

## RAPIDLY CHANGING DISPUTE LANDSCAPE: WHAT ABOUT FRAUD?

### Make Fraud Disputes a Part of Your Process

The credit reporting dispute landscape is rapidly changing, and furnishers are revamping processes in an effort to keep up with rising volumes and regulatory requirements. While managing these volumes, the potential for fraud cannot be overlooked. This year, the CFPB advised that **61% of complaints were due to 'Incorrect information on the credit report'**, which can include identity theft.\*

Disputes claiming fraud must be appropriately identified and managed by subject matter experts (SMEs) for proper investigation. Furnishers may be vulnerable to legal action if they don't conduct reviews accurately and thoroughly.

### Surefire Methods for Fraud Inclusion

Accounting for fraud disputes by proactively implementing the following measures can improve the customer experience and reduce complaint volumes caused by fraud.

#### Develop Policies and Procedures to Include Fraud

- Design procedures to align fraud disputes with enterprise processing.
- Incorporate an investigation process that provides detail surrounding fraud themes' such as account take-over, reinvestigations or claims of account fraudulently opened.

*Tip: When the dispute is confirmed as fraud, remove inquiries as well as fix inaccurate credit reporting.*

#### Conduct a Comprehensive Reasonable Investigation for Fraud Disputes

- In disputes cases identified as fraud, analyze the customer data on the SOR, as it may be inaccurate because of identity theft.
- Provide an open communications channel between fraud and disputes to foster efficient handoffs. This way, when a customer claims a dispute and the dispute team identifies it as fraud—it can quickly go to the fraud team, and vice versa.

*Tip: Assign a dedicated fraud SME to review fraud disputes and determine if an investigation is warranted.*

#### Communicate effectively internally across all lines of business (LOB) and with customers

- Effective communication across your LOBs (disputes, fraud and collections) can help you identify customer impacts and uncover disputes early.
- "First pay defaults" in collections may often be identity theft fraud and that information can be used by disputes agents in the resolution process.

*Tip: Consider agent outreach to consumers when fraud is identified and inform them that credit reporting consequences from fraud will be resolved.*

A hand in a suit jacket points towards the right. Overlaid on the background is a complex flowchart with various boxes, lines, and arrows, suggesting a data analysis or process flow. The background is dark with a grid pattern.

“Bridgeforce’s work was game-changing —we gained insights into our data and processes that we never would have had without them.”

— Credit Reporting Operations, Top 5 Bank

## Act Now to Ensure You’ve Covered Fraud in Disputes

Bridgeforce can help you assess your credit reporting disputes management process with an eye to fraud to **identify opportunities that reduce costs and increase efficiencies in disputes resolution.** Our real experience in all aspects of credit reporting can help you set your vision and achieve real results.



\* Reference: CFPB Consumer Response Annual Report 2018  
1019-00153

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