What problems we are trying to solve?

- Poor customer experience – 25% lower conversion rates
- Long time to onboard (24 days avg.)
- Higher customer acquisition costs
- No customer control over who sees what data
- Complexity for customers in managing accounts and 22 passwords
- Financial inclusion – ID is a prerequisite to access services
- Security – data breaches (4.5bn H1 2018) and identity theft (175k cases)
- Cost of KYC is duplicative for industry, £10-100 per check, £46m per FI
- Fraud and Financial Crime hard to prevent (£500m H1 2018)
Opportunity statements

Consumer Opportunity Statement
As a consumer I want a reusable mechanism to access FS products faster, simpler and more securely.

Financial Service Opportunity Statement
I want to give my customers easier online access to my products so that I increase my sales, conversion rates and reduce my costs.

Identity Provider Opportunity Statement
I want to become a recognised IDP to improve efficiency, customer relationships and to create a new revenue source.
The vision is to create a single Digital ID that enables easy access to all digital services by creating a single, reusable, secure ID owned and controlled by the consumer.

This Digital ID will allow consumers to re-use their verified Digital ID to fully engage with UK financial services using a growing range of digital services aligned to the increasing demands of both consumers and financial service providers.

To meet all relevant regulatory requirements (KYC and AML) and is positioned to consumers, as the prime means for securely identifying themselves to UK Financial Services.
Digital ID Steering Committee Members
Key stakeholders

- GOV.UK VErIFY
- HM Treasury
- Department for Digital, Culture, Media & Sport
- OIX Open Identity Exchange
- FCA Financial Conduct Authority
- World Economic Forum
- FATF Financial Action Task Force
Phase 2

- Finalise Business Case
- Planning and raising investment for Phase 3.
- Agree technical approach and Procure test hub and connectors
- Scope API connections: technical definition of API to integrate with Relying Party systems
- Recruit IDPs and Relying Parties for Test Phase 3.
- Develop components of the Trust Framework including reliance and liability issues and commercial model
- Agree Governance Body approach and initiate SLA/contract development
- Finalise and approve Standards and identify variations for additional products (such as mortgages)

Outcome

- Business Case developed
- Procure the Test Hub and connectors

Phase 1 (Discovery)  Phase 2 (Planning)  Phase 3 (Test)  Phase 4 (Build)

10 months  9 months  9 months  TBC
Phase 3

- Set up a Hub and Connectors for RPs and IDPs in a test environment
- Recruit and onboard RPs and IDPs to test the Hub and Connectors to validate the assumptions and will commit to the Live Service
- Develop and test customer journeys for the registration and login into the Digital ID scheme
- **Develop Governance Body** and detailed SLA/contract development
- Analyse additional use cases (such as single ID for account management across relying parties)
- Scope further **technical development** of hub for additional functionality
- Raise funding for subsequent phase to Phase 4

**Outcome**
- Report on the consumer journeys including requirements, any blockers and feedback on the features
- Test Results and validation of the assumptions to feed into specification for the Build Phase
- A consumer acquisition and engagement plan
Phase 4

- Development and testing of the live service (Minimum Viable Product) with participating firms
- Active marketing and enrollment to participating firms and consumers and enroll financial services in preparation for the ‘live’ service.
- Prioritise backlog for additional functionality and features scoped and developed
- Maintenance and updates of the standards, Trust Framework
- Management of software vendors (such as the hub provider) and other technical providers
- Ongoing improvement of the service and customer experience

Outcome
- Live service for services to connect into and use
- Industry take up and use of the scheme
Expected benefits

- **Customer**
  - Convenience
  - Faster opening of new accounts
  - Increased competition
  - Enhanced control of identity and data
  - New innovative services
  - Better financial inclusion

- **Provider**
  - Key to digitise the services in banking and finance
  - Higher conversion rates/sales
  - Cost savings in account opening & product transfers
  - Lower risk
  - Better fraud notification capability
  - Improved customer service, less customer complaints
  - Potential new revenue streams

- **UK plc**
  - Supports goal of ‘world class digital economy’/post-Brexit innovation leadership
  - Builds foundation layer for new innovation
  - Reduced fraud and financial crime
  - Reduced pressure on Government/taxpayer to fund ID
  - Avoids the need to regulate Identity to create the market
  - Retains ID services with UK-based companies
  - Better financial inclusion – Help Britain Prosper
  - Wider ecosystem benefits to drive digital economy
Future State

- The consumer can use their Digital Identity across multiple sectors through having interoperable standards and technologies.

- A variety of access points and proliferation of devices requiring ID authentication to synthesise the services and experience.

- Increased usage of biometrics/video KYC, machine learning, NLP and block-chain/distributed ledger technology.
Project Steering Committee consists of the participating firms and has overall governance, including making key strategic decisions, budget control and communications.

Working Groups work on defining and delivering each workstream through a mixture of workshops, research and commissioning any third parties. Chaired by a participating member.
Example Use Case – Fintech Provider – Virtual Platform/Aggregated Holdings

Virtual platform – aggregating all liabilities and assets together and transacting via Central client bank account

- Aggregated holdings
- Transactional information
- Performance
- Open / Transact

**Consumer**
Enters account details for the savings and liabilities they hold
Standards

EVIDENCE PACKAGE

VALIDATION
2 evidences from:
- Passport
- Driving Licence
- Other ID Document
- Electoral Roll
- CRA Data
- Mobile Phone KYC
- Bank Account

VERIFICATION
Score 2 from:
- Selfie to ID Document ①
- Knowledge Based Questions ①
- Credit Card CVV ①
- Online Banking Logon ①
- Mobile Phone OTC ①
- Known Device ①

ANTI-IMPERSONATION
All checks:
- Mortality
- Mail Re-direction
- Missing Addresses
- CIFAS protective registration
- Known Fraud database(s)
- Device Risk
- IP Address Sanctioned

www.tisa.uk.com
Standards

Unknown Identity

Claimed Identity

Assured Identity

Digital ID

Validation
Get evidence of the claimed identity

Verification
Check that the identity belongs to the same person who’s claiming it.

Anti-Impersonation
Check if the claimed identity is at high risk of identity fraud
**Trust Framework – Governance**

<table>
<thead>
<tr>
<th>STANDARDS</th>
<th>SALES</th>
<th>COMMERCIAL</th>
<th>LEGAL</th>
<th>TECHNICAL</th>
<th>B2B SERVICE</th>
<th>D2C SERVICE</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>SET UP</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>• Define IdP, ID, Fraud, Credential and Data standards.</td>
<td>• Sales and Marketing plan</td>
<td>• Pricing</td>
<td>• Create contracts</td>
<td>• Tech design</td>
<td>• Define MI</td>
<td>• Define Privacy / Consent policy</td>
</tr>
<tr>
<td>• Advise on implementation.</td>
<td>• Brand Policy</td>
<td>• IdP listing policy</td>
<td></td>
<td>• Tech / Security Standards</td>
<td>• Define SLAs</td>
<td>• Query / complaints procedure</td>
</tr>
<tr>
<td>• Accredite to standards.</td>
<td></td>
<td></td>
<td></td>
<td>• Implement Infrastructure</td>
<td>• Stand-up Fraud Team</td>
<td></td>
</tr>
<tr>
<td><strong>ONBOARD</strong></td>
<td></td>
<td>• Contract Service Providers</td>
<td></td>
<td>• Onboard IdPs and Services providers</td>
<td></td>
<td>• Ensure Brand Policy adopted</td>
</tr>
<tr>
<td>• Find Service Providers</td>
<td></td>
<td>• Contract Service Providers</td>
<td></td>
<td></td>
<td></td>
<td>• Accredit IdP and SP consumer Ts and Cs.</td>
</tr>
<tr>
<td>• Contract Service Providers</td>
<td></td>
<td></td>
<td></td>
<td>• Onboard IdPs and Services providers</td>
<td></td>
<td></td>
</tr>
<tr>
<td><strong>RUN</strong></td>
<td>• Standards Compliance</td>
<td>• Account Management</td>
<td>• Bespoke Pricing maintenance.</td>
<td>• Contract Compliance</td>
<td>• Produce MI</td>
<td>• Queries</td>
</tr>
<tr>
<td></td>
<td>• Brand Management</td>
<td></td>
<td>• Billing</td>
<td>• Dispute resolution</td>
<td>• Monitor SLAs</td>
<td>• Complaints</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>• Invoice Management</td>
<td></td>
<td>• Fraud Operations</td>
<td>• Subject Access Requests</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Pilot Development – Trust Mark

Digital ID

Digital ID

Digital ID

Digital ID

Sign up with Digital ID
Technical approach

- Minimal data to match on
- Hub is transparent to the user
- Match automatically to IDP, and highlight best match
- …but still offer the user the option to use something else
- Onboarding, KYC/AML flows only for now, logins later
The KPIs of Success

Current Process

Validation
- Screens: 12
- Questions: 16
- Drop-out: 20%
- Elapse Time: 0.25 min
- Cost: £5.22

Verification
- Drop-out: 19%
- Elapse Time: 5 Days
- Cost: £12.97

Review
- Drop-out: 9%
- Elapse Time: 3 Days
- Cost: £17.63

Drop-out: 20%
Elapse Time: 0.25 min

Overall
- Drop-out: 41%
- Elapse Time: 8 Days
- Cost: £35.82

Target Process

Validation
- Screens: 7
- Questions: 10
- Drop-out: 10%
- Elapse Time: 0.12 min
- Cost: £2.01

Verification
- Drop-out: 2%
- Elapse Time: <1 Day
- Cost: £6.92

Review
- Drop-out: 6%
- Elapse Time: <1 Day
- Cost: £12.18

Drop-out: 17%
Elapse Time: 2 Days

Overall
- Drop-out: 17%
- Elapse Time: 2 Days
- Cost: £21.11

STP
- Current Process: 50%
- Target Process: 75%
- Cost: £35.82
- Cost: £21.11
Opportunities to be involved

• **The project** is collaborative and we welcome OIX members involvement in a number of ways including:

  • Active participation in the project to help shape its direction
  
  • Connect into the Test environment of the planned hub

  • Be informed of progress at key stages

• For more information about getting involved please email:

  • harry.weber-brown@tisa.uk.com