

VIDEO

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How to Protect Yourself from Account Takeover Schemes

ICI Explains

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All investors, including mutual fund shareholders, are potential targets for financial fraud. Watch this video to learn more about protecting your account.

Transcript

Financial fraud is an age-old problem that constantly evolves with new technology and behavioral changes.

One of the latest frauds, account takeover schemes, is used to target mutual fund shareholders and customers of other financial institutions. Account takeover occurs when a fraudster gains access to a mutual fund or other financial services account, changes information—such as log-in credentials or personal information—and then makes unauthorized transactions in that account.

While fund companies and other financial services firms are constantly working to enhance security, it's important to stay vigilant and take precautions.

In addition to basic protections—like using strong, unique passwords—you can take several simple steps to defend yourself from criminals attempting to take over your account.

First, make sure you open and read your financial statements. Immediately report any unusual or unauthorized transactions or changes.

That means being aware of when you usually receive statements and communications from your financial institutions. Call your broker or fund company immediately if your statement doesn't arrive when expected. A fraudster who wants to take over an account will usually change the email address and physical mailing address, so the victim won't receive statements.

Finally, if your financial institution offers you multifactor authentication to access your account, use it. This makes it much more difficult for a fraudster to break in and take it

over.

And remember—you're not alone in this fight. Your fund company has many processes and controls in place to keep you safe from these cybercriminals. But there is no substitute for you remaining vigilant.

Taking the simple measures mentioned here will make it much less likely you will fall victim to an account takeover scheme and financial fraud.

For more information, visit <https://www.consumerfinance.gov/consumer-tools/fraud/>

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