

USING GOV.UK VERIFY FOR LOCAL  
AUTHORITY MULTI SERVICE PORTALS  
(ALPHA PROJECT)

INFORMATION COMPLIANCE REPORT

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## INTRODUCTION

If local authority data are to be used in the GOV.UK Verify identity proofing and verification process, it is essential to demonstrate that local authorities (LAs) have robust data collection and checking processes in place. This document sets out the results of the information compliance analysis conducted with the London Boroughs of Tower Hamlets and Hackney. The analysis included a review of each Borough's documented processes, and on-the-ground observation of their practises. The processes observed have been evaluated against the requirements of the Government's Good Practice Guide for Identity Proofing and Verification (Good Practice Guide 45, or GPG45)<sup>1</sup>.

Evidence from both Hackney and Tower Hamlets was presented to the GOV.UK Verify Assurance team for review. Based on the evidence presented, included in this document, there was agreement that the processes undertaken provide evidence that is fit for purpose within a GOV.UK Verify and GPG45 compliant process. Ultimately, though, it is the responsibility of each IDP to verify the sources of data they use, and these sources would be included in their annual audit.

## SUMMARY

Hackney's & Tower Hamlets' citizen identification processes have been developed without reference to the Government's good practice guide for identity proofing and verification (GPG45) but to protect a high fraud risk process, and referencing Money Laundering Regulations<sup>2</sup>. As a result, this process has more in common with Anti-Money Laundering (AML) processes implemented within banks.

Despite the lack of reference to GPG45, the processes undertaken are capable of providing a comprehensive data source for GOV.UK Verify Identity Providers (IDPs) to support the creation of identities at level of assurance (LOA) 2<sup>3</sup>. GPG45 requires IDPs to carry out a variety of checks against different Identity Proofing and Verification (IPV) elements in the process of identity proofing and verification. We have determined that the LAs collect sufficient evidence against 4 of the 5 elements, as defined in GPG45, to achieve an identity at level of assurance 2. The 4 elements are IPV- A (i.e. the ID evidence presented is sufficiently strong), IPV-B (i.e. the ID evidence presented is valid), IPV-C (i.e. the identity has been verified and deemed to be owned by the person

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<sup>1</sup> <https://www.gov.uk/government/publications/identity-proofing-and-verification-of-an-individual>

<sup>2</sup> <http://www.legislation.gov.uk/uksi/2017/692/made>

<sup>3</sup> Identity strength is expressed as a level of assurance or LOA. An identity at LOA2 has been established "on the balance of probability" and would stand up in a civil court. This is the highest level of assurance currently available through GOV.UK Verify.

presenting the evidence) and, for some applicants IPV-E (i.e. there is activity history to support the real-life existence of the identity).

The LA data would in most cases need to be supplemented with data from the IDPs relating to IPV-D (i.e. the ID has not been subject to fraudulent use). Although LAs carry out significant anti-fraud checks, these checks are based around cross-checking the range of identity and eligibility documents provided. The LAs do not routinely refer to external sources of fraud data, as required by GPG45. IDPs, on other hand, have access to external IPV-D data sources, such as Deaths, National Change of Address Register (NCOA), Politically Exposed Persons register (PEPS), Sanctions and Fraud.

Although there is some variation in the identity checks undertaken by Hackney and Tower Hamlets, this variation is in line with the level of variation found in the AML processes implemented in different banks, and even in different branches of the same bank. Each authority has documented processes and these processes are demonstrably followed. Hackney's implementation of these processes involved a stronger level of cross checking of documents presented to ensure there is consistency across those documents, but both authorities undertook a high level of cross-checking of data to ensure consistency between sources. We were satisfied that the information governance controls in place would be adequate to meet the requirements of GPG45.

Analysis carried out by Tower Hamlets suggests that up to 90% of their customers for key services will have some form of photo ID that can be effectively validated. Combined with face to face interviews, this would deliver a high degree of identity verification. This in turn would add credence to the other identity attributes checked by the LAs. It is this level of cross referencing, combined with face to face checks against strong identity evidence, that provides the high level of trust in the attributes checked.

## RECOMMENDATIONS

### IDENTITY PROVIDERS

The data being collected by Tower Hamlets and Hackney, and the processes involved in capturing that data, are of sufficient quality to be used in the identity proofing and verification undertaken by IDPs within the GOV.UK Verify scheme.

Using LA data, the IDPs would be able to deliver identity proofing and verification to LOA2 in most cases, even for otherwise thin-file customers.

If the processes implemented in Tower Hamlets and Hackney are typical of Local Authority Housing and other services, it would be expected that all authorities are capable of acting as authoritative sources of identity data and other attributes.

It will remain the responsibility of IDPs to determine which processes and data provided by LAs are suitable for use in their assurance processes.

A self-certification process conducted in line with Local Authority practices, as detailed below, is an appropriate method to ensure adequate processes are in place, backed up by appropriate contractual arrangements with the IDPs.

## LOCAL AUTHORITIES

LAs should make it clear to their customers that some forms of identity evidence are more trustworthy than others. Customers should be encouraged to present the strongest forms of evidence they have.

Where a range of documents is being cross-checked for consistency, and in circumstances where the customer is presenting strong identity evidence that can be shown to be valid, it should not be necessary to insist on original documents as opposed to photocopies or prints from the internet.

Currently Hackney and Tower Hamlets only check applicant history, typically bank account and employment details, up to 2 months. For the history to be useful to IDPs, consideration should be given to capture up to 6 months' history. This may be considered onerous for applicants to these processes and careful consideration and justification for this additional history may be needed. If bank account details are captured it may be possible for IDPs, using Open Banking access, to gain this information themselves. Likewise, the LA may be able to use IDPs' Open Banking capabilities to access bank account statements without the need to capture paper images.

LAs would benefit from the use of specialist scanning equipment or mobile device applications with anti-counterfeit measures enabled. This would increase the reliability of the data collected, provide smoother processes, and the potential for greater self-service prior to interview.

Training materials and processes for LA staff involved in identity checking should be formally documented, and the training given recorded for audit purposes. Refresher training should be given on a regular basis.

LAs interested in supplying data into the GOV.UK Verify identity proofing and verification process should implement a self-certification process to ensure they would meet GPG45 requirements.

The documented processes in both Tower Hamlets and Hackney are in places out of date, referring to a number of documents and/or processes that are no longer relevant. It is recommended that as part of the self-certification process these processes should be updated.

## LOCAL AUTHORITY SELF CERTIFICATION

Local Authorities have strong audit processes in place for self-certification to ensure the processes they follow in respect of data and information security are in line with legislation and best practice. Requiring a higher level of audit such as that required of IDPs is not appropriate for the processes used to identify individuals. This is in line with processes undertaken by Credit Reference Agencies in respect of the data provided to them by banks. The self-certification audit process should document the following areas:

- Existence of written procedures for ID and eligibility checking that are in line with the Money Laundering Regulations
- Range of documents checked, cross referenced to GPG45. Examples of this have been completed for Hackney and Tower Hamlets in this document.
- How cross referencing of documents is undertaken
- Training given to staff, particularly in respect of how identity documents can be checked for counterfeit. The training material and training given is formally documented
- Counter-checks carried out to audit and confirm that processes are followed in practise
- Use of anti-fraud scanning devices
- Use of document scanning technology where self-service processes are implemented.

The standards required, and self-certification processes in place to assure them, would be included in contracts between the IDPs and the suppliers of identity data.

## COMPLIANCE WITH GPG45

We looked at how the local authorities measured up in relation to each of the IPV elements described in GPG45

### IPV-A: STRENGTH OF EVIDENCE

The following table lists the documents used by Tower Hamlets and Hackney in their current identity checking processes, and the strength of those documents, as defined by GPG 45

Document	Strength
Passports (current and valid)	3/4 *
National Identity card	3/4 *
Residence permit	3
Immigration documents from Home Office confirming your status.	3

Full Driving Licence	3
Photo Provisional driving license (paper form is not accepted)	3
Full Birth Certificates.	2
Marriage Certificate/civil partnership certificate	2
Divorce papers from the court	2
NHS medical card	2
Award letter from the Department for Work and Pensions/JobCentre Plus	2
Bank / Building Society Statements	2
DWP Statement of Award	2
Accession Workers Authorisation Certificate or Registration certificate (Croatian nationals only) <sup>4</sup>	2
Accession Work Card or a Seasonal Agricultural Workers Scheme (SAWS), (Bulgarian and Romanian nationals only)	2
Wage slips within the past 12 months with name and address of employer.	2
Self-employed – certified accounts, last 12 months bank statements.	2
Official Letter	1
Utility Bills	1

\*Strength will be dependent on originating country.

#### IPV-B: OUTCOMES OF THE VALIDATION OF IDENTITY EVIDENCE

All documents are receipted and scanned by trained individuals to determine authenticity, checking anti-counterfeit measures where applicable.

Checking includes official letters and statements. Photocopies or internet printed documents are not accepted.

Ultraviolet scanners are used where documents contain UV-anti-counterfeit measures.

All evidence scores 2.

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<sup>4</sup> Note that these documents are no longer current. Hackney will be removing them from their verification list.

#### IPV-C: OUTCOME OF IDENTITY VERIFICATION

All applicants must attend in person to verify the individual is the owner of the identity through comparison with the presented identity documents. Analysis carried out in Tower Hamlets indicates that 90% of customers are likely to have some form of photo-ID, allowing strong identity verification.

The above face to face check gives a score of 3, without the need for additional knowledge-based verification questions.

#### IPV-D: OUTCOME OF COUNTER FRAUD CHECKS

Evidence under IPV-D would need to be provided by the IDPs in almost all cases.

LAs do carry out extensive anti-fraud checks using the documents provided by customers, but these only entail cross checking and referencing between bank statements, payslips, DWP award letters, marriage certificates, child birth certificates etc. LAs do not routinely carry out fraud checks against external sources of data, as required by GPG-45. It is only if the cross-checks raise any suspicions that more extensive checks are carried out against external data sources, namely Credit Reference Agencies.

#### IPV-E: ACTIVITY HISTORY OF THE CLAIMED IDENTITY

A range of Activity History evidence is presented for eligibility reasons. It will be necessary to review the presented information for each individual. Bank statements and pay slips are required that *could* provide sufficient activity. However, only 5 weeks to 2 months history is currently collected. Additional evidence such as tenancy agreements, DWP benefit letters and other official letters are presented, and the combination of this activity history could create sufficient history to meet the 180-day requirement.

A score of 1 is achieved for all applicants and score of 2 is possible for many applicants. It is unlikely an activity history of 3 can be achieved during the registration process, given the evidence currently collected. However, LAs could choose to collect 6-months' worth of bank statements or payslips to remedy this.

#### LEVEL OF IDENTITY ASSURANCE ACHIEVABLE

The table below details the Level of Identity Assurance achievable.

There is sufficient evidence against IPV- A, B and C and, for some applicants, IPV-E, to achieve a Level 2 Identity.

Overall, it is only possible to achieve a Level 1 identity with the LA evidence currently presented, but level 2 is achievable with the addition of IDP counter-fraud data, and if LAs collected additional activity history.

Category of Evidence	Level of Assurance
Identity Evidence Profile	<p>A 3:2 profile will be achieved for all applicants</p> <p>A 3:2:2 is possible for most applicant.</p> <p>A 3:3 is possible for some applicants</p> <p>Sufficient for Level 2 for all applicants and Level 3 for some applicants</p>
Validation of Identity Evidence	<p>The identity evidence is validated to an appropriate level for the evidence submitted.</p> <p>Sufficient for Level 2 for all applicants and Level 3 for some applicants</p>
Verification	<p>Physical verification of the applicants is undertaken for all applicants comparing to a government issued identity document.</p> <p>Sufficient for a Level 3</p>
Counter-Fraud Checks	<p>A physical comparison of the individual to a genuine identity document confirms that the individual is not deceased.</p> <p>Sufficient for a Level 1</p>
Activity history	<p>A minimum activity history of 5 weeks is required.</p> <p>This sufficient for a Level 1.</p> <p>There may be additional items that provide sufficient evidence to achieve a Level 2.</p>

### **AML                      Anti Money Laundering**

AML is used as a shorthand for the 4th Money Laundering and Anti-Terrorist Financing legislation. This is one of the key pieces of legislation that determines how Know Your Customer (KYC) is undertaken for persons opening and transacting on bank accounts. This legislation does not define a standard but a risk-based approach to how customers are identified. The Joint Money Laundering Steering Group publishes guidance on how the legislation should be interpreted by financial institutions. There is also separate guidance for estate agents, landlords and the rental sector.

### **Fraud                      Identity Fraud**

Where fraud is referenced within the document this is specifically considering Identity Fraud and not financial fraud

### **GPG45    Good Practice Guide 45 – Identity Proofing and Verification**

The government standard that underpins the GOV.UK Verify service and provides guidance for government agencies on how users of those services must be identified. The document can be found [here](#).

### **IDP                              Identity Provider**

A certified company contracted by Government to provide identity proofing and verification, and authentication services

### **IPV                              Identity Proofing and Verification**

The process by which individuals are identified. Within GOV.UK Verify the standards defined within GPG45 are split into 5 sections A – E. The full definition of each component can be found in GPG45

### **LOA                              Level of Assurance**

Each Level of Assurance denotes the level of trust that is assigned to the assured identity. GOV.UK Verify currently supports LOA1 and LOA 2 but defines LOA3 and LOA4. The Identity Providers (IDPs) are responsible for determining the LOA at which they are assuring an identity. How the identities are assured is determined by reference to GPG45.

### **KYC                              Know Your Customer**

The term that is used by Financial organisations for the process to prove that an individual is who they say they are as well as financial risk.

**NCOA                      National Change of Address register**

A register maintained by Royal Mail that can be used to check if an addressee has notified Royal Mail that they have moved. This register is used as a reference to determine if there is potentially fraudulent activity.

**Open Banking**

Legislation introduced by the Competition and Markets Authority to force the 9 major banks to allow access to an individual's bank account data, with the individual's consent.

**PEPS                      Politically Exposed Persons**

In financial regulation, "politically exposed person" (PEP) is a term describing someone who has been entrusted with a prominent public function. A PEP generally presents a higher risk for potential involvement in bribery and corruption by virtue of their position and the influence that they may hold. Additional checks are required for individuals identified as a possible PEP as they are more liable to identity fraud.

**Sanctions**

An international list of individuals who are the subject of sanctions, usually financial. As for PEPs, an individual identified as possibly subject to sanctions must undergo additional checks to determine if they are sanctioned.

# APPENDIX A - LA IDENTIFICATION PROCESSES

The identification processes followed by the London Boroughs of Hackney and Tower Hamlets are set out below.

## LONDON BOROUGH OF HACKNEY IDENTIFICATION PROCESS

### DOCUMENT SUBMISSION PROCESSES

All documents must be original. These are either submitted by post for checking and scanning, or brought physically to the council offices. If copies or scans of documents are submitted to get the application process underway (and applicants are encouraged NOT to post originals), original documents must be presented in person at a later date.

All documents are reviewed prior to scanning for evidence of forgery. Where documents have anti-counterfeit measures, all documents that have been posted are scanned. When documents are presented in person, the documents are reviewed with the individual present and a physical comparison to the photo-ID documents is undertaken at that point. If any suspicions are raised the documents will be scanned.

Where documents are scanned in the back office process, the checks completed are recorded and process documentation is reviewed and signed off by a supervisor to ensure all checks are completed correctly.

### TRAINING PROCESSES FOR REVIEWING TEAM MEMBERS

All new members of staff undergo a comprehensive onboarding process. They are trained in fraud prevention and identity verification by the council's training team, and staff are given training packs to back up the face to face training. Staff are then partnered with experienced members of the team who are very experienced in detecting fraud within the housing market. All individuals must be able to demonstrate their ability before being allowed to operate individually.

### DOCUMENTS FOR REGISTERING ON THE HOUSING WAITING LIST

The Hackney Housing processes state:

To enable LBH to make a full assessment of your application, it is important that you provide all original documentation as stated below in order for LBH to verify your eligibility to join our housing register. We advise you not to send any original documents by post and alternatively, you can bring the original documents to our reception who will verify them as original seen and return the documents to you immediately.

**1. Two Proofs of Identity for each adult applicant (one of which should confirm your immigration status):**

- Passports (current and valid)
- Full Birth Certificates.
- Immigration documents from Home Office confirming your status.
- Full Driving Licence (current address).
- Photo Provisional driving license (current address). Paper form is not accepted
- Marriage Certificate/civil partnership certificate
- Divorce papers from the court
- Residence permit
- NHS medical card (current address)
- Award letter from the Department for Work and Pensions/JobCentre Plus

**2. Two proofs of address:**

- Utility Bills e.g. Gas, Electricity, Water etc with current address (Mobile telephone bills are excluded).
- Proof of savings e.g. Bank/Building Society statements with current address
- Award letter from the Department for Work and Pensions/JobCentre Plus/Pension Service with current address
- Letters from official bodies e.g. Council Tax, Housing Benefit, Schools, Hospitals, solicitors, social services etc.
- Other relevant documents with the current address e.g. Mortgage Statement, discharge papers for ex-armed forces, etc.

**3. Dependent children:**

- Full Birth Certificates (mandatory)
- Custody papers, adoption papers or court residence order.
- Child Benefit award letter at current address (mandatory)
- Evidence of child's school e.g. headed letter with child's name and address on it.

#### **4. EEA (European Economic Area) Nationals:**

- Accession Workers Authorisation Certificate or Registration certificate (Croatian nationals only)<sup>5</sup>
- Accession Work Card or a Seasonal Agricultural Workers Scheme (SAWS), (Bulgarian and Romanian nationals only)
- Wage slips within the past 12 months with name and address of employer. <sup>6</sup>
- Self-employed – certified accounts, last 12 months' bank statements.
- National Identity card (mandatory) <sup>7</sup>

#### **5. Proof of Income for each adult:**

- 5 weekly, 2 monthly or 3 fortnightly consecutive pay slips
- Award letters from the Department for Work and Pensions/JobCentre Plus/Pension Service
- Tax Credit award letter
- Self-employed trading accounts for the last financial year and tax returns

#### **6. Savings and Capital:**

- Last 2 months consecutive bank statements for all accounts
- Certificates of premium bonds, National savings certificates, ISAs, stocks, shares and unit trusts

#### **7. Evidence of Tenancy:**

- Tenancy agreement

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<sup>5</sup> Note that these documents are no longer current. Hackney will be removing them from their verification list.

<sup>6</sup> A full 12 months of wage slips is only requested in certain circumstances to confirm if an applicant is in continuous employment, and to check that the employment is genuine and effective. The wage slips are cross-checked against bank statements.

<sup>7</sup> Note that not all EEA countries issue ID cards. Hackney will be updating their verification list to take this into account. National ID cards are also used to check if applicants are in receipt of welfare benefits or housing in their country of citizenship.

- Rent book
- Letter from landlord/agent
- Letter from the host

#### **8. Evidence of National Insurance Number**

- National Insurance card
- Award letters from the Department for Work and Pensions/Job Centre Plus/Pension Service
- P60, P45 or pay slip

## LONDON BOROUGH OF TOWER HAMLETS IDENTIFICATION PROCESS

### HOUSING BENEFIT VERIFICATION FRAMEWORK

Tower Hamlets follow the verification process defined by DWP and as defined in 2006. This process is fully geared to Housing Benefit and Eligibility checks. Only the first of the 8 checks undertaken, for identity, is directly relevant. However, checks for eligibility such as rental agreements, earnings, etc provide evidence directly applicable to the Verify identity assurance process.

New joiners in the One Stop Shops are trained in the Tower Hamlets procedures by shadowing an experienced member of staff. Refresher training is given as part of the cycle of team meetings.

### LBTH DEFINED DOCUMENTS FOR REGISTERING ON THE HOUSING WAITING LIST

#### IDENTITY

The Tower Hamlets processes state:

The first thing to bear in mind is the statutory requirement that both a claimant and his/her partner must provide a national insurance number or sufficient information/evidence for one to be traced/allocated.

It should also be noted that claimants/partners in receipt of IS, JSA or Incapacity Benefit will have had their identity/NINO verified by DWP and therefore we won't need to verify this separately for HB/CTB purposes.

In all other cases claimants and partners must provide at least 2 originals of the following documents as evidence of identity:

- Passport
- National ID card
- Any Home Office document that includes a photograph
- Driving licence
- Birth, adoption or marriage certificate
- Divorce or annulment papers
- National Insurance number card
- Medical card with NHS number

- Cheque or credit card
- Bank statement or building society passbook
- A letter from a solicitor or social worker or probation officer confirming how long they have known the claimant.
- Current benefit book or notification of award with National Insurance number
- Form B79 Notification of discharge from prison
- Disability Freedom Pass
- Valid UK residence permit
- Life assurance or insurance policy documents
- Tax certificate or a letter from the Inland Revenue

If at least 1 of the 2 items of evidence provided does not include a National Insurance Number, (NINO) at least 1 other form of evidence provided in support of the claim must include the NINO.

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## RENT/RESIDENCY

The checks undertaken here relate to eligibility. However, the information used to prove eligibility is also useful for proof of identity and identity history. A long-term tenancy agreement provides significant proof of the real-world existence of an identity.

- A Tenancy Agreement
- Letter from landlord.
- Rent book

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## RESIDENCY

Residency is used for eligibility but again can be used to prove identity history. The Tower Hamlets process states:

Residency is harder to establish and once we establish rental liability we would normally assume the claimant is resident unless something caused us to doubt this.

We should always cross check the details provided with information held by us. Suggested cross checks include:

- Council Tax Records
- Handwriting. To ensure that the handwriting on the application does not match that on the evidence of rent unless the landlord indicates that he has helped the tenant complete the application form.
- Dependants. If the surname of any of the claimant's dependants matches the landlords this could be evidence of contrivance.
- Rent Books. (The writing in rent books should not match the claimant's).

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## HOUSEHOLD COMPOSITION

Household composition is an eligibility check, but existence and cross checking of benefit allocation and to bank statements is useful identity history evidence. The Tower Hamlets process states:

Where the claimant has children, we should cross check the number of children against the evidence of child benefit they provide.

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## EARNINGS

Evidence of earnings is again useful identity history. The Tower Hamlets process states:

We must see original documentary evidence of either:

- 5 of the latest consecutive weekly wage slips
- 3 of the latest consecutive fortnightly wage slips
- 2 of the latest monthly wage slips
- A certificate of earnings.

Accepted evidence must include:

- employer's name and address
- number of hours worked, and for what period
- gross income for the year to date
- gross income for the period covered
- income tax deducted for the year to date
- income tax deducted for the period covered
- NI contributions for the year to date

- NI contributions for the period covered
- employee's pension contributions
- method of payment

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## BENEFITS

Evidence of benefits eligibility can be used both for identify and history purposes. The Tower Hamlets process states:

Most Benefits can be verified via the DWP's Customer Information System (CIS). If we are unable to obtain sufficient information via CIS we should seek either:

- A typed letter from the DWP on official headed paper
- An award notification detailing the current rate of benefit

We can also telephone the DWP to obtain confirmation of an award but must record the name and position of the person providing the information.

Generally bank statements showing benefit paid into an account should not be accepted without supporting evidence as they will not indicate whether there are any deductions made from the award.

However, where benefit is paid into an account we must ensure that we see the latest statement of the account as this may indicate undeclared capital or income.

Pension Credit – We will normally need to see the award notification. A copy will suffice providing we verify the award via CIS.

We do not need proof of any income or savings included in the award as this would have been verified by the Pension Service.