



Digital Identity: the cost of doing nothing



OIX Workshop
Monday 11 June 2018



PROJECT SUMMARY



Objectives:

- The aim of the white paper is to give senior stakeholders and decision makers - and those that brief and advise them - the insight and tools needed to engage in a more informed digital identity conversation.
- Identify the drivers behind demand for digital identity solutions
- Collate and analyse existing research and international experience, to attempt to identify the potential cost of continued inaction

Method:

- Cross-analysis of the existing body of research
- Undertake trend analysis and horizon scanning
- Project potential direct and indirect costs and savings over a 3 year time horizon.



FINDINGS

Improved digital identity solutions could solve numerous identity challenges across a range of industries

The costs of continued inaction are projected to far outweigh the likely cost of delivering solutions

The potential value to the UK economy of utilising smart technology, including digital identity, has been estimated to be as high as £58 billion three years from now

Direct savings by tackling inefficient KYC processes and a growing identity fraud problem

Potential direct savings and value added by 2021 (annual):

- Up to £1.5billion saved from improving efficiency of KYC process and identity authentication alone
- Up to £8.5billion to be saved in identity-related fraud

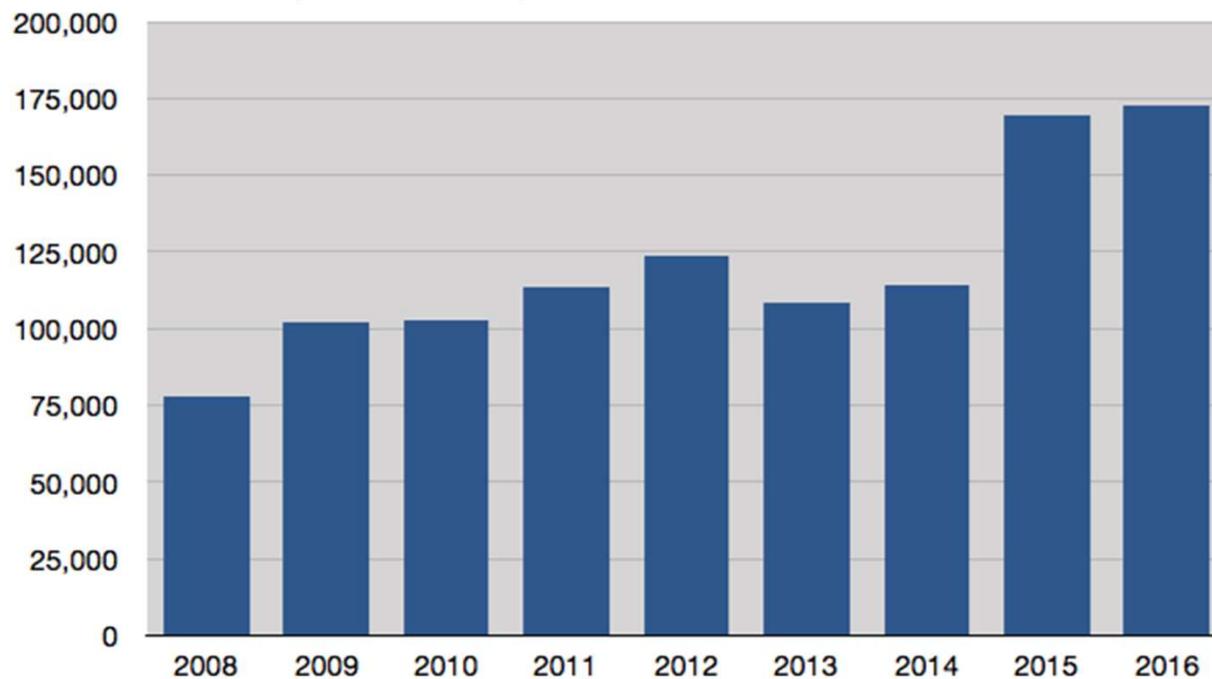
Digital identity is a potentially multiplier of future economic value.

Digital identity schemes can enable the development of new products and services and multiply other value of other digital initiatives:

- Significant potential to build significant eID supply-chain value
- Wider economic benefits, and the multiplying effect for the digital economy, could be worth as much as £58billion / year



Reported identity fraud / year (CIFAS)...



vs unreported costs

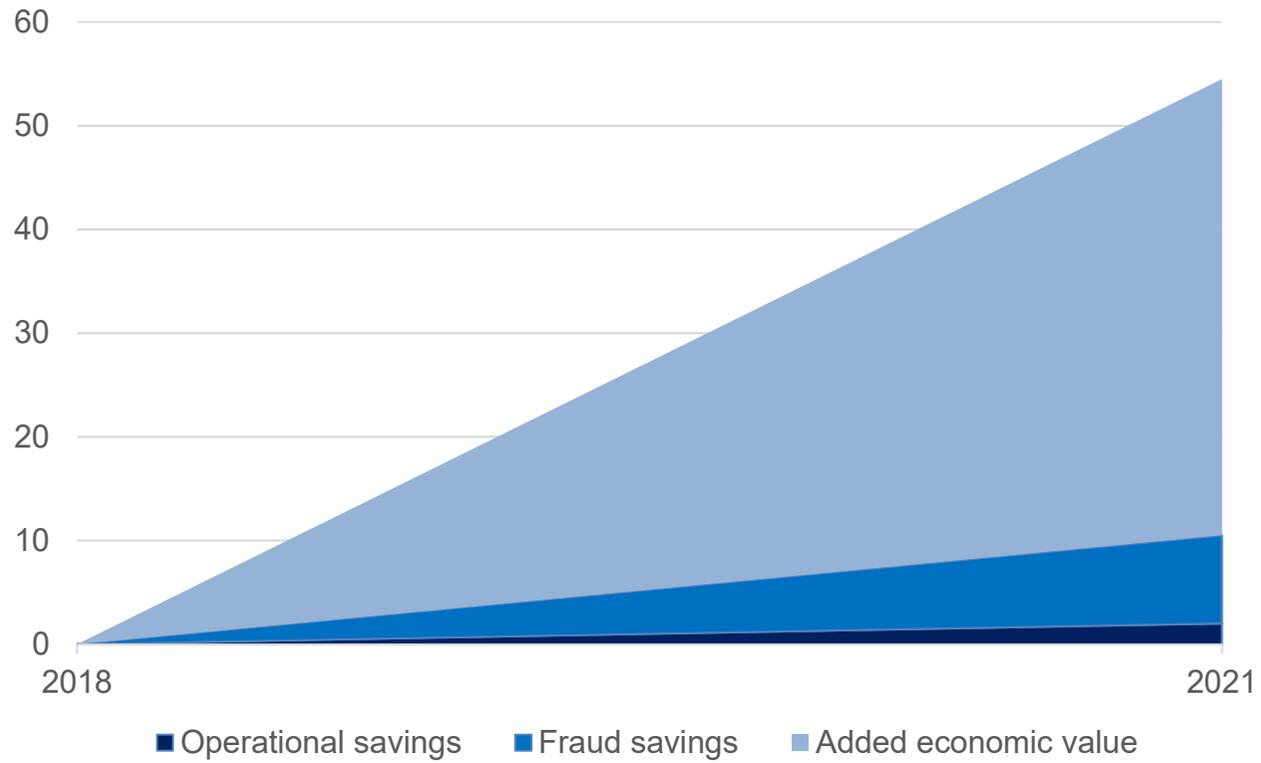
The cost of fraud against Individuals in the UK (2016) was estimated to be £9.7 billion

Identity fraud was identified as the largest contributor, at close to £5.4 billion

There were an estimated 3.25m victims



Potential value of eID to UK PLC





THE WAY FORWARD

International experience can provide insight, and a number of successful examples to learn from. There is no challenge faced in the UK in developing a digital identity solution that has not been faced, and successfully overcome, in one of the 60+ countries around the world where a scheme has been launched.

Further research is needed to understand the potential UK identity market. It's vital that we develop a clearer view of market size, existing costs vs likely future costs, and potential future value.

- 1** Engage widely
- 2** Explore the economics and trust arrangements collectively
- 3** Agree a range of use cases and their requirements
- 4** Banks to engage fully in the discussions
- 5** Government and regulators to facilitate, not lead

But if all else fails, prepare for a regulatory stimulus...



Thank you

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