



From AI-Powered Filers to Tax Refund Thieves: LifeLock Reveals New Insights on the High Cost Fraud Paying Americans Endure

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In 2024, the IRS flagged \$16.5 billion in refunds for possible identity fraud, LifeLock shares how to avoid the costly reality of tax fraud

TEMPE, Ariz. and PRAGUE, Feb. 2, 2026 /PRNewswire/ -- For many Americans, a tax refund is one of the most important financial moments of the year. Refunds help pay bills, build savings, and stabilize household budgets. New research from government sources and LifeLock, the leader in identity theft protection in the U.S. and part of Gen (NASDAQ: GEN), shows that tax scams are increasingly interfering with refunds, turning everyday tax-paying Americans into fraud-paying Americans. Victims often pay in more ways than one, facing extended delays to receive their tax refund, along with financial losses and the time-consuming process of getting their money back and restoring their identity.

More than 1 in 4 tax-paying Americans have been a victim of identity theft. According to new LifeLock research, the average loss was \$8,401 per victim, with some losses as high as \$75,000. In many cases, money intended for savings, bills or investments was diverted directly to criminals.

"Tax season has become one of the riskiest times of year for your identity, especially as more Americans rely on digital tools and AI to manage their taxes," said Ian Bednowitz, General Manager of LifeLock. "Scammers are using AI, fake IRS messages and fraudulent tax preparers to intercept personal data and hijack refunds. A tax return is a treasure trove of information for a criminal. When fraud happens, the impact can stretch well beyond tax season, disrupting financial plans and creating long recovery timelines for victims. Taking steps to protect your identity before you file can help reduce that risk."

AI has become an integral part of people's everyday lives with 23% of Americans planning to use AI tools such as ChatGPT, Gemini or Copilot to help file their taxes. The idea of AI-assisted filing is especially popular among younger generations: 32% of Gen Z and 38% of Millennials say they plan to use AI, compared to 17% of Gen X and 5% of Baby Boomers.

Among those planning to use AI for taxes:

- **51%** would feel comfortable with AI guiding them step-by-step through the filing process
- **47%** are comfortable using AI to explain tax terms or deductions
- **41%** say they would feel comfortable with AI actually filing their taxes for them

LifeLock cautions that while AI can make filing faster and more convenient, it can also give people a false sense of security if they aren't thinking about how their personal and financial data could be misused. That's when scammers step in, diverting refunds, opening new accounts or filing fraudulent returns in someone else's name.

Despite rising threats, many Americans say they plan to be more proactive this year. In fact, 79% of Americans plan to take steps to protect themselves from tax scams in 2026. LifeLock experts recommend a combination of smart habits and specialized protection to help reduce the risk of identity theft and tax-refund fraud:

Use reputable tax preparation services and software. Confirm your tax preparer's credentials and use well-known, trusted tax software.

Use AI only to get general tax advice. Limit the amount of personal details you share with any AI tool, especially sensitive information on your W2 or your Social Security number.

Go directly to official sites. Type [IRS.gov](https://www.irs.gov) and your tax provider's URL directly into your browser instead of clicking links in emails, texts, social posts or chatbots.

Be skeptical of urgent messages. The IRS will not initiate contact by email, text or social media to demand immediate payment or request personal information.

Use Proactive Scam Protection for peace of mind: [Norton 360 with LifeLock](#) plans include always-on, AI-powered scam protection to detect sophisticated scams across web, phone calls, texts, emails, and videos in milliseconds.

File early. Beat the scammers to it so they can't attempt to file in your name.

Get white-glove expert protection. If you fall victim to tax identity theft, [LifeLock](#) provides support through insurance and U.S.-based restoration specialists to navigate the complex process of recovery for you and save you days, if not weeks.

For more information, visit LifeLock's resource on [IRS tax scams to watch out for](#) to help protect your identity and refund this tax season.

Methodology Statement:

The study was conducted online within the United States by Dynata on behalf of Gen from 20th November to 26th November 2025 among 1,000 adults ages 18 and older. Data are weighted where necessary by age, gender, and region, to be nationally representative.

About LifeLock

LifeLock is the leader in identity theft protection in the U.S., and a brand of Gen (NASDAQ: GEN), a global company dedicated to powering Digital Freedom through its family of trusted consumer brands. Millions of customers trust LifeLock to help protect their identities. LifeLock detects and alerts people to possible identity threats, and its dedicated Identity Restoration Specialists help people restore their identity if they do become a victim. All LifeLock members also have coverage through LifeLock's Million Dollar Protection™ Package which provides additional coverage for stolen funds and lawyer and expert support. Learn more at [LifeLock.Norton.com](https://www.lifelock.com) and [GenDigital.com](https://www.gendigital.com).

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