TFC Programme Board – 22 January 2016

Subject	Identity Assurance
Purpose	To seek a decision from Programme Board on the primary Identity Assurance (IDA) tool for TFC
Recommendation	That we adopt an IDA solution based on the HMRC developed Identity Verification (IV)
Author	
Ref	[to be completed by PMO]
Date Issued	[Date completed by PM]

1. Background

1. Over the past few months, we have been looking at alternative Identity Assurance (IDA) processes as a contingency should performance of the cross-Government Verify solution not be sufficient to meet the needs of TFC by the start of the TFC trial.

2. In October Programme Board gave approval to proceed with the development of NS&I's Online IDA solution. They also asked us to continue exploring the use of the HMRC Identity Verification (IV) Service.

3. In November the MPA recommended that remaining design decisions, including the IDA solution, should be made no later than January 2016.

4. A decision on the IDA solution will inform the ongoing work with the developers and help us finalise the user stories that the developers need to work on. For instance, how we pre-populate the application with name, address etc. will depend on the IDA route into the NS&I provided application service.

5. We are continuing to monitor Verify performance. We understand that the recent Spending Review envisages that Government Departments will use Verify as the IDA solution wherever cost effective.

2. Current Position

6. We have been working with NS&I and CTO to nail down the detail of the NS&I online IDA solution and how this could best be integrated into the approved architectural design for TFC.

7. HMRC's development of IV has continued at pace since October and it is now being used as part of the SA online service and the Personal Tax Account (PTA) existing Beta development. Work is also underway to integrate it into the imminent Tax Credits Change of Circumstances Digital Service. The service is working well and (in its more basic form) enjoyed high levels of success and customer satisfaction during the Tax Credits renewals peak with approximately 75% of customers successfully assuring their identity digitally.

8. We have also continued to monitor the Progress of Verify. Of those customers who go through the entire process 69% are successfully verified however many drop out without completing the process. Currently only 35% of visits to Verify result in a successful sign in or account creation. Due to the low success rates HMRC is currently only using Verify as one of two IDA options in the PTA Beta. Currently customers accessing a service directly (i.e. not via PTA) only have the IV route available.

9. We are now developing the TFC parent facing service as a joint application (and reconfirmation) service for TFC and DfE's extended free childcare entitlement for 3and 4 years of working parents (hereafter referred to as "extended entitlement"). This means that our IDA solution needs to appear "Department neutral".

3. Key Issues

10. TFC is designed to be a "digital by default" service and there will be no alternative paper application service. Customers who genuinely digitally excluded will be able to apply for TFC and operate their accounts using an NS&I provided telephone service.

11. To ensure that the vast majority of parents have a smooth digital journey we need a robust ID assurance process which has very high success rates. The current performance of Verify does not offer this.

12. Digitally literate parents who cannot successfully get through the online IDA process would need to use the telephone service. This would offer them a poorer customer experience and increase costs to HMRC/DfE. And without digital credentials these parents would have to continue to use the telephone service on a regular basis to reconfirm eligibility and operate their TFC accounts.

13. We want parents who are already using other HMRC and government services to be able to access the joint application process for TFC and extended entitlement using their existing IDA credentials. And we would like parents who first set up IDA credentials for TFC / extended entitlement to be able to use their new credentials for other services.

14. Following the October Programme Board we have worked with NS&I to develop an online version of the IDA process they will use for the telephone service. The developments costs are around £84,000. The costs of running this process will depend whether and to what extent we deploy it i.e. they are proportionate to the use of the service.

15. The NS&I IDA process has been designed to be deployed seamlessly as an alternative IDA process for parents who fail the primary IDA process (be that IV or Verify). However, there is a balance to be struck between maximising the online IDA coverage and providing a simple customer journey for the vast majority. There is a risk that deploying multiple IDA solutions could add complexity to the parent journey and the maintenance of the "Authority Store" which holds the record of parent credentials.

16. One of the attractions of the NS&I online IDA process is it offers the potential to migrate parents who have used the telephone process to the digital channel using their telephone credentials. However, if the primary IDA process performs well then this could be a marginal benefit affecting very few parents. Again, we need to balance the needs of the vast majority of parents against the desirability of maximising digital coverage.

4. Customer Journeys

17. The joint application service for TFC and extended entitlement will be GDS compliant and at all stages of the journey have the feel of a consistent government service. In particular the parent should not be aware of any transition from an HMRC part of the service to an NS&I one.

18. The joint application will have a single landing page accessible from several starting points including GOV.UK, Personal Tax Account, Childcare Calculator etc.

19. This landing page will automatically direct the parent to the appropriate next stage of the process based on the parent's situation (e.g. new or returning) and what they want to do (e.g. apply, reconfirm, operate their TFC account, etc).

20. If we deploy multiple IDA solutions we will work with CDIO to make the routing for parents as smooth as possible e.g. so they are not presented with having to make a choice between different IDA processes.

21. The customer journeys are contained in Appendix 1. These cover the four main scenarios:
    a) A new (joint DfE / TFC) applicant who has previously gone through IDA (Verify or IV) to access another HMRC service
    b) A new (joint DfE / TFC) applicant who is new to HMRC and passes IV.
    c) An existing customer returning to the service or accessing their TFC account
    d) A new (joint DfE / TFC) applicant who is new to HMRC but fails IV and defaults into the NS&I online IDA process (if deployed)

5. Recommendation and Proposed Next Steps

22. Taking the above key issues into account, and given the current performance levels of Verify, we recommend that we develop an IDA solution based on HMRC IV. The development costs for IV are being met centrally by CDIO. As the only direct running costs are in respect of the SMS messages for two factor authentication we anticipate that the transaction costs will be similar to or lower than Verify.
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23. We will work with CDIO on the customer journeys to ensure that we have the smoothest customer journeys possible and in particular avoid the need for parents to have to provide the same data twice. We will explore how we could enable parents who have successfully passed Verify use those credentials to access the joint application.

24. We will complete the development of online version of NS&I's ID solution as a possible fall-back option for parents who can't get through IV. We will regularly review our expected volumetrics and in particular the volume of parents we would expect to default into the NS&I IDA solution and the expected uplift in parents being able to access the TFC/extended entitlement digitally it would offer. This will enable us to determine what deploying the NS&I solution would add to the service and make the appropriate recommendation to Programme Board.

25. To put the assisted digital and manual fall out processes / staffing in place NS&I need a decision on implementation of their online IDA process, and expected volumetrics by the start of June 2017, when they will be commencing their recruitment process. We therefore propose to return to Programme Board in May for a decision on deploying the NS&I option.