Consumer Alert: Be Wary of Free Online Credit Reports - Updated: July, 2014

Updated: July 7, 2014 - A wide variety of websites have offered consumers free or low-cost copies of their credit report for several years now. The latest iteration of the bait and switch websites doing this now offer credit scores too. ACCESS has provided numerous warnings about these services because their privacy policies allow them to resell, or repurpose your private data. Anyone wanting access to their credit report should only go to AnnualCreditReport.com - the only free credit report website that is authorized by law.

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All American consumers are now able to get a free copy of their credit report from each of the three credit repositories - Experian, Equifax and Trans Union - annually through AnnualCreditReport. This right was given to us in late 2003 when Congress passed the Fair and Accurate Credit Transactions Act, or FACTA.

Unfortunately, while Congressâ€™ intent may have been good, the same cannot be said of the credit repositories. They quickly discovered numerous ways to make money from the new law, all at the expense of the consumers.

When this portion of FACTA went into effect, many of the websites offering free credit reports started to look remarkably like the AnnualCreditReport.com website. Unlike the official site however, anyone signing up to these for-profit sites was usually enrolled in a credit monitoring service that would charge them approximately $15 per month. The situation got so bad that the government finally mandated a warning to be displayed at the top of these sites if consumers were going to be charged for anything.

There were also issues with the actual AnnualCreditReport.com site. Specifically, a very weak privacy policy that allowed consumer data to be shared with third parties and other companies owned by the repositories. While the privacy policy has been improved since the site was rolled out, it still has more holes in it than a block of Swiss cheese. For this reason, we advise against making an online request for your credit reports. Instead, consumers should call AnnualCreditReport and make their request via the phoneâ€¦ which offers significantly better privacy protection. The phone number to call is 877-322-8228. According to the recorded information on this line, information provided via the phone will only be kept confidential. There is no mention of sharing your information with third parties.

Before calling, you should also know that if you want to see your credit scores from each of the repositories, you will have to purchase these separately. In fact, you can expect the repositories will attempt to sell you credit monitoring services, and your credit scores, regardless of the way that you attempt to exercise your rights under FCRA or FACTA.
byJim Malmberg

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