

Information Source

Winter 2001

Protecting Your Identity

As a trusted steward of Canada's largest consumer credit database, Equifax is actively involved in tracking identity fraud. As part of our commitment to both our customers and consumers, we will share timely and practical information on fraud that may improve and impact the quality and security of business operations.

What Is Identity Fraud?

Identity fraud is when an individual's identity is used by another individual under false pretense. In addition to utilizing basic personal information like name, address and telephone number, identity thieves attempt to use an individual's social insurance number, driver's license number, credit card, bank card, telephone calling card, birth certificate or passport. Recently, the level of criminal activity has expanded to stealing credit card and debit card numbers along with Personal Identification Numbers (PIN) and making false applications for loans and mortgages.

Statistics on Consumer Fraud

In 1998, our organization handled over 4,000 incidents of identity theft. In 1999, that figure rose by 55 percent to almost 6,000. For year 2000, we handled over 8,000 cases of identity theft, which marked a 54 percent increase over 1999. In the first half of 2001 we handled over 5,200 cases. We are pleased to note that many businesses and consumer protection agencies currently have programs in place to help reduce identity fraud. Based on our current statistics of victims of identity fraud, the most common instances of identity fraud occur with credit cards, cell phone memberships, furniture and electronic merchandise financing attempts, car leases, lines of credit and mortgage applications.

What Can Be Done to Avoid Identity Fraud?

• Customers can contact their Equifax sales representative to discuss our fraud solutions such as SafeScan, SafeScan ID, Gemini Application Fraud Predictor or Deposit ALERT. These services will assist you with identifying potential fraud activity.

- Suggest to your customers that they order a copy of their credit report once a year (1-800-465-7166 or www.equifax.ca) to ensure their credit information is accurate.
- As a consumer, contact your local postal outlet if you notice a sudden decrease in the amount of mail you receive. Check the packaging on your personal cheques for signs of tampering. If there is any evidence of tampering, contact your bank branch.
- Review your monthly credit card, cellular phone and similar statements as soon as you receive them to verify all charges were incurred by you. Call the appropriate service company immediately if you notice any unusual information or activity on your monthly statement.
- Most importantly, if your wallet or purse has been lost or stolen, inform the police, your bank, any lenders and the credit reporting agencies.

Helpful Financial Reference Sites:

Bill C6: Privacy Law	www.privcom.gc.ca
Canadian Bankers Association	www.cba.ca
Canadian Info. & Privacy Org.	www.privcom.gc.ca
Equifax Canada Inc.	www.equifax.ca
Freedom of Info. & Privacy	www.acjnet.org/resource
Interac Association	www.interac.org

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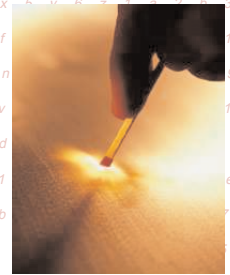
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EQUIFAX

PRESIDENT'S MESSAGE

Rick Cleary

It seems the debate about whether or not we are in an economic slowdown is behind us. The question still remains how severe or prolonged this downturn may be. Regardless of what the future holds, Equifax is well positioned to offer our customers the tools they need to make sound credit decisions during these uncertain times.

Looking beyond traditional economic indicators, we see some interesting and perhaps worrisome trends. With the ongoing reduction of interest rates and the availability of increasingly flexible repayment options, Canadians on the whole are borrowing more than ever. Moreover, from the beginning of 1998 to mid-2001, authorized credit limits increased by 81.1 percent to a total of \$437 billion. During that same period, authorized limits for revolving bank loans increased from \$47.5 billion to \$112 billion - a total growth of 136 percent. While such trends would typically indicate consumer confidence in the economy, it is probably fair to say that increased competition and more effective marketing efforts have had an impact as well.

In any event, these statistics suggest that any prolonged economic downturn, coupled with lower average after-tax income growth, could result in challenges for both credit grantors and borrowers.

Equifax maintains information on consumer borrowing across the country. As a result we are able to offer credit grantors unrivaled in-depth analysis of the behavior of borrowers through the collection of detailed credit information including type of loans, authorized credit limits, outstanding balances and payment history. Our robust predictive models, analytical products and decisioning tools can assist our clients in gaining greater insight into the complex world of consumer behavior. Armed with such information and tools, credit grantors will be better equipped to adjudicate credit and mitigate avoidable losses, while assisting their clientele in managing debt.

Canada's economic tide ebbs and flows, but Equifax's mandate remains the same: to provide our clients with innovative and timely solutions that allow them to achieve their business objectives in an ever-changing marketplace.



www.equifax.ca - New and Improved

Earlier this year, Equifax launched its newly designed Canadian Web site in an effort to provide businesses and consumers with details about our various products and services such as our scoring, technology, commercial and fraud solutions.

We invite you to explore www.equifax.ca to learn more about the broad range of services available to your organization, or to obtain information about consumer reporting or federal and provincial legislation and privacy.



Commercial Solutions

BUSINESS GROUP SPOTLIGHT

The Commercial Solutions group offers reliable and competitive business information on over two million Canadian companies. We offer a full range of commercial risk assessment services that assist in making faster and more profitable business decisions.



One of our leading products is the commercial credit report, which offers unique and up-to-date information on a business' payment history, negative occurrences such as legal suits and judgements, collection claims, NSF cheques and bankruptcy data. Also included in the commercial credit reports are powerful predictive risk scores that provide strong warnings of possible default concerns.

Our online database is both current and unique with over 50,000 information items added daily. Our database allows us to provide the information you need, when you want it.

Account Monitoring alerts you to any negative trends that could impact your collection efforts.

Investigative Services offer you quick turnaround time on services such as a commercial bank check, trade supplier surveys or ordering a Corporate Registry Search. If your credit responsibilities reach across the border or around the world, we have more than 10,000,000 U.S. reports that are instantly retrievable and an international network that provides reports from anywhere in the world.

The Commercial Solutions group brings together dedicated sales, technical and marketing skills to assist you at every stage of the customer life cycle. We can provide off-the-shelf or customized solutions for all your business requirements. We work with you to determine the most appropriate and cost-effective approach.

Commercial Solutions are available via the Internet, our own Equifax-Direct Software, System-to-System link or simply by calling our National Customer Care center at 1-877-227-8800 or locally 416-227-8800.

Legal Reports over the Internet

INSTANT ACCESS TO CANADIAN LEGAL REPORTS

Equifax is pleased to announce that Canadian commercial legal reports are now available to all members who access reports via our Internet site.

While credit reports are specific to a company name at a precise address, legal reports verify a business name against all legal jurisdictions in Canada and provide you with important details on actions such as suits or judgements found under a particular company name. Our advanced online system allows members to instantly check the business name both as a defendant and as a plaintiff.

With our legal reports you can find out who is suing your customer, and who your customer is suing. This is extremely useful when you are considering litigation against a business. It allows you to have insight into how often the company has counter-sued when served with a lawsuit. This unique product is vital to commercial

customers like insurance companies who may find out that their prospective customer has sued their last few insurance underwriters. Legal reports are also useful in keeping you informed as to whom your competitors are suing.

To encourage browsing through our legal database, Equifax allows the customer to conduct searches on either the defendant or plaintiff database for specific company names at no charge. When information is available, you are notified of the number of legal items you will receive before you actually view them in detail. For customer convenience, Equifax does not require a special agreement for this service and charges the equivalent of one credit report for each legal report ordered. Each commercial legal report can include up to 25 legal items.

To learn more about commercial legal reports, contact your local Equifax sales representative.

Gold Continuous Monitoring

IDENTIFY COMMERCIAL RISK AND OPPORTUNITY

In response to demands for an automated and reliable commercial risk alert and portfolio management tool, Equifax now offers Gold Continuous Monitoring (Gold CM).

What makes this product successful is the constant flow of data into the Equifax commercial database. Each day Equifax adds over 50,000 information items. In addition to trade payment experiences from thousands of creditors, there is a steady flow of negative items: collection claims, legal suits, judgements and returned cheques. Gold CM is a risk and portfolio management tool that can assist in completing critical business activities.

Benefits of Using Gold CM:

- Identify quickly and easily the risk within your portfolio
- Increase or decrease credit limits

- Prioritize collection efforts, spending valuable time on collectable accounts
- Greatly reduce time required for account reviews
- Minimize workload within your risk management processes
- Identify best accounts, allowing you to receive the most impact from your marketing and selling initiatives
- Close high risk accounts
- Terminate high risk loans

Gold CM can help streamline risk and portfolio management procedures by reducing efforts that may currently take weeks to complete. The objective is to significantly reduce DSO and bad debt write-off. This results in increased cash flow, reduced borrowing and higher profits.

To learn more about how Gold Continuous Monitoring can assist you, please contact your local Equifax sales representative.

To find out more about how our commercial data and expertise in analysis can help you, call 800-278-0278.

Equifax Industry Credit Groups

THE POWER OF NETWORKING

Equifax's Industry Credit Group meetings are conducted across the country in order to facilitate the flow of valuable commercial credit information. Fellow participants are able to monitor trends in their accounts' performance, while there is still time to act.

What is the Purpose of these Meetings?

Networking is key to operating a successful commercial credit department. During these meetings, members from a similar industry discuss mutual problem accounts. Customized credit reports are distributed and members have the opportunity to discuss and add relevant information.

What Industry Groups are Available?

Equifax offers over 100 different monthly industry specific group meetings that cover a wide range of business lines. Examples of these industries are:

- Electrical Wholesalers
- Food Manufacturers
- Pharmaceutical Manufacturers
- Men's and Women's Apparel
- Suppliers to Major Retailers

For more information on Industry Credit Group meetings, please contact Bob Rose at 416-227-5322 or call your local sales representative. Our team is ready to go to work for you.

E-Commerce Solutions

SECURITY BEGINS WITH IDENTITY

As more businesses migrate to the Internet, identifying exactly who is sitting at the computer becomes more difficult, but essential. The key to minimizing fraud is to validate the identity of the person sitting at the keyboard. Equifax's eIDverifier™, not only provides you with the ability to reduce online identity fraud, but also protects consumer information from unauthorized access and increases the security of Internet transactions.

Virtual identity verification over the Internet. More than just wallet information....



What's involved in this "virtual verification"?

Equifax employs a multiple-question interactive query process that takes eIDverifier beyond the traditional, wallet-based authentication procedures. eIDverifier produces an identity assessment score and reason codes by making a comparison of consumer provided information from Equifax and other industry data sources. The real-time functionality of eIDverifier allows a business to authenticate consumers and continue transactions within minutes.

How do I learn more about eIDverifier?

To find out more about how your organization can satisfy its business needs and enhance the levels of security, contact your local Equifax sales representative or send an e-mail to: e_commerce@equifax.com.

For further assistance on technical questions, call our Customer Access Support Team at 877-257-2090 or locally at 416-227-5479 or by e-mail at cast.ca@equifax.com.

ASK C.A.S.T.

The Customer Access Support Team answers your most often asked questions.

Q: Equifax offers Internet access to pull credit files. How secure is it ?

A: In order to ensure the security of our Internet access we have implemented the following:

1. Equifax maintains a highly secure Internet infrastructure.
2. Periodic intrusion testing is performed on the infrastructure.
3. Equifax maintains daily logs to actively monitor and manage possible intrusions.

MARKET-FACTS

CONSUMER CREDIT GROWTH

Equifax is committed to researching and providing information regarding the consumer credit world.

Equifax's team of Knowledge Engineering specialists have determined that since first quarter 1998 to second quarter 2001, there has been significant growth in the number of consumer accounts in Canada.

Studies reveal:

- There has been a strong growth in credit limits, with an increase from \$241 billion to \$437 billion.
- The annual growth rate of active consumer accounts has been 8 percent.
- Canadians are signing up for and utilizing credit as evidenced by a 14.3 percent annual growth rate in authorized credit.
- The annual growth of bank loan accounts has been 20 percent.
- The number of credit card accounts grew from 18.6 million to 25.2 million.
- Credit card outstanding balances grew from \$21.1 billion to \$37.3 billion.

Predicting the behavior of consumers may be challenging but Equifax has the inside facts to assist you.

Research provided by Equifax. To obtain more information on the above and other research studies we conduct, send an e-mail to knowledge.engineering@equifax.com.

4. To protect the content of the data transmitted between the client and Equifax, data is encrypted using Security Socket Layer (SSL 128 Bit).
5. Security access is defined at the user level using three mandatory log on IDs: client ID (specific to company), user ID (specific to user) and password (defined by and specific to user and cannot be viewed by Equifax).
6. Authentication of each transaction by either static Internet Protocol address or the use of digital certificates which is issued to the individual user.

Industry News

EQUIFAX EVENTS AND OTHER INDUSTRY CONFERENCES HAPPENING OVER THE NEXT FEW MONTHS:

The National Center for Database Marketing (NCDM)	New Orleans, LA	December 9-11	www.ncdmwinter.com
Credit Scoring and Risk Strategy Association General Meeting (CSRSA)	Toronto Stock Exchange	January 29	www.csrso.org
The 2002 Leadership Conference on Global Corporate Sponsorship	New York, NY	February 11	www.conference-board.org
Finance Credit International Business New York Round Table	Shelburne Hotel, NY	February 20	www.fcibglobal.com
The 2002 Strategic Management Conference	Marina Del Rey, CA	February 27-28	www.conference-board.org

We wish you and your family a safe and happy holiday season!

New Product Updates

Equifax is committed to product innovation, superior customer service and unparalleled support in the areas of credit data, decision solutions and strategic consulting. To that end, we are continually developing new products and services.

Canadian Auto Risk Score (CARS) - our newest risk scoring product. CARS quickly and accurately predicts the likelihood of delinquency on automobile loans and leases over a 24-month period. CARS is designed to predict delinquency on auto trades and separates good and bad risk more accurately for auto loans and leases than generic risk scores. CARS is available online for acquisition credit scoring, off-line for account monitoring, managing auto finance portfolios and as a predictive tool for key strategic marketing initiatives.

Canadian Property Loss Score (CPLS) - Recently we conducted a case study with a major insurance company to validate this unique underwriting tool. CPLS enhances your decision-making process by examining Equifax's data attributes and predicting the loss ratio and claim frequency on new or existing applicants.

eAttrition Destination - incorporating proactive account management into your process just got easier. This powerful strategic analysis tool is now available via the Internet and allows you to manage your existing customers or prospects by monitoring attrition activity by product type such as line of credit or number of accounts.

eIndustry Benchmark - is the first online, Internet-based multi-dimensional strategic analysis tool of its kind in the Canadian marketplace that is designed to offer a complete examination of your total lending portfolio market share in comparison to the Canadian credit market.

eIDverifier - establishing proof that individuals are who they claim to be over the Internet remains one of the most important issues that customers face in the Internet economy. When true identity is the question, eIDverifier can deliver fast and reliable answers by validating key data fields (personal information) against the content of our multiple and accurate databases.

SafeScan - new and enhanced SafeScan offers additional messages and user customization as well as allowing multiple SafeScan messages to be returned.

To learn more about these innovative products and services please contact your local sales representative or visit our Web site at www.equifax.ca.

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