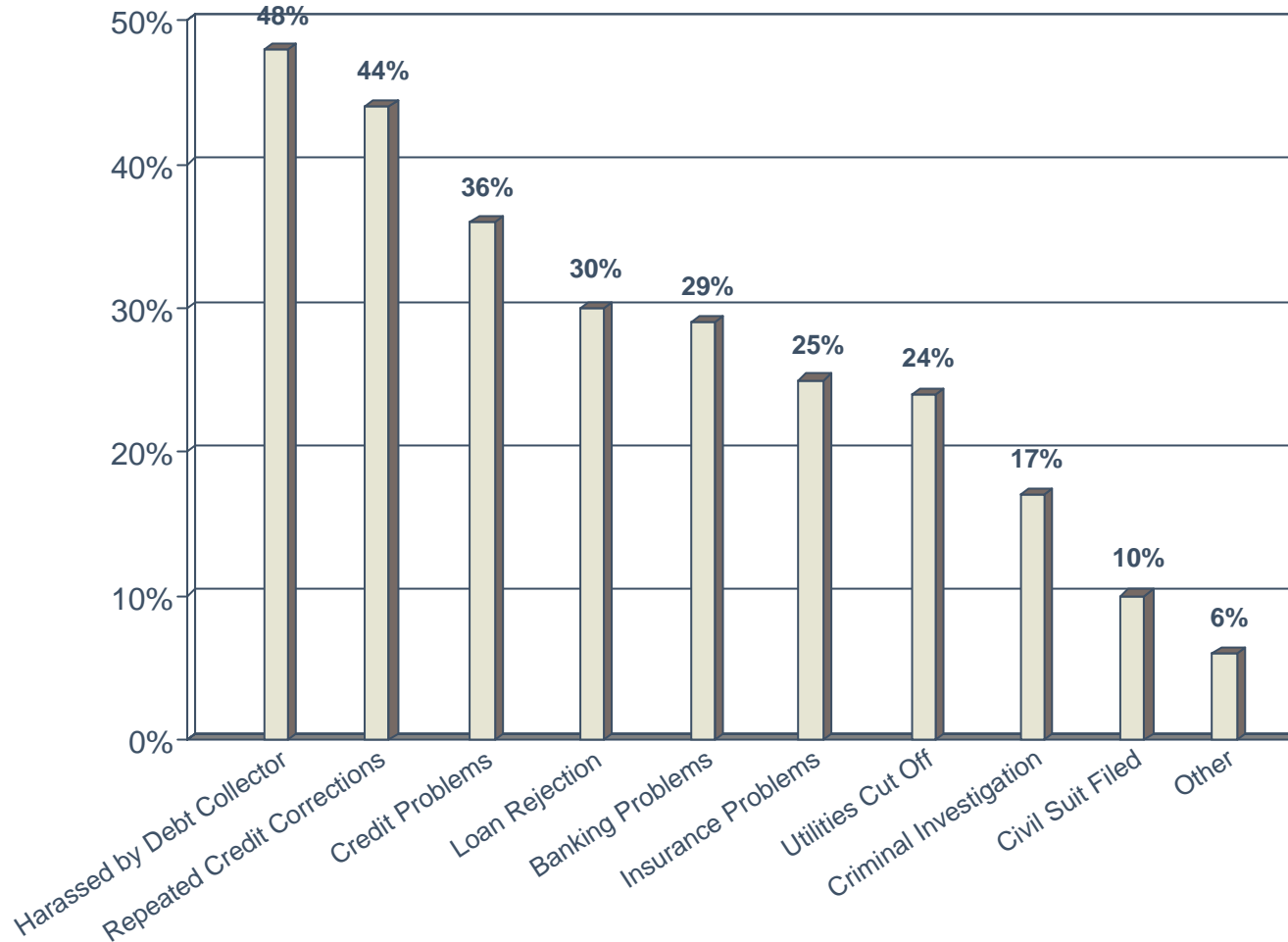


# Challenges Victims Face



Source: **Federal Trade Commission – 2006 Identity Theft Survey Report**, Synovate, November 2007.

# Non-Account Identity Theft Victim Experience



Source: **Federal Trade Commission – 2006 Identity Theft Survey Report**, Synovate, November 2007.

# Javelin's Protection, Detection, Resolution™ Model



## Prevention

Stops identity theft at the source; preventing unauthorized material harm to private data. If an Identity theft has occurred, these methods thwart the criminal's use of private information to obtain funds.



## Detection

Detection of fraudulent activity occurs through company monitoring systems, consumer alerts, account monitoring, reviewing credit reports, and other methods for identifying unusual activity.

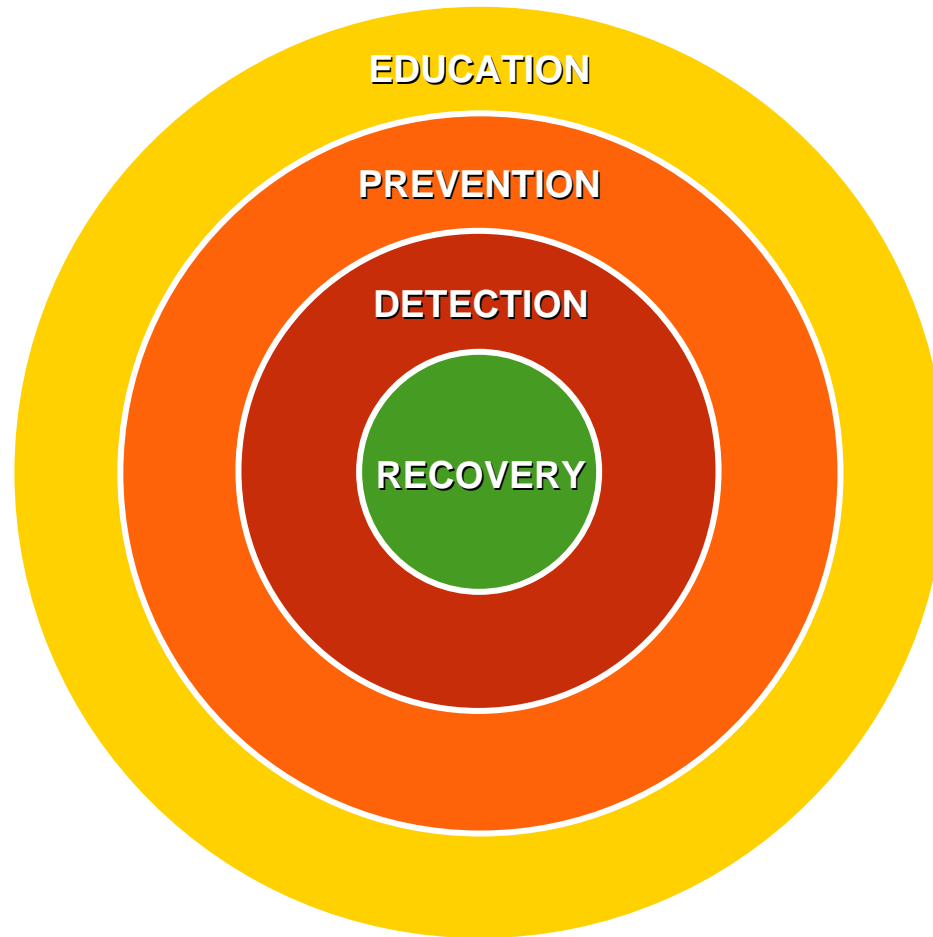


## Resolution

After identity fraud has occurred, Consumers and providers use these services and tools for restoration of accounts and credit worthiness.

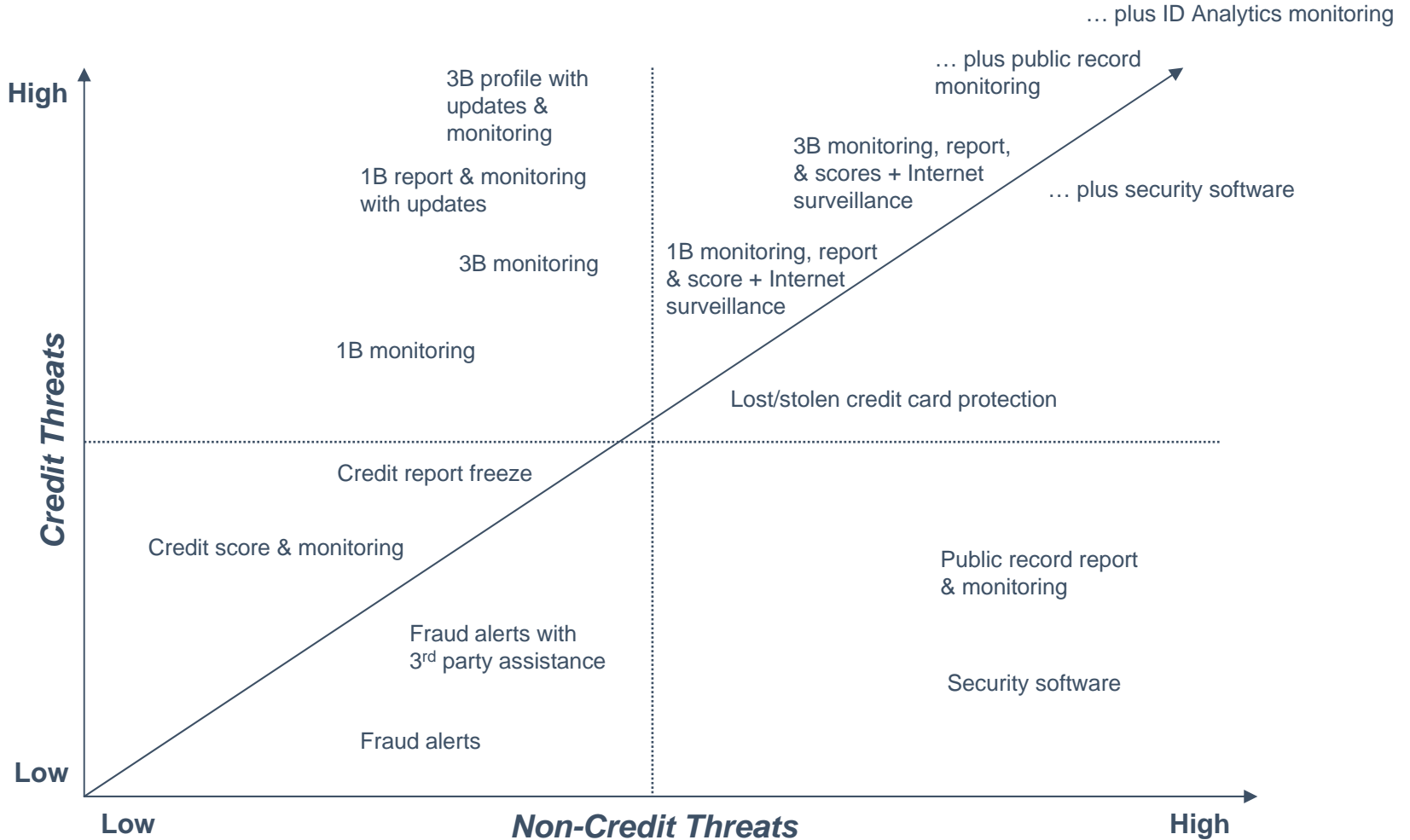
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# Education Is the Cornerstone



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# Credit & Non-Credit Protection Products



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## 5 Factors to Gain Market Share

At present the most successful identity fraud protective services will be determined by marketing rather than effectiveness, because consumers are confused, frightened, and fraught with misperceptions. However, over time, five factors will ultimately decide the winners and losers in the identity fraud protection services market space:

- Price
- Features
- Ease of Use
- Factual Advertising
- Shift from Detection to Prevention

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## Where Will the Future Take Us?

- Factual advertising
- Increased consumer education
- Creation of preventive products

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