Re-Use of Verify in FS sector
OIX Project

Day Month Year
Version 2.0
Introduction

Barclays has sponsored an OIX Discovery project that explored the practical application of reusing a digital identities in the financial sector

Objective
To understand the demands and opportunities the reuse of digital identity will create when applied by the financial sector

Hypothesis

Customers *are more inclined to complete the application process for a financial service product that enables them to reuse an existing assured digital identity*

Financial Institutions *would accept an assured digital identity from a third party provider as part of their product application process if an established trust framework met their regulatory and service requirements.*
Project Structure & Roles

Financial Institutions

- Barclays
- Aviva
- HiFX

Hub

Identity Providers

- Barclays
- Experian
- Verizon
- Post Office
Our approach

• To test the 2 hypothesis we used 2 different approaches:

• Consumer Appetite:
  o We developed a prototype that enabled a user to apply to open a bank account online using a GOV.UK Verify Identity
  o 15 participants went through a 1 hour UX testing / 1 on 1 interview session

• Financial Institutions
  o To understand needs and appetite of FIs we held a series of workshops were we used a range of methods to understand their needs and ultimately complete a SWOT analysis
Consumer Response

- Consumers were given an identity from Post Office to open a Barclays bank account and we also discussed option of using for a FX transaction and Insurance application.
Consumer Response

• Most of the participants had experience of opening a bank account in the last 2 years

• For most it had been process of starting online, then going into a branch and had been at times a ‘frustrating process’

• Consumers thought that the process of re-using and identity was easy to complete

• Some expressed ‘Delight’ in the process

• Most believed that this approach would save them time

“I did it online but then I had to go in and show my ID” – Tara, 46

“It took in terms of time, if I had to add it all up, the best part of four hours...over two sessions.... The taste was bitter It should be a simple process to open an account” – Saytan, 50
Consumer Response

• However – there was no awareness of the GOV.UK Verify brand by any of the participants
• There was confusion about the role of the Identity provider in the process

• Despite lack of awareness, government involvement gave the consumers re-assurance in the process and it could be trusted
• Consumers were reluctant to use the digital identity to log-in to their bank account once created, they preferred to use bank issued credentials
Financial Institutions

• There is are significant changes facing financial institutions over the next 2 years:
  
  o Payments Account Directive
  
  o Payment Services Directive II
  
  o AML 4
  
  o GPDR

• This changing regulatory landscape as well as growing customer demand for online transactions is driving significant investment in digital channels and improvements to customer experience

• Already many organisations use digital processes to enable customer due diligence checks many customers still are unable to finish onboarding online driving reduced customer satisfaction and increased costs
• Financial Institutions responded positively to the concept of a federated interoperable digital identity model

• They saw value in the use of an identity that was endorsed by government

• However there is a lack of understanding how the GPGs align to existing regulatory regime

• Unless there is sufficient scale in GOV.UK Verify there may not be sufficient incentive for them to re-engineer existing processes

• The new approach would need to be endorsed by relevant regulator
Conclusions

• Both Consumers & Financial Institutions responded positively to the idea that a federated digital identity could be used in opening a bank account

• There are clear benefits of ease & convenience for consumer which could drive improved customer satisfaction for brands as well as reduced costs

• However for such a programme to succeed there would needs to be:
  
  o Greater market understanding and maturity for GOV.UK Verify
  
  o Clarity on the use of the GOV.UK Verify brand and the role government will play in the new model
  
  o Endorsement from regulators to the approach
Next Steps

• This approach will only be successful if both the market (IDPs and FI’s) work closely with government to:
  
o  Grow awareness in the market place
  
o  Build out the options for a target operating model
    –  Focussed on market and customer needs, not technology
    –  Identify how this solution could help support FI’s in fulfilling requirements of the new regulatory landscape
    –  Agree role government will play – ie standards setting, licensee of GOV.UK Verify brand