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Leading on Investments and Savings

ID, Data, & Security Standards

OIX, 22nd May 2017

Digital Identity Pilot by end FY 2017/18

Deliverables:

- Develop KYC Emulation into fully operational Digital ID:
 - Create Industry Open Standard for Digital ID in UK financial services
 - Create Working, Live Digital ID demonstration (using OIX methodology, executed through FCA Sandbox process).
 - Consumer test the working Digital ID
 - Use Digital ID in support full electronic opening and transfer of:
 - Bank account
 - ISA
 - Pension
 - Development of industry rollout plan for the Digital ID

Process:

- Work with 4-10 groups of participants, including industry members, Government end-users, Technology supply chain

TISA Digital ID in Regulator's Strategy

A Payments Strategy for the 21st Century

Putting the needs of users first

November 2016



Payment Systems Regulator's Strategy Forum

Solution 4: Guidelines for Identity Verification, Authentication and Risk Assessment

5.75. We will align with current industry initiatives (e.g. Mobile Identity Authentication Standard (MIDAS) or Electronic Identification and Signature (eIDAS)) during the initial design phase.

5.76. Other digital identity initiatives currently being developed in financial services, or adjacent (OIX, TISA, gov.UK Verify, etc.), will also be reviewed to inform the design phase ...

Data Handling Code of Conduct by end FY 2017/18

Deliverables:

- Published Code of Conduct
 - Develop Data Sharing Principles into practical guide
 - Square Regulatory dichotomy on GDPR/AML
- Agreed Interpretation of GDPR Enforcement
 - Understanding sliding scale of penalties (4% turnover)

Process:

- Work with Information Commissioners Office, in liaison with other regulators (FCA/PSR/OfCOM)

Regulatory Dichotomy – even within the same Directive/Regulator



Open banking 'creates security dilemma', says FCA chair

The development of single applications that allow consumers to access all their financial accounts in one place "create a security dilemma", the chairman of the Financial Conduct Authority (FCA) has said. | 09 Nov 2016

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Speaking to the UK parliament's Treasury Select Committee on Tuesday, John Griffith-Jones said "there is a classic ying-yang" inherent in the move to create an open banking standard, which will allow financial applications to connect with one another.

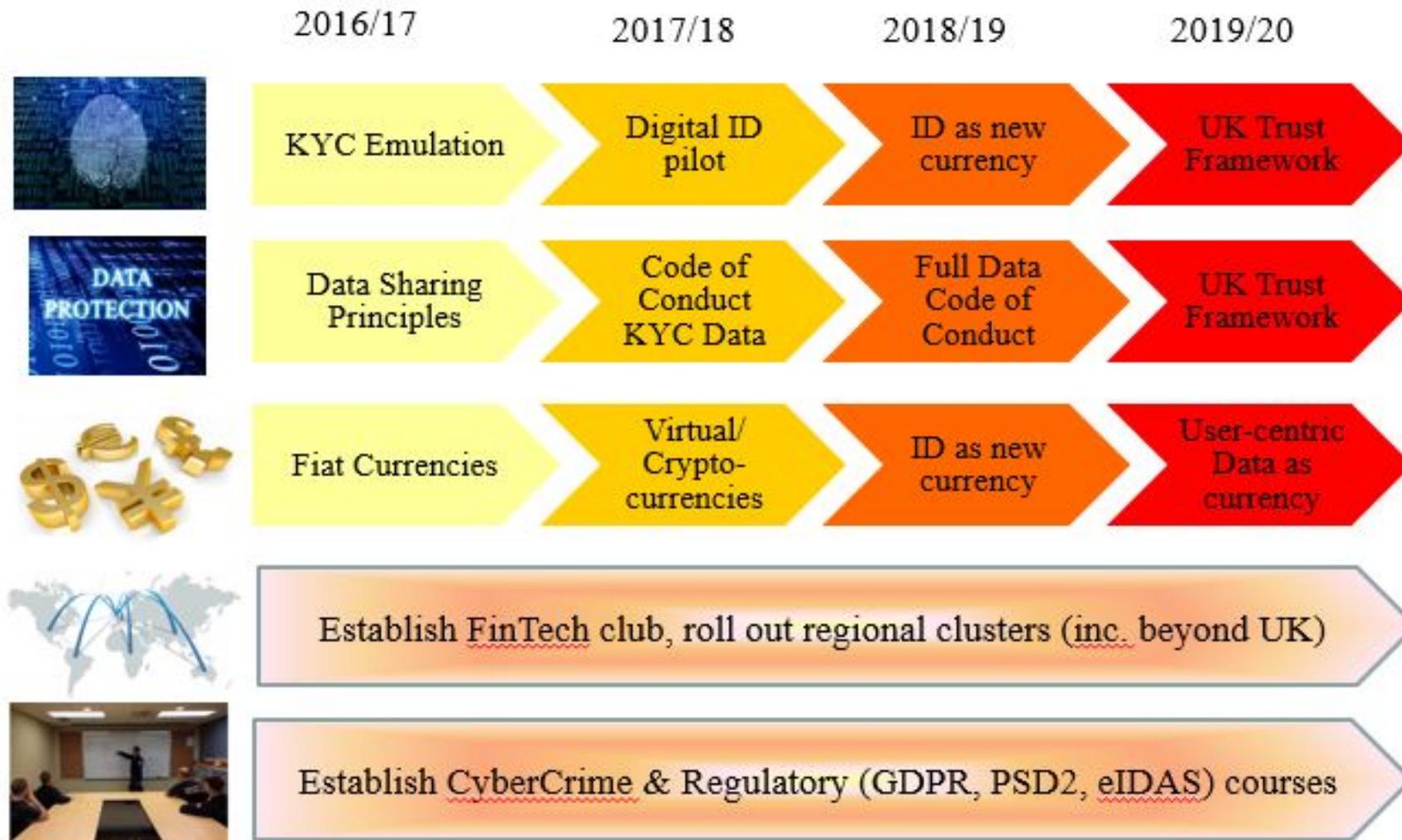
TISA helps members understand regulatory conflict, and provides input to regulators on areas of concern e.g:

"There is going to be a very interesting trade-off between innovation to increase competition and security. As a regulator, security is going to have to play a big role in this. If we went over to something that appeared very good from the point of view of competition but opened the system up [to threats] that would be a mistake." ...

Andrew Bailey,
CEO, Financial Conduct Authority
Treasury Select Committee, 8/11/16

Expanding 2017/18 into 3 year Strategy

TISA deliverables



Article 50 Shades of Grey

Many flavours of Brexit possible, but for the industry digitally we do know:



- GDPR – ICO adamant applies to UK
 - 1st cases 26th May 2018
 - Payments data ~ Personally Identifiable Information
 - EU-US Safe Harbour to Privacy Shield
- eIDAS Regulation
 - HMG Verify proposing notification
 - Trust Services – HMG vision of UK global lead
- PSD2 implementation timings
 - Reassess in European Parliament, so unclear

Government Transformation Strategy

- Verify
 - For *'opening a bank account without having to go into a branch.'* (p57)
- Other Government department requirements
 - *'DWP, by comparison, needs a high level of assurance because it pays money out to people.'* (DG, GDS, 21/10/16)
- PSR (Payment Strategy Requirements)
 - Data Sharing for Intelligence in combatting financial crime
- Digital economy bill for commercial applications
 - *'... gambling organisations have the same legal requirement to know their customer, which could be solved using Verify.'* (DG, GDS, 21/10/16)

EU Regulatory/Technology Interplay

- Second Payment Services Directive (PSD2)
- Electronic Trust Services Regulation (eIDAS (ID, Authentication, Signatures))
- General Data Protection Regulation (GDPR), inter alia

- Regulatory changes caused by technological advance
 - Example, rise and reactions in cybercrime

- Global picture of disparate rates of adoption

- Technological developments muddying Regulations

- Inter-relationship between Regulations' Technology

- Development of consistent standards to bridge gap



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Thank You!

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