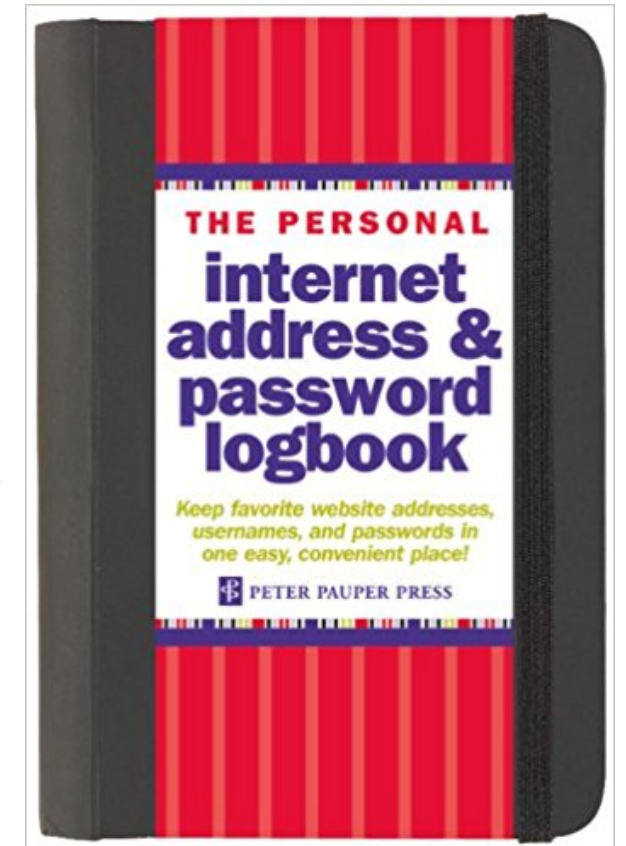# TISA Digital ID Project

December, 2019

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)

THE PERSONAL
**internet
address &
password
logbook**
Keep favorite website addresses,
usernames, and passwords in
one easy, convenient place!
PETER PAUPER PRESS

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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.

Vision

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.

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Digital ID Steering Committee Members

Key stakeholders

Phase 2

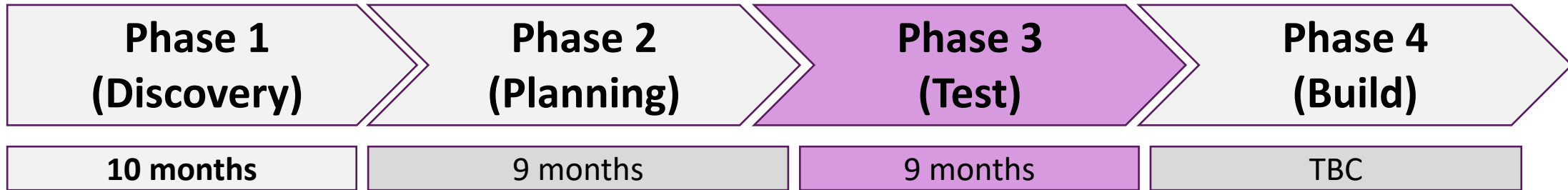| Phase 1 (Discovery)	Phase 2 (Planning)	Phase 3 (Test)	Phase 4 (Build)
10 months	9 months	9 months	TBC
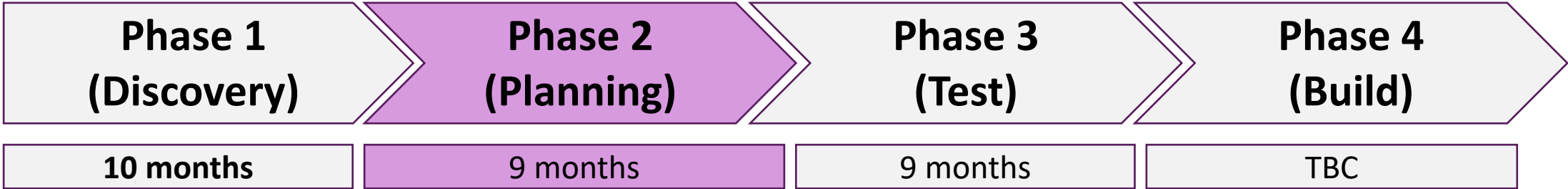
- Finalise Business Case
- Planning and raising investment for Phase 3.
- Agree technical approach and Procure test hub and connectors
- Scope API connections: technical definition of API to integrate with Relying Party systems
- Recruit IDPs and Relying Parties for Test Phase 3.
- Develop components 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

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Phase 3

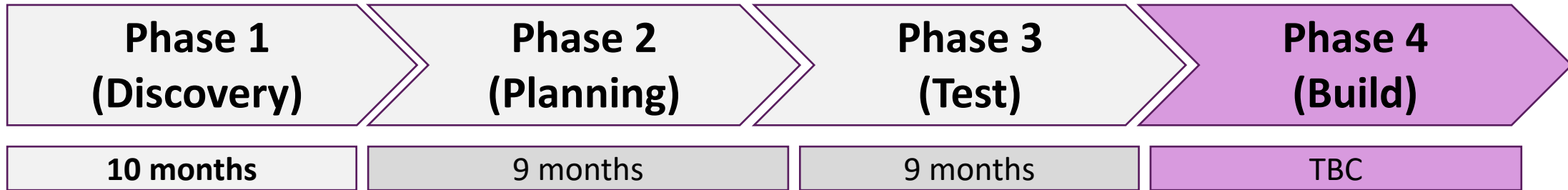| Phase 1 (Discovery)	Phase 2 (Planning)	Phase 3 (Test)	Phase 4 (Build)
10 months	9 months	9 months	TBC

- 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

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Phase 4

Phase 1 (Discovery)	Phase 2 (Planning)	Phase 3 (Test)	Phase 4 (Build)
10 months	9 months	9 months	TBC

- 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.
- Priortise 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

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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
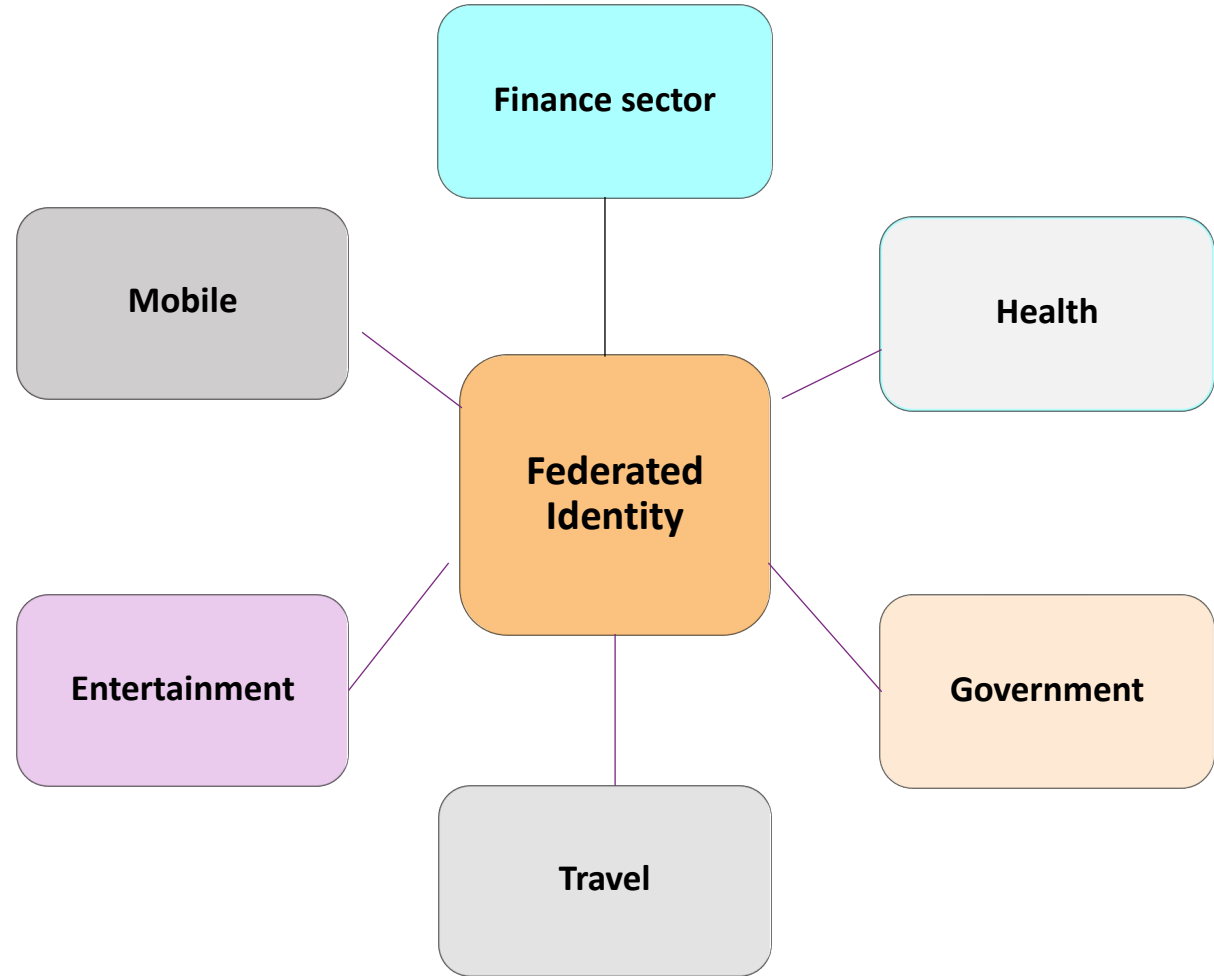- Potential new revenue streams

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.
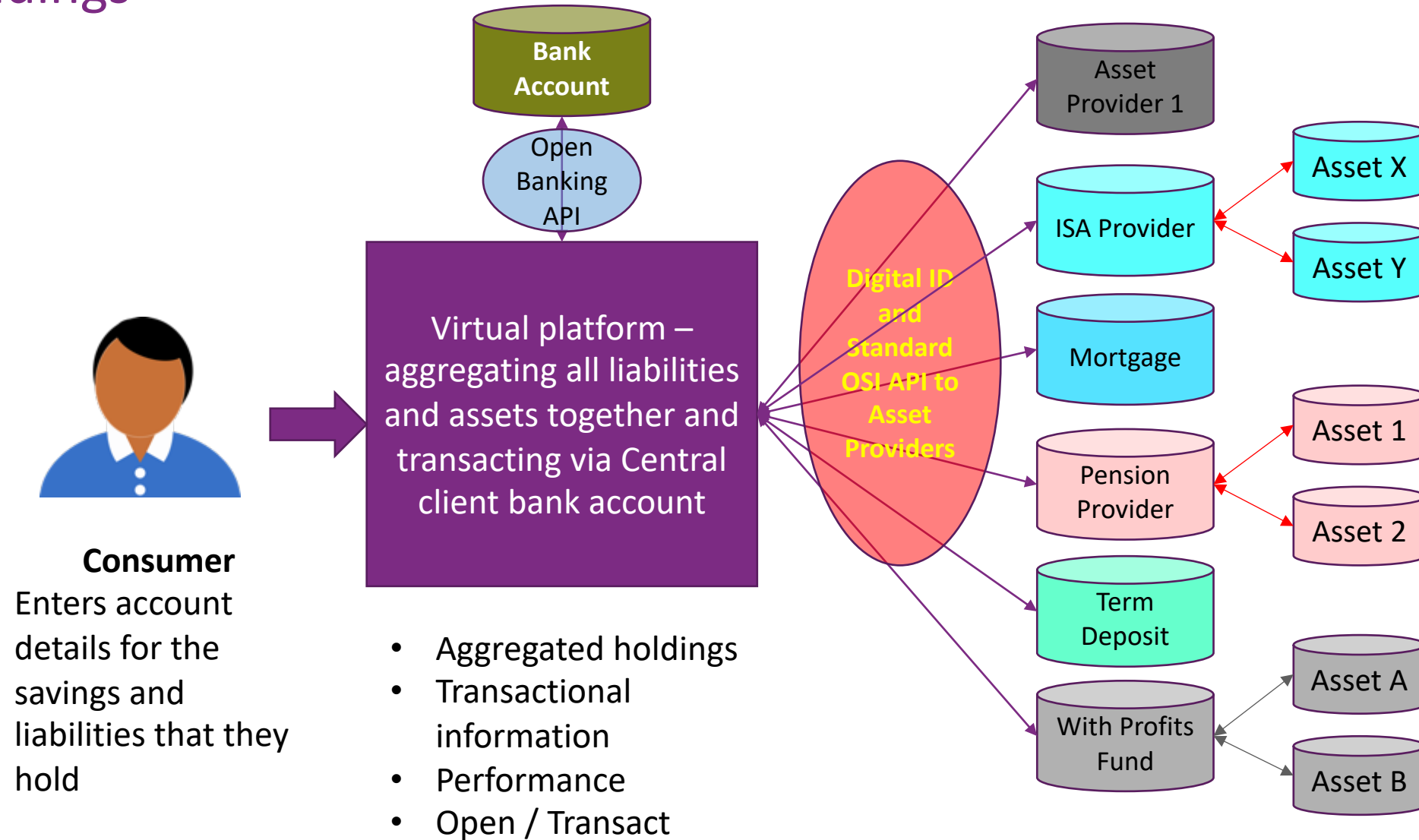
Finance sector

Mobile

Health

Federated Identity

Entertainment

Government

Travel

Approach

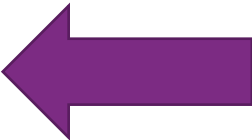| Programme Management	Governance Steering Committee			
Working Groups	Pilot Development	Standards	Trust Framework	Infrastructure	Business Case

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

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Example Use Case – Fintech Provider – Virtual Platform/Aggregated Holdings

Bank Account

Open Banking API

Consumer
Enters account details for the savings and liabilities that they hold

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

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

Digital ID and Standard OSI API to Asset Providers

Asset Provider 1

ISA Provider

Asset X
Asset Y

Mortgage

Pension Provider

Asset 1
Asset 2

Term Deposit

With Profits Fund

Asset A
Asset B

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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 ②
- Knowledge Based Questions ①
- Credit Card CVV ①
- Online Banking Logon ②
- Mobile Phone OTC ①
- Known Device ①

ANTI-IMPERSONATION

All checks:

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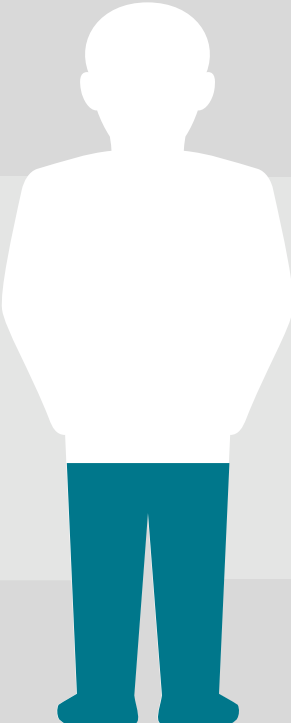- Known Fraud database(s)
- Device Risk
- IP Address Sanctioned

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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

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Trust Framework – Governance

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

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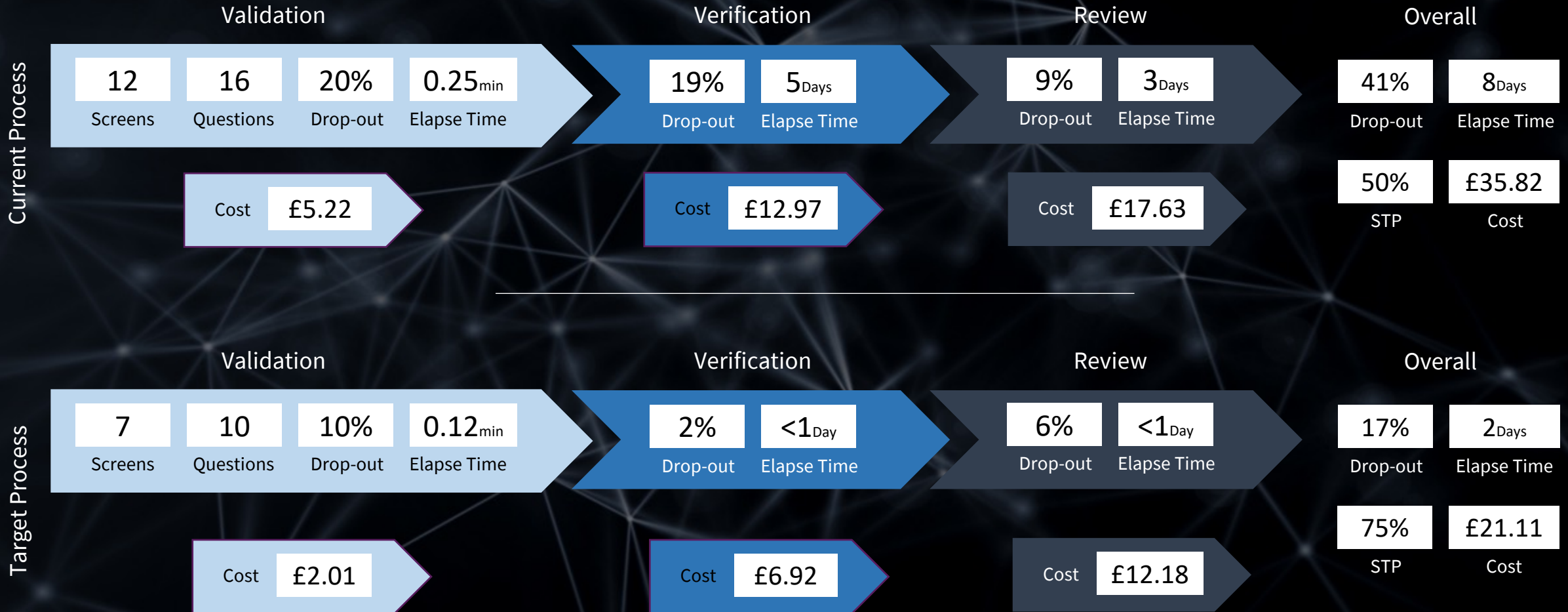The Investing and Saving Alliance

Pilot Development – Trust Mark
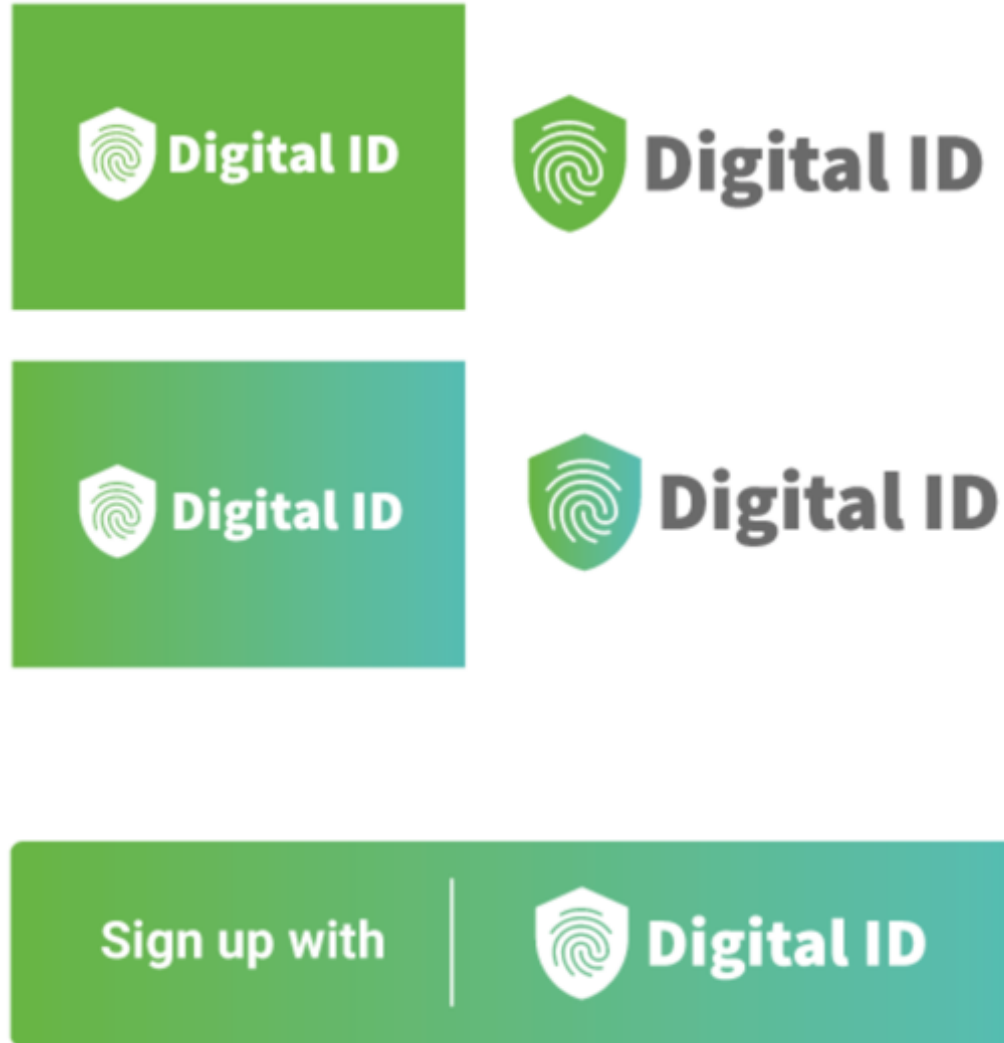
Technical approach
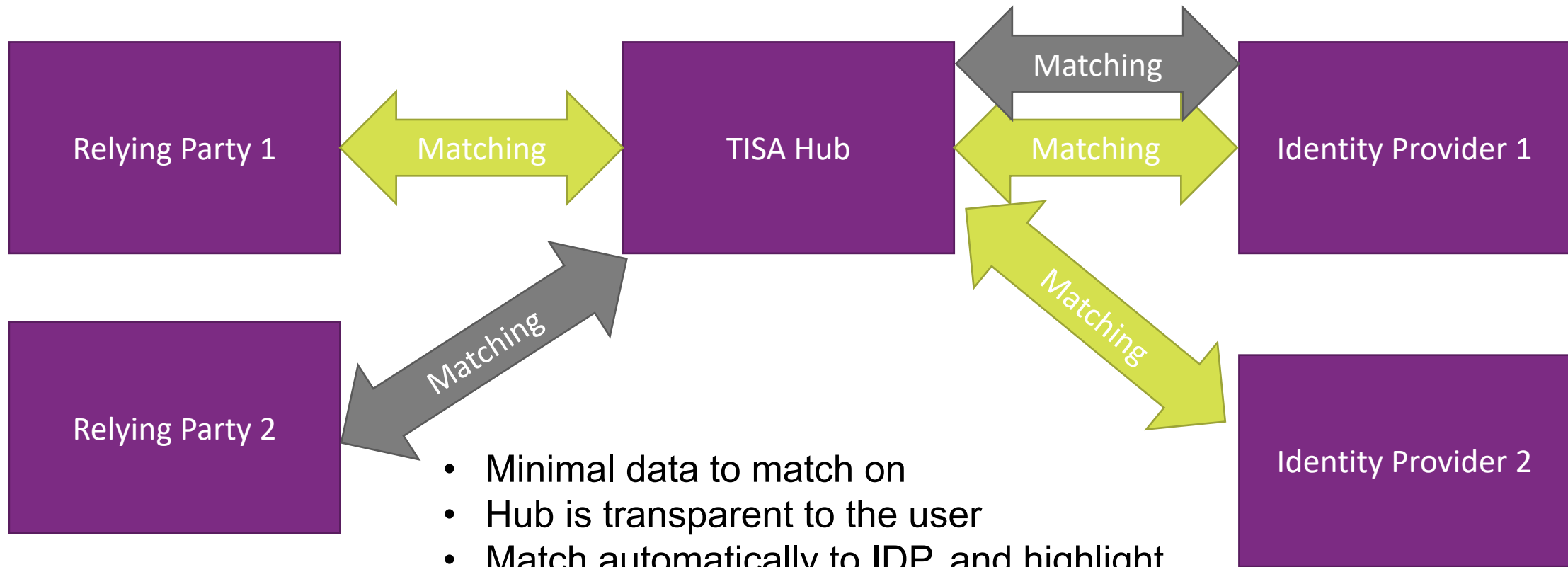
- Minimal data to match on
- Hub is transparent to the user
- Match automatically to IDP, and highlight best match
- …but still offer the user the option to use something else
- Onboarding, KYC/AML flows only for now, logins later

The KPIs of Success

Current Process

Validation

12	16	20%	0.25min
Screens	Questions	Drop-out	Elapse Time

Cost	£5.22

Verification

19%	5 Days
Drop-out	Elapse Time

Cost	£12.97

Review

9%	3 Days
Drop-out	Elapse Time

Cost	£17.63

Overall

41%	8 Days
Drop-out	Elapse Time

50%	£35.82
STP	Cost

Target Process

Validation

7	10	10%	0.12min
Screens	Questions	Drop-out	Elapse Time

Cost	£2.01

Verification

2%	<1 Day
Drop-out	Elapse Time

Cost	£6.92

Review

6%	<1 Day
Drop-out	Elapse Time

Cost	£12.18

Overall

17%	2 Days
Drop-out	Elapse Time

75%	£21.11
STP	Cost

LexisNexis | ThreatMetrix
RISK SOLUTIONS

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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**