TISA Digital ID Pilot
High Level Approach
September 2018
There is a need for a system will enable effective action against each layer of the stack
Vision for the Digital ID project

- **A digital identity** is an online or networked identity adopted or claimed in cyberspace by an individual, organization or electronic device.

- Digital ID and the supporting services will be a key enabler for the digitisation of UK Financial services delivering improvement in operational effectiveness and better consumer servicing as well as reducing fraud.

- Digital ID will be implemented through a interoperable shared standard and different solutions that is marketed to consumers as the prime means for identifying themselves to UK Financial Services with clear benefits that this brings.

- UK Financial Services and Identity Providers will collaborate to allow consumers to use a Digital ID for the purposes of supporting their customer base.
Objectives for the Digital ID

• Establish a **Digital ID eco-system that is built for the needs of UK the financial services and that meets all regulatory requirements** and enables UK citizens to securely identify themselves to a:
  - Product provider to complete a fully online process to open new product and transfer existing assets (investment products, ISAs, pensions, bank A/Cs)
  - Product provider to complete a range of product servicing operations (e.g. change of employer, address etc.)
  - Provider of digital advice or guidance service
  - Provider of digital services (e.g. payment services, FinTech, Industry Dashboards etc.)

• The Digital ID solution will meet all AML/KYC regulatory checks (such as JMLSG).
Digital ID : Building Blocks

• Proposition development

• Trust Framework development

• Standards development

• Technical / infrastructure

• Business case
High Level Process Overview

Account Opening with FS Digital ID

1. **A/C opening**
2. **Register for a digital ID**
3. **Use existing Digital ID to AML standard**
4. **Upgrade existing identity to AML standard**
5. **Identity Choice**
6. **Authenticate**
7. **Upgrade**
8. **Account creation**
9. **Identity Hub**
10. **Bank Account Verification**
11. **LoA AML Standards and Governance**
12. **Exchange**
13. **Multiple Identity Providers for LoA AML**

**Relying Parties**
- Wealth Managers
- Retail Banking
- Platforms/ wraps
- Building Societies
- Life and pension providers
- Industry service solution providers

**IdPs**
- Identity Provider
- Identity Provider
- Identity Provider
- Identity Provider

**Identity Hub**
- Identity Choice
- Use existing Digital ID to AML standard
- Upgrade existing identity to AML standard
- Register for a AML standard Digital ID
- Source of Funds
- Account creation
- Authenticate
- Upgrade

**Exchange**
- Attributes
- Data Provider for Bank Account Verification

**LoA AML Standards and Governance**

**Reuse of Identity by**
- other relying parties
Benefits – Financial Service Providers

• Customers expect **seamless, omni-channel service delivery** and will migrate to services that offer the best customer experience
• Develop, test and shape the technical **infrastructure** and **standards** for the future, while utilising current infrastructures, back-end systems and processes
• Opportunities to develop, market and sell **new products** and services to customers that utilise Digital Identity
• **Savings** in new business processing costs relate to KYC / AML checking and processing transfers (as for above savings for new business)
• Potential to **reduce fraud** and impersonation risk as well as reduce reparation bills and regulatory fines
• Future proofing **regulatory compliance**, control and governance overheads associated with account opening, new business / transfer business processing
## Digital ID project timeline

<table>
<thead>
<tr>
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<th>Discovery</th>
<th>Pilot</th>
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<tbody>
<tr>
<td><strong>Proposition</strong></td>
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<tr>
<td></td>
<td>May, 2018</td>
<td>June, 2018</td>
<td>July, 2018</td>
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<tr>
<td>Defining user &amp; business needs</td>
<td>Proposition scope and development</td>
<td>Account pilot proposition launch</td>
<td>User Testing &amp; refinement</td>
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<td>Oct-Nov 2018</td>
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<td>Propose end solution</td>
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<td><strong>Trust Framework</strong></td>
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<tr>
<td>Expert Group formed</td>
<td>Framework outline</td>
<td>Test framework assumptions</td>
<td>Stakeholder Consultation</td>
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<td>Refine and Publish</td>
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<tr>
<td><strong>Standards Development</strong></td>
<td>Define LoA for Pilot</td>
<td>Configure hub against LoA</td>
<td>Test LoA with subjects</td>
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<td>Define standards</td>
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<td>Publish standards</td>
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<tr>
<td><strong>Technical</strong></td>
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<tr>
<td>Infrastructure analysis</td>
<td>Technical board formed</td>
<td>Analyze technical requirements</td>
<td>Develop proposed technical approach</td>
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<td>Consultation on technical approach</td>
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<td><strong>Stakeholders</strong></td>
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<tr>
<td>Develop stakeholder plan</td>
<td>Stakeholders engaged</td>
<td>Present Pilot at Industry events</td>
<td>Involve broader industry</td>
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<td>OIX White paper draft</td>
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<tr>
<td><strong>Business Plan</strong></td>
<td>Propose KPI’s &amp; plan template</td>
<td>Develop outline business plan</td>
<td>Business plan workshops</td>
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<td>Business plan consultation</td>
<td>Business plan published</td>
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Overview of Digital ID approach

Phase 2
Beta
- Develop and test connections into live participant’s systems
- Expand coverage of financial product and processes and map required Levels of Assurance
- Extended attribute analysis and sources
- Industry consultation on the Trust Framework
- Define compatibility needs with other schemes
- Identify options for Phase 3 and agree approach
- Raise investment based on Business Plan (from Pilot Stage) and agreed approach for Phase 3.

Phase 3 (a) Alpha
Existing solution
- Define detailed requirements
- Due diligence of existing identity technology suppliers and recommend best mix
- Publish the Trust Framework for use by suppliers and marketplace

Phase 3 (b) Alpha
Develop solution
- MVP Design
- Build solution and procure development
- Develop and test the underlying platform and required connections to Hub, IDPs and attribute providers
- End to end testing with customers

Phase 4 - Live
- Maintain and review relationships with the suppliers
- Management and continuous improvement of the Trust Framework
- Promote adoption of the scheme

Phase 4 - Live
- Management and continuous improvement of the solution and Trust Framework
- Promote adoption of the scheme
- Extended connections into other schemes
Approach: participants input

- **Senior Manager** (from the Operations or Digital Team) to attend or dial into the monthly Governance Steering Group.
- **Product Manager** to be involved in the Proposition Workstream
- **Compliance/Risk Manager/Legal/Commercial** to be a member of the Expert Group responsible for defining the Trust Framework and Standards Development
- **Data Analyst** to be involved in the Technical and Trust Framework work-streams
- **Technical Analyst** (who understands the participants technical architecture and systems)
- **Business Analyst** to provide input into the outline Business Plan.
Stakeholders and the Hub

Finance Sector Digital ID Services

- **Finance sector**
  - Banks
  - Platforms
  - TPA
  - Advice Providers

- **Identity Hub**
  - Customers (Service Providers)
    - Consume Core Digital ID
    - Consume Value-Added Service

- **Technology Providers**
  - Integrators
  - Innovation
  - Platform providers
  - Financial Advisors

- **Identity Data Providers**
  - Core ID IDP’s
  - Attribute Providers
  - Others

- **Government**
  - Regulators
  - National Standards
  - Digital Government (Verify)
  - eIDAS Interoperability
  - Private Sector Rule Book /Governance

- **Users**

Industry owned Inclusive, & Accessible
Use Case: Outline integration with the Pensions Dashboard and Finder Service

Tom@Digi-ID

Pension Dashboard (hosted by product provider)

Pension Finder Service

ID assured/LoA

ID authentication and data authorisation request

Integration Service Providers

DWP

PP1

PP2

PP 350

FS Identity Hub

FS ID recognised by DWP and PP to enable data release & transfer

Pension Providers (PP)