



# Consumer Protection Alert

Service Alberta and Red Tape Reduction

## Online Lending and Personal Information

**Region:** Online

### Details

The Consumer Investigations Unit with Service Alberta and Red Tape Reduction is warning Albertans to be careful when borrowing online.

Online payday or high-cost loan websites may ask for personal or banking information that will put the borrower at risk of identity theft or fraud. One example is the use of fake or untrustworthy instant bank verification (IBV) links. Online loan providers, both legitimate and illegitimate, utilize IBV to verify the income of the consumers applying for online loans.

With these links, consumers are directed to complete a link on the loan provider's website; during this process the consumer is required to log into their bank account, at which point the loan providers may be able to obtain their banking information and login credentials.

In many cases, these unlicensed or fake loan websites deny consumers the loan after they have completed the process. As the websites now have the consumer's personal or banking information details, there is the possibility that they may sell this information to scammers, or even sign them up for services without their consent.

### Consumer Tips/Instructions

Consumers are strongly encouraged to take steps to protect themselves when accessing or providing their personal or banking login information online. Prior to applying for an online loan, consumers should research the loan provider. They can also protect themselves by checking the company's record with Service Alberta and Red Tape Reduction and the Better Business Bureau.

Businesses providing high cost of credit or payday loans in Alberta are required to be licensed with the province. Consumers can search for a business's licence through the following website:  
<http://www.servicealberta.gov.ab.ca/find-if-business-is-licenced.cfm>.

For more information and tips regarding identify theft, high cost of credit and payday loan providers, please review the following Service Alberta's tipsheets:

- **Identify Theft** <https://open.alberta.ca/publications/identity-theft>;
- **High-cost of Credit** <https://open.alberta.ca/publications/high-cost-of-credit>;
- **Payday Lending** <https://open.alberta.ca/publications/payday-lending>.

If you suspect an online scam loan provider, report it at 1-877-427-4088 (toll-free).