

## TFC Programme Board – 15 September 2015

<b>Subject</b>	Identity Assurance
<b>Purpose</b>	To advise Programme Board of the current performance of GDS “Verify” identity assurance and to seek approval to develop an alternative (NS&I or HMRC solution) in parallel to GDS Verify
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### 1. Background

Verify is a new cross Government identity (ID) assurance service that will give people a secure and convenient way to sign into their government services.

It will replace the existing Government Gateway and (unlike Gateway) will not rely on credentials being issued by post.

The underlying identity checking service is provided by external identity providers (who have met industry security and identity assurance standards set by Cabinet Offices & CESG) who will be paid for the services provided.

The identity provider confirms whether there is an identity “footprint” for an individual. The strength of that “footprint” determines the level of assurance, or confidence, that an individual is who they purport to be. (See App 1 for Assurance Levels)

Verify provides the successful applicant with digital credentials that can be used to access digital services in the future without the need to repeat the full assurance process.

ID assurance, and the matching of a customer to their HMRC record, are an integral part of the TFC processes designed to minimise fraud and the risks of organised criminal attack.

On 11 September 2014 Programme Board decided that the GDS developed Verify should be the strategic solution for TFC and we would not develop a TFC specific ID assurance contingency at that time. But they also said the possibility of the need for a contingency should be kept under review.

### 2. Current Position

#### Current Performance of Verify

#### GDS targets for Verify are:

- 90% demographic coverage (proportion of UK population who should have sufficient “footprint” to be able to get to level 2 ID assurance) by March 2016.
- 90% verification success rate (Number who verify for the 1<sup>st</sup> time when trying to do so after registering with a provider)

However, the service is a long way achieving those levels at the moment.

The latest monthly figures from Verify, on 1st September, show:

- 29% completion rate (of the 11.8K directed to gov.uk from a digital service who successfully returned to service after verified or signed in)
- 2.3K people verified to Level of Assurance 2 (of the 3.4K who got sufficiently far through the process to engage with an external identity provider) i.e. 67% success rate.

GDS have no data about where “fall-out” occurs between customers landing on the start page for Verify and getting as far as engaging with an identity provider. Feedback from TC renewals suggests substantial numbers are put off by the process. But it’s also clear that a third of those willing to engage fully can’t get through.

Currently, there is no way for a customer who fails to get through Verify to get digital credentials. This means they would not be able to access the digital channel where Verify is the only ID assurance process. And they would therefore need to use an alternative channel such as telephone.

This has major implications for TFC which is intended to be “Digital by Default” and only building a full telephone service for those who are genuinely unable to use online services (referred to as Digitally Excluded)

### **Current NS&I approach to ID assurance for the digital channel for their retail services**

(See diagram at Appendix 2)

Customer accesses NS&I website and provides their name, address and date of birth. That information is passed to RSA (an external provider) to set up a password and step up security questions before verification is complete. At the same time the customer data is sent to Experian (soon to be replaced by Equifax) who undertake separate residency and identity checks with different data sources. Risk scores are provided and currently the pass rate is 75%. All fail cases are then referred to GB Group who use different data sources and therefore have a better success rate for older/younger age groups. This results in an additional 10% success rate. The remaining 15% are asked to provide certified copies of acceptable documents by post which achieves a further 14% pass rate. Once a customer has successfully had their ID verified the NS&I online account number is issued by post.

Once Equifax take over ID verification, the process should become real time and password, step up questions and NS&I online account number will be issued electronically.

The checking processes describe above will also be used by NS&I for the telephone service they will be providing for Digitally Excluded TFC customers. The main difference being that the data will be captured over the phone by an operator in their contact centre. After a customer has successfully completed the ID Assurance process, they will be posted a customer number and subsequently set up a password over the phone. The combination of the customer number and password will mean that Digitally Excluded customers will not need to go through the full ID Assurance process each time they phone NS&I to make a TFC transaction.

### **Approach adopted by Tax Credits (TC) & Tax Allowance for Married Couples (TAMC) to address the Verify problem**

The use of Verify for these services seriously hampered take up of their digital channels. TC unsuccessfully tried various methods to make Verify work including a lower assurance level rather than the standard level 2.

Both services subsequently used a bespoke “triage” process for assuring the identity of their customer. The level of assurance was determined by that service. The triage process asked customer for a range of information<sup>11</sup> which could be checked using HMRC sources to give a reasonable level of confidence that the person was who they claimed to be. Using this triage approach allowed customers to complete a digital journey but, as it did not provide ongoing digital credentials, customers needed to repeat the triage process every time they wanted access to the service.

TC will continue to use this triage process for the October release of “change of circumstances” but will later look to move to a risk triage master service which is being developed (see below).

### **Current work taking place in HMRC to develop a Master Triage Process**

A risk triage service that could support all HMRC digital services is being developed. This will initially provide a lower level of assurance (1.2) than Verify (2) and is planned to ramp up in further iterations to 1.7.

At this stage, Verify and the triage process are separate and current advice is that service owners will need to establish the level of risk that is appropriate to their service. If a higher level of assurance is required, then Verify should be used and if lower, then the triage process. Work is in progress to provide more clarity to services and to understand their requirements.

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<sup>11</sup> For example, three questions asked by Marriage Allowance: two from HMRC data P60 (RTI), Tax Credits (ITA) and Pensions (from DWP).

It is unlikely that any digital credentials will be available in the initial release of the Master service, so the triage process would be needed to be repeated each time a customer wants to use the digital service.

Initially the Master process will only be available for TC & TAMC, however the intention is that by December 2015 the process will have gone through a number of iterations resulting in a service that will provide a choice of two levels of assurance and be made available to all HMRC digital services. It is not yet clear when credentials may be made available but they are not part of the December's scope.

### 3. Key Issues / Mitigation Action

#### Issues

- How do we get people into the TFC digital system who cannot get through Verify?
- The need to be able to provide assisted digital support in the ID Assurance process that results in the parent being able to engage digitally in the future.
- Need for smooth customer journeys.
- Any alternative solution needs to provide a level of assurance suitable for TFC although this could be lower than that currently provided by Verify.

#### Possible Options

- 1) Continue with the Verify only solution
- 2) Use the new digital services to be introduced by NS&I retail in early 2016
- 3) Use the Master Triage process to be delivered by CDIO/CTO for all HMRC services
- 4) Develop a bespoke Triage process for TFC
- 5) Use the existing Government Gateway process
- 6) "Passport" from an existing ID assurance process parents have already gone through e.g. with their Bank,

See Appendix 3 for details of pros and cons for each option

#### Single solution v multiple options

If we opt for developing a single ID assurance solution then we run the risk of having a TFC online service for the trial (and potentially roll out) which significant numbers can't access. .

However, multiple approaches add complexity and we need to keep the customer journey as simple as possible. We are therefore recommending a single alternative ID assurance process, to sit alongside Verify, and that we should look to implement this in a way that smooth's any changeover from one system to another.

We also need to keep in mind the work with DfE in respect of the additional 15 hours free entitlement when considering possible solutions i.e. a Verify alternative needs to work for parents applying only for 15+ free entitlement.

### 4. Proposed Next Steps

#### Recommendations

1. We recommend developing an alternative ID assurance process to sit alongside Verify. We think an alternative is needed because, even if Verify meets its targets by the time the TFC trial period starts, there will still be a significant percentage of our population who will not be able to get through the process and who would then have to use the telephone service. **Sole use of Verify effectively converts digitally able customers into digitally excluded customers.**
2. We recommend exploring the use of the NS&I retail process as the alternative for TFC while working with CDIO on the risk triage master process to see if that would provide the level of assurance and success rate needed by TFC. The new process planned for next year should provide improvements such as real-time customer numbers instead of having it posted to the customer. In particular, due to

the frequency with which parents will engage with the TFC service, we need to provide digital credentials so that parents don't have to go through the full ID assurance process every time.

- We have discounted a bespoke Triage process because it wouldn't offer any advantages over the Master process being developed. We have also discounted Government Gateway because it provides a low level of assurance (level?) and involves a postal step. And we do not think it would be realistic to piggy back on online banking credentials in the time available (Appendix 3 refers Options Pros and Cons).
3. We recommend pursuing use of the NS&I retail process as a matter of urgency as we are close to the point when this will no longer be an option, due to the development time required. This would leave us with a hard dependency on the risk triage master service which is still in the early stages of development.
    - The viability of the NS&I retail solution depends on NS&I being able to deliver within existing timelines and against new changes being impacted to an assurance standard that fully meets TFC's requirements and is affordable.
    - Latest information from NS&I indicates that CR would be required by mid-September with work on a TFC-ID solution expected to start by mid-October. A high level estimate for development would cost around £350K but firmer details will be provided following the CR impacting. This spend would be in addition to the current costs and would be parallel to the existing plan. We don't yet have indicative potential monthly running costs.
    - A 30 day notice period would be required to stop development, the latest date for "confirming" we want to implement the TFC-ID solution with NS&I is December 2015.
  4. We will continue to monitor the progress of Verify and return to Programme Board later with recommendations about whether to run the TFC ID solution in parallel with Verify or as a direct replacement.

#### **Next steps to progress option**

- Obtain detailed plans and timeline (when available) from CDIO on delivery of Triage and work with the team developing this service to maximise the possibility of it being suitable for TFC.
- Monitor and understand implications of Verify progress.
- Project the extent of Identity Assurance drop out for our recommended approach (NS&I retail process sitting alongside Verify) and assess NS&I impacts on call centre capacity (and cost) to service those.
- Work with KAI/CDIO/CTO to understand what the demographics of TFC parents mean for likely Verify performance and assess the impacts on volumes needing Assisted Digital or Digital Excluded telephone support.
- Project the number of parents who will fail to get through both Verify and the online NS&I retail process, and who therefore will need extra telephony support. This work will join up with current discussions with NS&I on raising the volume assumptions for assisted digital (covered in today's paper on the assisted digital and digitally-excluded strategy).
- We will prepare a change request to scope and cost the work of implementing the NS&I retail process alongside Verify.