

Re-Use of Verify in FS sector

OIX Project

Day Month Year
Version 2.0



Introduction

Barclays has sponsored an OIX Discovery project that explored the practical application of reusing digital identities in the financial sector

Objective

To understand the demands and opportunities the reuse of digital identity will create when applied by the financial sector

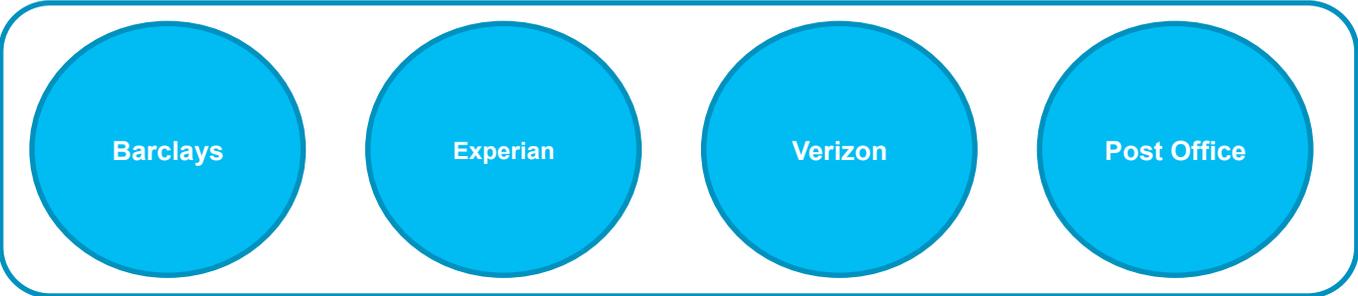
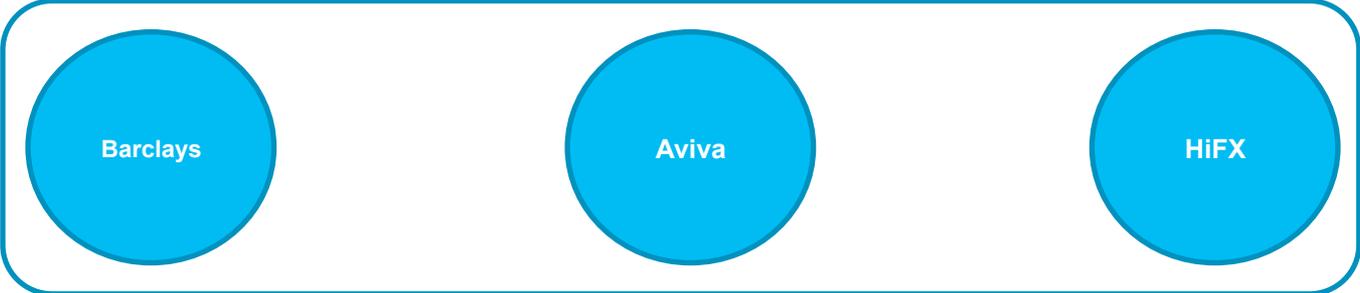
Hypothesis

Customers *are more inclined to complete the application process for a financial service product that enables them to reuse an existing assured digital identity*

Financial Institutions *would accept an assured digital identity from a third party provider as part of their product application process if an established trust framework met their regulatory and service requirements.*

Project Structure & Roles

Financial Institutions



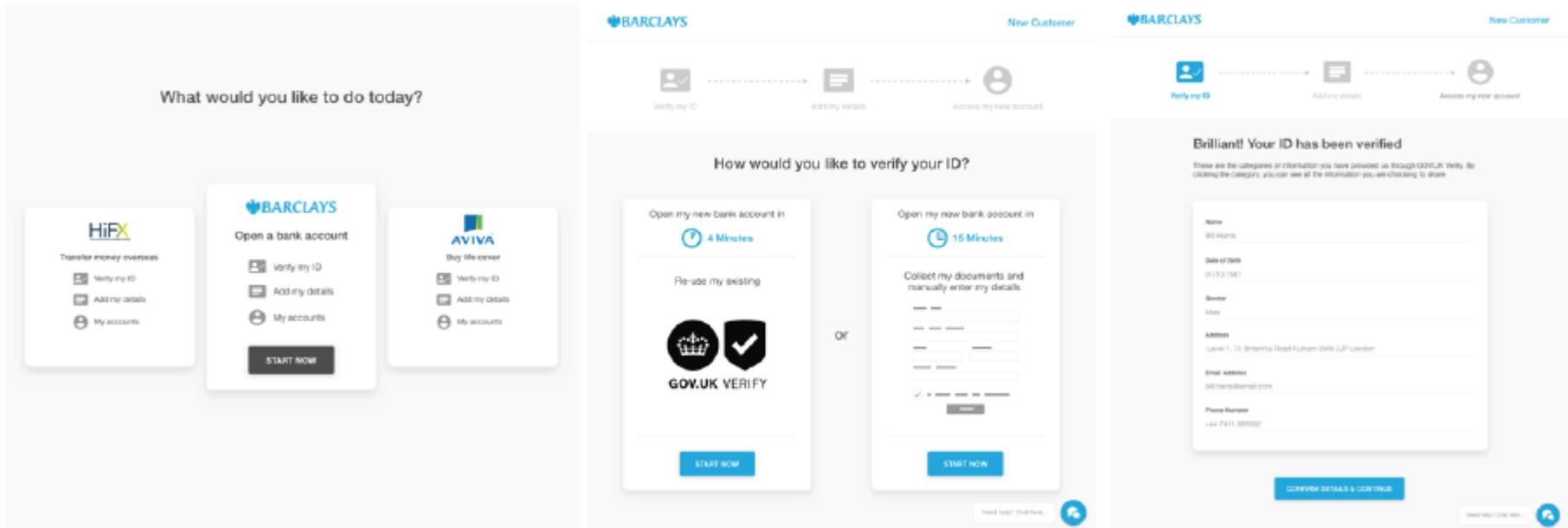
Identity Providers

Our approach

- To test the 2 hypothesis we used 2 different approaches:
- Consumer Appetite:
 - We developed a prototype that enabled a user to apply to open a bank account online using a GOV.UK Verify Identity
 - 15 participants went through a 1 hour UX testing / 1 on 1 interview session
- Financial Institutions
 - To understand needs and appetite of FIs we held a series of workshops where we used a range of methods to understand their needs and ultimately complete a SWOT analysis

Consumer Response

- Consumers were given an identity from Post Office to open a Barclays bank account and we also discussed option of using for a FX transaction and Insurance application



Consumer Response

- Most of the participants had experience of opening a bank account in the last 2 years
- For most it had been process of starting online, then going into a branch and had been at times a ‘frustrating process’

“I did it online but then I had to go in and show my ID ”

– Tara, 46

“It took in terms of time, if I had to add it all up, the best part of four hours...over two sessions.... The taste was bitter It should be a simple process to open an account” – Saytan, 50

- Consumers thought that the process of re-using and identity was easy to complete
- Some expressed ‘Delight’ in the process
- Most believed that this approach would save them time

Consumer Response

- However – there was no awareness of the GOV.UK Verify brand by any of the participants
- There was confusion about the role of the Identity provider in the process



- Despite lack of awareness, government involvement gave the consumers re-assurance in the process and it could be trusted
- Consumers were reluctant to use the digital identity to log-in to their bank account once created, they preferred to use bank issued credentials

Financial Institutions

- There is are significant changes facing financial institutions over the next 2 years:
 - Payments Account Directive
 - Payment Services Directive II
 - AML 4
 - GPDR
- This changing regulatory landscape as well as growing customer demand for online transactions is driving significant investment in digital channels and improvements to customer experience
- Already many organisations use digital processes to enable customer due diligence checks many customers still are unable to finish onboarding online driving reduced customer satisfaction and increased costs



- Financial Institutions responded positively to the concept of a federated interoperable digital identity model
- They saw value in the use of an identity that was endorsed by government

- However there is a lack of understanding how the GPGs align to existing regulatory regime
- Unless there is sufficient scale in GOV.UK Verify there may not be sufficient incentive for them to re-engineer existing processes
- The new approach would need to be endorsed by relevant regulator



Conclusions

- Both Consumers & Financial Institutions responded positively to the idea that a federated digital identity could be used in opening a bank account
- There are clear benefits of ease & convenience for consumer which could drive improved customer satisfaction for brands as well as reduced costs
- However for such a programme to succeed there would needs to be:
 - Greater market understanding and maturity for GOV.UK Verify
 - Clarity on the use of the GOV.UK Verify brand and the role government will play in the new model
 - Endorsement from regulators to the approach

Next Steps

- This approach will only be successful if both the market (IDPs and FI's) work closely with government to:
 - Grow awareness in the market place
 - Build out the options for a target operating model
 - Focussed on market and customer needs, not technology
 - Identify how this solution could help support FI's in fulfilling requirements of the new regulatory landscape
 - Agree role government will play – ie standards setting, licensee of GOV.UK Verify brand