

Digital Identity in the UK Financial Services Sector

Written by:

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At the recent UK Finance Digital Innovation Summit, the topic of digital identity and authentication controls came up time and again. This made it particularly timely for the summit to be the occasion to announce that UK Finance is endorsing the British Standards Institute (BSI) Code of Practice on Digital Identification & Authentication. UK Finance regards the code of practice as fulfilling the mandate it accepted from the Payment Strategy Forum last year to provide guidelines on this topic. This code of practice (PAS499) talks organisations, including but not limited to financial services, through the issues they might also want to consider beyond the regulatory minimum requirements, in order to better protect their customers. However, it should be noted that these initial guidelines are just that – guidelines.

As luck would have it Bob Wigley, Chairman of UK Finance opened the summit saying –“we are well advanced, with our members exploring the potential for a national digital ID scheme for financial services. Such a system could simplify and cut the cost of know-your-customer and other on-boarding processes – and importantly help customers switch between financial institutions more easily. These are both ways that we can support our members in ensuring the UK retains its position as a global leader in financial services.”

Furthermore, other arms of government are also starting the process of exploring ‘Business passports’, taking KYC beyond the retail customer into the SME and corporate markets. Both approaches aim to build on the identification of an individual to layer additional services, such as linking an individual with records at, say, Companies House, to streamline business services.

These developments are even more timely internationally. The US Treasury and Federal Reserve is looking to improve the US payment ecosystem starting next month, and their report draws frequent parallels to lessons learned from the UK.

As lead author of the code of practice at the BSI, and one of the UK representatives on the Federal Reserve Secure Payment Task Force over recent years, I look forward to continuing to work towards promoting UK plc in this vital area.

Source:

UK Finance

<https://www.ukfinance.org.uk/blogs/digital-identity-uk-financial-services-sector>