A Blueprint for National and International Oversight of the Digital Identity Market

Written by Rob Laurence and Ewan Willars
Innovate Identity Ltd

Executive Summary

In almost every conceivable market, there is an authority or oversight organisation that is responsible for ensuring order and fairness across the market participants. The need is driven by factors such as building confidence and trust in the marketplace, protecting participants and, in many cases, ensuring technical interoperability. The emerging digital identity market in the UK has exactly these needs. An oversight organisation is essential.

In this paper, we explore how an oversight organisation might look. We invited a Peer Review Group, comprising regulators and trade associations, to discuss a series of questions framing the role of such an organisation, its responsibilities, the functions and services that should be provided, as well as its structure, governance, resourcing, costs and funding. The result of this work is a "blueprint" for a national oversight organisation for digital identity.

The Blueprint

1. The oversight organisation should be formed as a collaboration between the private sector and Government.
2. Funding, in the first instance, should come from the private sector members together with a significant contribution from Government, recognising the importance of a national digital identity ecosystem across the private and public sectors.
3. The oversight organisation should operate and govern an overarching trust framework that recognises market-specific conditions and requirements.
4. The oversight organisation should establish an identity assurance advisory panel, its purpose being to recognise guidance in the areas of identity proofing and verification, identity authentication and attributes. This guidance should extend into the area of equivalencies between different issuers of standards and guidance.
5. The oversight organisation should establish a technical standards advisory panel, its purpose being to investigate and recognise open standards for use within the ecosystem, and to influence the development of existing and new standards in areas such as attributes.
6. The oversight organisation should establish other advisory panels, as required, to address areas such as fraud and security.
7. The oversight organisation should provide the minimum functions and services at the outset, operating as a "thin layer".
8. Where possible, the oversight authority should consider outsourcing services to benefit from the experiences and competencies of existing oversight organisations, thereby reducing risk including cost escalation.
9. The oversight organisation should minimise costly certification requirements at a national level, with the emphasis on providing guidance, and for schemes to ensure compliance and conformance through audit and contractual arrangements.

Digital identity ecosystems exist or are being planned in most countries around the world. In many instances, these are being introduced as an extension to national identity cards and databases. However, in countries where no such national identity scheme exists, introducing a digital identity ecosystem has fundamental challenges to overcome: that of acceptability, scalability and viability. The UK is one such country, as is Australia, Canada, New Zealand, the USA and others. As each country addresses its own challenges, many of which are common, we need to consider these in a wider context – that of portability and interoperability across national borders. The shared vision for digital identity is that it is, just like the Internet, not restricted by borders. A person with a digital identity issued by a scheme in one country should be able to use it with organisations in another country, be that to visit, reside or transact.

In this paper, we also discuss with organisations responsible for digital identity in Australia, Canada, New Zealand and the European Union, the need for a global interoperable model and the type of organisation that would be needed to oversee it.

The result of these discussions is a blueprint for an international oversight model.

The Blueprint

1. Developments should be driven by governments and private sector in partnership.

2. Start with agreeing common principles.

3. Undertake bi-lateral and multi-lateral interoperability assessments initially.

4. Develop a common framework of outcome-based rules, based on peer-to-peer recognition and recognised standards – retain national flexibility to deliver.

5. Act in proportion to the level of systemic importance and risk associated with digital identity.

6. Work towards a focused, co-operative organisation to assess and certify cross-border interoperability.

The primary focus, at least in the short to medium term, must be to establish the UK ecosystem and the market oversight organisation. Much work is required to develop an appropriate model and OIX is playing a leading role in this.

The Peer Review Group also commented that an oversight organisation "needs a market to oversee". Although various initiatives are underway, there is no strategy for digital identity that brings all market sectors and stakeholders together. Government action is needed to drive this forward.