



OneID (a trading name of Digital Identity Net U.K. Ltd)

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<https://www.digiidnet.co.uk>

The Public Bill Committee
UK Parliament

Call for written evidence: Economic Crime and Corporate Transparency Bill

We welcome the proposals in the bill for the long-overdue reform of Companies House. In particular, we would like to provide input into the Committee on the topic of the verification of identities for Directors, agents and Persons of Significant Control (PSC).

The UK Identity Service Provider market

Through its Digital Identity and Attributes Trust Framework (DIATF), the Department of Digital, Culture, Media and Sport (DCMS) has enabled a competitive marketplace for Identity Service Providers (ISPs) that is already being utilised to positive effect for use cases such as the Disclosure and Barring Service, Right to Rent and Right to Work. Private sector companies have invested in building modern, digital services and getting these certified according to the Government's standards for identity checking (known as 'GPG45').

These same services could also be used for the proposed identification checks for a Director, registration agent or PSC for Companies House.

This new market of suppliers certified to the Government DIATF & GPG45 standards provides a perfect opportunity for UK Government to adopt modern best-in-class technology from a competitive market and save taxpayers from having to fund another centralised Government identity solution. Given the current cost of living crisis and the subsequent squeeze on the nation's balance sheet this should provide a compelling argument to outsource these capabilities rather than build in-house at additional cost.

Citizen choice of identity service provider should also be taken into account, given the UK's political history as to the desirability of a Government ID and privacy concerns; citizens should be able to choose a private sector ID to access Government services, if the private sector provider is certified to Government standards.

If the Government were to procure identity services from the private sector market rather than building its own ID solution, it would also be supporting a vibrant new technology sector of 'identity tech' providers that can be world-leading and follow in the footsteps of the success of the UK fintech industry. Government departments building their own ID solutions do not benefit the UK in the same way.

We note that from documentation published to date by Companies House, there seems to be a focus on creating new 'identities' from a document scanning process. This can be subject to fraud via forged or stolen documents, and is a barrier to those who do not have the required documentation (33% of adults do not have a driving licence, and 22% do not have a passport). The customer experience of document scanning and photo-taking is also poor, with problems introduced from blurred photos, bad lighting etc. Creating new 'identities' by digitising physical documents is also an expensive and time-consuming process.

An introduction to OneID

As one of the leading certified providers, OneID would like to raise awareness of a 100% digital, next-generation means of identifying UK individuals via their existing bank accounts. This negates the need for individuals to rescan their ID documents and take photos or videos of themselves, as their identity has already been verified by their bank during the bank account onboarding process. OneID has certified this service to the same Government standards as document scanning, to a High level of confidence as per GPG45. DCMS are also progressing legislation via the Data Protection and Digital Information bill to embed digital identities in UK law as being legally equivalent to paper documents.

OneID is a UK digital identity scheme, similar to the 'BankID' schemes in Sweden and Norway, where the citizen's bank provides the root of trust for the verified identity. The BankID schemes are incredibly popular and successful, with both high adoption and usage. OneID is a similar such scheme designed for the UK environment, and it enables any UK person who uses online banking to easily prove who they are online.

OneID is the only ISP to provide a 100% digital journey to consumers, with no document scanning involved, no new account to create or app to download. Approximately 80% of UK adults (40m) can access the service today, with no need to educate them on what a digital identity is and why they need it. They just click a button and use the bank app or online banking process they are familiar with to consent to share their personal data.

Instead of using physical document scanning and selfies to prove identity, we enable citizens to connect to their existing bank account to consent to share bank-verified data with a new 3rd party business (relying party), via a Commercial API (beyond the scope of Open Banking). This enables a 100% digital journey that is fast and secured by the bank's secure processes and technology (known as Strong Customer Authentication).

OneID is a registered Account Information Service Provider (AISP) under Open Banking, a certified Identity Service Provider (ISP) under the DCMS DIATF framework, and also an Identity scheme that uses banks as the source of the identity data. We partner with UK banks who are members of the scheme.

Since anyone with online banking can use the service today, our customer adoption model is quicker and cheaper than others as it does not rely on creating new 'digital identities'. Anyone with online banking or a bank mobile app already has the account and credentials

they need to use OneID, so we can cover more than 40m UK adults with a more inclusive service than others.

There are several advantages to connecting an individual's identity to their UK bank account:

- This will make it much harder for fraudsters based abroad to register UK companies for the purpose of carrying out fraud, as they are unlikely to hold UK bank accounts.
- Additional information (beyond that obtainable from an ID document) can be shared by the Director and PSC, from data that is held securely and verified by their bank; this additional data can be used to simplify the company registration and update processes
- UK individuals whose names are currently used by fraudsters to register companies will be protected as the fraudster cannot verify that they are the named individuals
- Banks are central to the efforts to reduce UK fraud; OneID partners closely with banks to share fraud signals to/from them for this purpose
- Banks provide banking services to the self-employed and sole traders who are not visible to Companies House; should these individuals want to grow their businesses, banks are in a good position to help them do that via incorporation at Companies House
- Banks spend more on technology to secure their services than any other UK sector; OneID enables the simple reuse of the bank's technology investments in strong customer authentication, behavioural biometrics, real-time transaction monitoring, Politically Exposed Persons (PEPs), sanctions and fraud screening, in order to protect Companies House and those registered on it

We believe that using a modern digital identity service such as OneID will provide a number of benefits to Companies House:

- Bank-verified data. Banks are regulated to check who their customers are, by following Know Your Customer (KYC), Anti-Money Laundering (AML) and Counter Terrorist-Financing (CTF) legislation. This means that as a data source, the identity has already been checked through these secure processes by a regulated institution, the bank.
- Better data quality. Providing data direct via an API, rather than user-input via free text, can massively increase data quality, e.g., there are at least 18 different spellings of 'Berkshire' in the current Companies House data set.
- Better customer service. Customers of Companies House will find it much easier to interact with the services, which will increase customer satisfaction.

A completely digital identity service also has benefits for those using the services of Companies House:

- Easier and faster to carry out administrative tasks, hence freeing up time to run their businesses and create value.
- No need to scan documents or take pictures.
- More inclusive for those without the right ID documents.
- Easier digital experience, particularly on mobile where form-filling is difficult for many.

In summary, we would like for the Committee to consider where the identity services proposed within the Economic Crime and Corporate Transparency Bill are to be obtained from. There is a rapidly-evolving market of modern identity services in the UK that could provide ideal solutions if Companies House were to engage with it.

In particular, we think that an entirely digital means of identity checking using the UK's trusted banks is an ideal way to enable a new Companies House fit for the 21st century.

Kind regards,

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