



Managing credit freezes during the background screening process

With the proliferation of data breaches in recent years, including the recent Equifax breach that affected roughly 145 million individuals, more and more consumers have taken steps to secure their personal information, including placing a security freeze or a credit lock on their credit files.

While credit freezes or locks can serve as a valuable tool to protect credit information, some services, such as purchasing insurance, filing for a loan or submitting information for a background check, may require consumers to temporarily lift or remove these freezes or locks.

Credit file inquiries are generally perceived as a means to assess an individual's financial history and credit standing, but in the background check process, credit bureau records may also be used to identify aliases, past addresses and other identification information.

If a consumer has implemented a security freeze or lock on their credit file(s), any request to access the person's credit file will return only a message that the file has a freeze in place. While this is the purpose of the lock or freeze, it can cause problems in situations where the individual has otherwise given permission for a third party to access their information. For example, a consumer seeking employment in a position of financial responsibility may authorize a background check, including a credit check, by signing an FCRA authorization. In this scenario, the lock or freeze may delay the background screening process.

In such instances, the consumer would need to be contacted and instructed to lift the freeze or lock in order to allow completion of the background check. While the credit bureaus can usually fulfill a request to lift a security freeze within 15 minutes, legally, they have up to three business days to comply with these requests. Companies conducting background checks that require accessing individuals' credit files can avoid any unnecessary delays in the background check process and superfluous applicant contact by notifying applicants up front that they will need to lift or remove any such freezes or locks. As a best practice,



employers can add language to their onboarding instructions to instruct applicants to lift or remove any credit freezes or locks prior to authorizing the background check.

Consumers can lift a freeze for a specific time or can grant one-time access to their credit files for specific companies or business. Therefore, companies should also inform applicants of which credit bureau the company will use to access their credit file so applicants can contact the applicable bureau to lift their freeze.

Companies should also continue to ensure compliance with all laws, including laws that may prohibit employers from using credit reports for employment purposes. Some such laws may go a step further by prohibiting employers from asking for authorization to conduct a credit check, such as in Philadelphia, Pennsylvania. For more information on this topic, please see our Compliance Issue Analysis: [Credit Reports for Employment Purposes](#).

HOW TO LIFT OR REMOVE A SECURITY FREEZE

- **Equifax:** Call 800-349-9960 or online at <https://www.freeze.equifax.com>
- **Experian:** Call 888 397 3742 or online at <https://www.experian.com/freeze>
- **TransUnion:** Call 888-909-8872 or online at <https://freeze.transunion.com>