techUK

techUK.org | @techUK

How Digital ID can make Public Services more efficient, secure and trusted

techUK is the trade association for the tech sector, established to champion the technology sector and empower the UK for what comes next, delivering a better future for people, society, the economy and the planet.

It is the UK's leading technology membership organisation, with around 1,000 members spread across the UK, 2/3 of which being SME's. We contain in our membership over 75 Identity related organizations, with countless others reliant on the technology and services these companies provide, including in finance, healthcare and travel. If the Government is to achieve ambitions in increasing productivity, efficiency, security and online safety, it must embrace Digital ID.

We have prepared this briefing to help new MPs and their teams to understand key tech issues in the UK, what can be done to tackle these issues, and the benefits of doing so.

This briefing draws upon:

- The Case for Digital IDs (2019)
- Digital Identity Whitepaper: Unlocking UK Digital Identity in 2022
- Biometrics in Digital ID (2023)
- A UK tech plan (2023)
- Seven tech priorities for the next Government (2024)

More briefings, both from ourselves and techUK's members, can be found on our online briefing hub.

What problems exist with the sole use of physical IDs?

Being able to access public services that require proof of who you are can sometimes be challenging. **Traditional, paper-based documentation is costly and time-consuming to use.** Verifying identity to access public services often involves paper documents susceptible to damage, or requires a user physically visiting a location. Differences in identity verification within Government can also cause confusion, with different processes between departments. This can lead to poor user experience, reduced accessibility and unnecessarily high administrative costs.

Traditional identity methods for public services also open the opportunity for fraud and false information. The DWP recently lost an estimated £53 million of public money due to fraud related

to the creation of false Universal Credit claims using false identity documents[1]. Online fraud further has a profoundly corrosive effect on the public's trust and subsequent willingness to engage with digital innovation. An accurate, secure and convenient method to verify identity is needed across UK Public services.

A Digital Identity allows a user to authenticate themselves with an online representation of their personal details. This can take multiple forms, from an online certificate to biometric scans, and can be utilized to prove age requirements, send transactions and access confidential services.

Digital ID is not a theoretical concept. **Across the UK Public Sector there has been marked progress in the number of new Digital ID schemes developed and deployed by various Government departments**. The use of Digital ID technology in support of the NHS Login service, particularly during the COVID-19 pandemic, provides us with a strong use case to demonstrate the profound impact that Digital ID solutions can have on people's lives. The UK's NHS Login saw 28 million users registered.

Another area where significant progress has been in enabling the Home Office to accept digital identities. From April 2022, the Home Office accepted Identification Document Validation Technology (IDVT), from Digital ID Providers in lieu of physical documentation for Right to Work, Right to Rent and DBS checks. This is a significant move forward and has been welcomed by Industry, allowing these services to deliver improved user experience, faster processing and a cost-saving delivery.

The use of digital IDs and age verification technology can therefore deliver significant benefits to public services, increased efficiency, addressing security and privacy concerns, reducing fraudulent activity and therefore increasing public trust.

These benefits have been capitalised upon on a large scale in other nations. A case study can be seen in Estonia – a country where 99% of services can be accessed online. These digital services, underpinned with their "e-ID" Digital Identity since 2002, has transformed the efficiency, cost-savings and trust of their public services. It is estimated that the Estonian government saves 2% of its economic output, and 1407 years of working time every year through this system[2].

Further to this, deployment of Digital IDs within financial services provides a strong use case for the potential of digital ID to counter fraud. LexisNexis' Digital Identity Network, which uses anonymised intelligence crowdsourced from millions of worldwide consumer banking interactions, allows fraudsters to be better identified in comparison to regular consumers through establishing trustworthy consumer behaviour. The information provided by LexisNexis Risk

[1] https://www.cps.gov.uk/cps/news/members-britains-biggest-benefit-fraud-gang-jailed-combined-total-more-25-years

[2] https://e-estonia.com/solutions/e-governance/government-cloud/

Solutions allowed a bank to increase identification of mule accounts by 50% and return $965,000 to victims of fraud[3].

What can the next Government do to support Digital ID?

The next Government should start by working to ensure that public and private sector digital IDs can both be used to verify personal identity. More widespread implementation will prevent people needing to keep track of multiple digital IDs, making them more useful and user-friendly.

The next Government should also ensure that digital IDs and physical IDs have parity . There is enormous opportunity in giving parity to digital IDs across the economy and public services, empowering citizens with the choice of what to use. **This includes giving people the option to continue using physical IDs for those who want to use them**

Strengthen understanding of Digital ID's amongst the public sector and UK citizens. Research commissioned by DSIT indicates the public is open to Digital Identities, provided they are underpinned by high standards of transparency, inclusivity, and accountability. Building awareness and confidence for these systems, including across Government departments, will support adoption.

DSIT has created a "digital identity and attributes governance framework" (also known as the "Trust Framework") which governs private sector suppliers of digital verification services. This framework sets out the rules and expectations for the future use of digital identities, providing legislative clarity and an overdue foundation for UK Digital ID. **The next government should prioritise enshrining the Trust Framework in law** and ensuring that it governs the public sector and not just the private sector.

The next government should ensure that the Office for Digital Identities and Attributes (OfDIA) becomes an independent and accountable regulator with clearly defined functions, duties, and powers to effectively oversee the Digital ID Trust Framework.

What are the benefits of supporting Digital ID?

A healthy digital ID market could significantly cut the time and financial cost of accessing public services, ensuring people can access a higher standard of public service more quickly. These

[3] https://risk.lexisnexis.com/global/en/insights-resources/case-study/financial-institution-uplift-detection-money-mule-accounts#:~:text=Establishing%20Trusted%20Behavior%20with%20LexID,victims%20of%20the%20money%20mules.

solutions that already exist need to be urgently deployed at scale to maximize the efficiency, cost-saving, and security, that Digital ID can deliver, the market is ready to do this.

A healthy digital ID market would lead to increased security, user convenience, cost efficiency and trust. Helping this nascent market grow into a strong tech ecosystem should be a key priority for the coming years in order to help UK companies seize a stake in a global digital ID market predicted to value $40.44 billion by 2027[4].

In the UK, Central Government departments are due to spend £430.2 billion between 2024 and 2025 on day-to-day public services. **A 2% saving could amount to £860 million a year, but this is only possible if these services are secure, convenient and accessible through Digital Identity**.[5]

How can I learn more?

To find out more about techUK's recommendations for Government around Digital ID, please visit our previous reports and White Papers; The Case for Digital IDs (2019) ,Digital Identities', the missing link in a UK Digital Economy (2020) , Digital Identity Whitepaper: Unlocking UK Digital Identity in 2022 , Biometrics in Digital ID (2023).

techUK can also arrange a call with yourself and our Digital ID Team so we can brief you on this topic in more detail. If this would be of benefit to you, please contact archie.breare@techuk.org and alice.campbell@techuk.org.

techUK is also able to arrange a meeting between yourself and a member company of ours who has premises in your constituency if possible. This would provide you with a photo opportunity and allow you to discuss the importance of this issue further with a company operating in your constituency.

[4] https://www.techuk.org/resource/the-chancellor-s-autumn-statement-an-opportunity-to-boost-confidence-in-the-uk-tech-sector-and-the-wider-economy.html
[5] https://obr.uk/forecasts-in-depth/brief-guides-and-explainers/public-finances/