

3 Reasons Why You Should Freeze Your Child's Credit File Right Now



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We teach our children about “stranger danger,” insist they wear bike helmets, and place parental controls (/news/parental-control-software/) on their devices, but few of us put measures in place to protect our children from identity theft — despite children being far more likely to fall victim to identity theft than adults.

Child identity theft occurs when someone steals a child's personal information, including their name, address, date of birth, or Social Security number and uses it to receive services or benefits, open up credit lines, and conduct any number of other scams.

To prevent your child's identity from being stolen — and the long-term consequences that come with it — you should strongly consider freezing your child's credit report. A freeze will prevent lenders from pulling your child's report, thereby preventing a fraudster from opening an account in their name. Below are three reasons to take child identity theft seriously and use a credit report freeze as a solution to the threat.

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FYI: A child under the age of 18 will not have a credit report unless someone has used their information fraudulently. To check for fraud, check for a credit report tied to their Social Security number at the three credit bureaus.

Reason 1: Children Are Targeted More Frequently Than Adults

Many of us take steps to protect ourselves from identity theft, but we don't give a second thought to protecting our children from the same type of crime. Children, however, are at the greatest risk of identity theft. A Carnegie Mellon University study¹ found that identity theft among children was 51 percent higher than among adults.

Children are the perfect targets for fraudsters. They have a blank financial slate that criminals can use, and the crime is likely to fly under the radar for many years — likely until the youngster becomes a teen or young adult and tries to take out a loan for a car or apply for financial aid to attend college. That gives the criminal many years to develop networks of accounts.

“While adults are most frequently targeted for the value of their account — the funds available for immediate theft from a checking account or credit card — minors are targeted for the value of their identity,” according to a 2018 Child Identity Fraud Study by Javelin Strategy and Research.

The Javelin study also revealed that the majority of people who are committing the fraud are family members or close friends. More than 60 percent of child identity theft victims know the thief personally. In contrast, only 7 percent of adult identity fraud victims know the thief personally².

Did You Know: There is a strong association between child identity theft and [cyberbullying](#).

[\(/news/cyberbullying-facts/\)](/news/cyberbullying-facts/). In both cases, the child is oversharing personal information in an anonymous online setting.

Reason 2: The Consequences Are Long-Lasting

If your child becomes one of the more than 1 million kids who fall victim to identity theft annually, the consequences may linger for years, preventing them from reaching important milestones in their lives.

[Hackers use data \(/antivirus/hackers/\)](/antivirus/hackers/) to open credit cards, take out car or payday loans, apply for government benefits like unemployment or tax refunds, pay hospital bills or other medical debt, avoid the consequences of their criminal activity, rent a place to live, or sign up for a utility service. It can go on for years undetected³.

Pro Tip: Some identity thieves will create synthetic profiles, combining a Social Security number from one victim, an address from another, and a birth date from a third.

Sometimes the fraud is discovered prior to the child turning 18, when the victim receives a call from a collection agency about unpaid bills, a letter from the IRS about delinquent taxes, credit card offers, or a notice that a student loan application or government benefits have been denied.

More often, however, the victim doesn't find out about the theft until the damage has been done, and they are unable to access loans or qualify for a job or apartment. Victims will run into trouble trying to enter college with both enrollment and financial aid. They may encounter difficulty getting a job when they are unable to pass a background check. They may also experience challenges renting an apartment or buying a car⁴.

It can take months and some of your own money to undo the damage. In 2017, identity theft targeting children resulted in \$2.6 billion in losses and over \$540 million in out-of-pocket costs for families⁵.

Reason 3: Freezing Your Child's Credit Is Free

In 2018, legislators made a change to the 2010 Dodd-Frank Wall Street Reform and Consumer Protection Act that allows consumers to freeze (and later thaw) their credit reports for free. It includes a provision allowing parents to request a freeze on a report for a child under the age of 16 at no charge. Minors who are 16 or 17 may request a freeze of their own reports free of charge.

Did You Know: Two-thirds of child identity fraud victims are under the age of 8⁶.

Freezing your child's credit report won't cost anything, but the steps are somewhat tedious. Still, blocking out an hour or two on your calendar to freeze the reports will be well worth your time.

Because people under 18 do not have a credit report, the process begins with creating one. The report can then be frozen. The process will need to be completed at all three of the nationwide credit bureaus (Equifax, Experian, and TransUnion), and each follows its own protocols⁷.

In each case, you will need to fill out a form and provide proof of both your child's identity and your own. You can begin by gathering required documents, including birth certificates for you and your child, Social Security cards for you and your child, a recent utility bill or bank statement, and your driver's license or passport. Unlike with freezing your own credit report, which can be completed online, the documentation for a child must be sent through the mail to each of the three credit bureaus.

Thankfully the process is pretty quick. Experian, for example, reports that it takes up to three days to complete processing after all documentation has been submitted. When the credit report freeze is complete,

you will be given a PIN from each bureau that should be secured in a safe place. The PIN is used to thaw the account when ready⁸.

Pro Tip: Read our roundup of the best identity theft protection services for families to learn more about how to protect your children.

Now Is the Time to Freeze Your Child's Credit File

Child identity theft is on the rise, but there are plenty of steps you can take to protect your little ones. Ensure that any sensitive documents, such as Social Security cards and birth certificates, are in a place that cannot be accessed by visitors to your home. When disposing of documents that include this information, be sure to shred them, and delete any personal information before getting rid of an old computer or cell phone. In addition, monitor your child's finances, checking online statements and keeping an eye out for breach notifications.

The best way to protect your child's financial future, however, is still to create and then freeze their credit reports. In the end, it will be time well spent.

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