

How do online banks know who you are?

To verify your identity online, banks will work with credit reporting agencies, like TransUnion, Equifax, or Experian. They will compare personal information you provided in your application with information credit reporting agencies may have about you.

- Credit reporting agencies have a lot of your personal information on file. They get it from financial institutions and certain service providers, like telecommunication companies.
- An online bank will provide the agency your name, address, and date of birth to get your credit report.
 - They like to ask for your SIN, arguing that it helps avoid mistakes when comparing the information.
- This exchange of information between bank and credit reporting agency is called a 'soft' credit check. It does not affect your credit score.

Why may online identity verification fail?

Identity verification may fail because no credit report about you exists or because the personal information you provided, like your date of birth, name, or address, does not match the information in your credit report.

- Credit reporting agencies only update information when they receive it from financial institutions and service providers. There may be a timing lag if you recently moved or changed your name / phone number.
- If you suspect the agencies have outdated or incorrect information, let them know and make sure they correct the errors.

Your online verification may automatically fail if your credit history is too short (banks usually need to see 3 years).