

Response to A Consultation Paper on Entitlement Cards and Identity Fraud

Issue 1

1. Introduction

We are pleased to present our response to "Entitlement Cards and Identity Fraud, A Consultation Paper" as presented to Parliament by the Secretary of State for the Home Department in July 2002. The views expressed herein are those of *tScheme* – the independent, industry-led, self-regulatory scheme set up to create strict assessment criteria for the voluntary approval of electronic trust services.

tScheme provides an approval scheme for providers of services that ensure trust and security in electronic transactions, and acts as a trade body for organisations within that industry. As such, we are concerned with all aspects relating to the subject of identity.

Identity and its authentication is a subject of crucial importance to our work with electronic trust services. It is a topic that practitioners in our field of expertise handle every day. Experience tells us that identity can be a subtle and shifting concept. It is not the simple quality that many so often suppose. The consultation paper rightly alludes to such complexity.

We have limited our comments to issues that lie within *tScheme's* areas of interest and competence. These generally relate to the establishment of identity, the use of electronic identity and the maintenance and protection of electronic identity.

2. General Comments

We welcome the publication of the consultation paper. The implications of attaching a unique identity to each and every UK citizen and resident are far-reaching, whether or not this is through the issue of entitlement cards. While we recognise the civil liberties issues and note the government's assurances, we make no detailed comment thereon since this is an area beyond our remit. However, we are pleased to note the opportunity that the consultation offers for exposure of the potentially conflicting issues. Similarly, whilst we support any government campaign to reduce fraud, we are not competent to comment on the degree to which entitlement cards will have a mitigating effect.

From our specific standpoint, our concerns centre on:

- The lack of emphasis in the consultation on the potential for the assignment of unique identities to accelerate the electronic economy and associated culture which the government so strongly espouses elsewhere.
- The challenges inherent in issuing identities whose reliability is sufficiently high for those identities to be trusted in a usefully wide range of applications.
- The costs and timescales of establishing trustworthy identities and maintaining them in the long term.

We deal with each of these in later sections.

3. The Identity Enigma and Unique Identity

Any method of identity needs to be linked to the individual purporting to own that identity. Without this link the document, token or even biometric is useless as a reliable form of identity. Once a link between an identity and individual has been established, e.g. via a photo on a card, information then needs to be available to ensure that the privilege, which the identification enables, is still valid.

Such thinking applies directly to the case of entitlement cards. We at *tScheme* view the potency of identities as being directly related to their ability to link reliably to the appropriate history. Hence, an entitlement card which asserts a unique identity, name, place of birth and date of birth becomes *fully* useful only when there are facilities to translate these limited characteristics reliably into naturalisation records, driving licence records, bank records, education records, health records, entitlement records, travel records and so on and so forth. We conclude that a truly valuable entitlement card is one that acts as a universal key to the individual's complete history.

We are disappointed that the government expresses relatively low aspirations for the adoption of unique identities across the UK economy, in all sectors and not just in certain public ones. We urge consideration of both sides of this equation – issue *and acceptance* - in more depth in a balanced fashion so that unique identities, when issued, have maximum potential for the economy and hence maximum appeal to the citizen.

4. The Electronic Economy

The government has identified the importance of turning the UK into an electronic economy, as typified by objectives such as making the UK the best place for e-commerce and providing access to all government services across the Internet. We are well aware from our perspective that the participants in this electronic economy must first feel completely confident about the security of their transactions. We also know this first involves creating certainty about identity in cyberspace, coupled of course with the correct deployment of cryptographic technology. Identity establishment currently resides in the hands of those few organisations that can find the financial justification for paying the appropriate costs of doing this. This currently leads to point applications, multiple identities for one individual and little or no sharing between organisations to reduce costs. Not surprisingly, the result is slow adoption to the detriment of the electronic economy and the achievement of the government's objectives.

A nationwide, identity programme potentially provides the means to accelerate the adoption process. As part of the issue of each entitlement card, it would appear to us to cost relatively little to include what is needed to establish corresponding identity in cyberspace, at least to a useful level of reliability for common transactions. In truth, the concentration of the consultation paper on the visible design of the potential card and the relegation of the smart card option to, as we interpret it, a remote possibility is disappointing to us.

Whether the unique identity should be accompanied by or authenticated by a digital certificate is, for us, certainly not necessary and probably not desirable. Providing that there is a way of authenticating that a card is genuine (reference to an on-line system plus difficult to forge card features) and that the bearer is the related individual (on-card photograph and other biometrics) then this provides an excellent starting point for the private sector to issue a digital certificate. Moreover, the digital certificate would then assert the unique identity in a compact, uniform manner. Those who wished to obtain high quality digital certificates for large value transactions could offer further evidence beyond the entitlement card during registration. We prefer this flexible, private sector approach that exploits unique identity and the entitlement card.

For the reasons above, we advocate the issue of a unique identity – the "unique personal number" of the consultation – to every UK citizen and resident as a matter of course. We have no reason to prefer any particular format, although we note that there might be fewer

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transcription errors if the format incorporated some ergonomic thinking. Citizens who so wish could simply choose not to use their issued identities, although we expect that the growing inconvenience of this choice might well encourage wider use.

We recommend that the government consider the clear potential for gains in the uptake of the electronic economy through a more advanced configuration for the entitlement card programme, probably by encompassing smart card technology from the outset.

5. Identity Registration

It is unfortunate that the trustworthiness of an assigned identity can be no more than, and often less than, the trustworthiness of the rigour of the authentication at registration. Best practice in the electronic trust services industry confronts this issue head on. We require those who perform registration to reflect their degree of rigour in authentication through the amount of liability that they accept for reliance on the resulting assertions of identity. For example, we work to avoid cases of reliance for valuable transactions, worth thousands of pounds or more, based on little more than postal application for registration.

The consultation paper proposes what to us appears to be a low degree of authentication rigour, akin to a driving licence or passport, despite the consultation's view that these could be made trustworthy. Popular anecdotal evidence, if it is to be believed, suggests that it is possible to obtain a passport or a driving licence in a false name. The fact that banks do not accept either as sufficient proof of identity when opening an account tends to support this anecdotal evidence. From our expert perspective, we would expect the postal nature of application for both passport and driving licence to result in a relatively low degree of trustworthiness. By extension, we are therefore concerned about the rigour of any proposed authentication involved in the registration process for an entitlement card.

We recommend that the Government applies the concepts embodied in the Registration and Authentication e-Government Strategy Framework Policy and Guidelines ([http://www.e-envoy.gov.uk/oeo/oeo.nsf/sections/frameworks-authentication/\\$file/Registration-AuthenticationV3.doc](http://www.e-envoy.gov.uk/oeo/oeo.nsf/sections/frameworks-authentication/$file/Registration-AuthenticationV3.doc)), which *tScheme* helped to produce and to aspire to achieve those standards of rigour. We argue that the voluntary adoption of the entitlement card is likely to be higher if it is accepted for a wide variety of transactions or if it becomes the principal form of identification requested by both private and public sector organisations.

6. Other European Experiences

As part of the eEurope Smart Card project, one of the groups (called trailblazer 2) has been tasked with producing a report on Identification and Authentication in eGovernment. The results of this project should be reviewed when considering potentially similar ideas to support the entitlement card.

This group has also published a pre-inventory of 'Smartcard + Public Key' government projects across Europe, and has tried to summarise some lessons learnt (<http://www.smartis.org/minutes/doc/eE-SCC-TB2-Pre-Inventory.doc>).

7. Responses to Specific Points

In general where *tScheme* has no expertise in the relevant areas it would be inappropriate for us to comment.

However, we have relevant expertise and competencies to comment on the following specific points contained within the document:

7.1 P7 Page 25

Views are invited on whether any entitlement card scheme should allocate a unique personal number to each card holder, what form any such number should take and whether it should be incorporated onto the card itself.

Ultimately, it seems to us essential for efficient electronic interaction with government and public services for there to be unique numbers.

Our only point is that consideration must be given to whether this number is an extra input into the registration/identification process or an output from it, i.e. does the applicant find out their number from some external process or does the act of allocating an entitlement card need to generate the number, which must then be given to the applicant (presumably by its being printed on the card)?

7.2 P8 Page 26

Views are invited on the development of a national population register which could be used in a sophisticated way across the public sector with the aims of improving customer service and efficiency.

If there is to be a national population register, it is critical that the most stringent of checks are made to assure the accuracy of all data held therein, and that there is the necessary level of trust in the practices and procedures employed in working with this register.

If appropriate, we propose that *tScheme* work with the relevant government department to derive a set of 'best practice' criteria against which any organisation wishing to provide services that support the registration process or the identity checking process, could be independently assessed and, if they pass, gain approval.

7.3 P19 Page 43

Views are invited on whether checks on applications for passports and driving licenses should be strengthened to the degree outlined in Chapter 5 whether or not the government decided to proceed with an entitlement card scheme based around these documents

As stated in point 9 of the Executive Summary to the consultation document, one reason for widespread identity fraud is the poor quality of checks applied for these documents. Even without an entitlement card there could be enormous benefits if the checks were strengthened and utilised a proper, approved identity rating service, which included checks for what might be called 'historical activity in the community'.

We refer again to the concepts embodied in the Registration and Authentication e-Government Strategy Framework Policy and Guidelines ([http://www.e-envoy.gov.uk/oeo/oeo.nsf/sections/frameworks-authentication/\\$file/Registration-AuthenticationV3.doc](http://www.e-envoy.gov.uk/oeo/oeo.nsf/sections/frameworks-authentication/$file/Registration-AuthenticationV3.doc)).

7.4 P20 Page 43

If more secure passports and driving licences were issued around a common identity database shared between the UK Passport Service and the DVLA, the Government invites views on:

- (I) **Whether it should take the necessary legislative powers to allow other departments to access the identity database to allow them to make their own checks.**

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No comment.

(II) Whether it should allow the private sector to access the identity database provided this was done with the informed consent of subjects.

If this access were to be allowed, it should be achieved by working with the trust services industry to define best practice procedures. In this way, assurance can then be given that the identity database is secure and protected.

7.5 P21 Page 43

Views are sought on whether the Government should procure a service from the private sector which checked applications for services against a number of databases used by the credit reference agencies or similar organisations and selected biographical data held by the Government.

Again, this is an area where we, *tScheme*, believe the trust services industry can work closely with the Government to obtain a best value solution working to the highest levels of service.

7.6 P30 Page 60

Views are invited on the different ways which a card system could be used to help validate face to face, post, telephone and on-line transactions. In particular views are sought:

(I) From service providers on whether an authentication service based on a card scheme would be useful.

No comment.

(II) From potential partners who might provide the authentication service on a commercial basis to help off-set some of the costs of the scheme to the Government.

As before, *tScheme* is keen to work with the Government to be able to offer a mark of assurance for approved authentication services, which have demonstrated that they operate to an appropriate set of 'best practice' criteria.

(III) On the longer-term use of biometric information should this form part of any scheme.

No comment.

8. *tScheme*

In 1998 a group of UK trade organisations formed the Trust Services Group. This group became a powerful force in the lobbying against certain government strategies at the time, which proposed to enforce a strict regulatory regime covering the provision of encryption-based services.

tScheme was subsequently incorporated in May 2000 as an independent limited company. Since that time considerable resources have been contributed by *tScheme*'s members to the successful development and implementation of an objective, transparent, proportionate and non-discriminatory scheme for the electronic trust services industry self-regulation, within the context of the EC Directive [1999/93/EC].

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tScheme has a growing number of members and contributors representing a wide range of interests, including service providers, technology companies, government and users. Several *tScheme* member organisations are or plan to become electronic trust service providers, who will seek to become approved under the scheme, submitting their services for full assessment in exactly the same way as non-member providers. There is also growing interest from outside the UK in developing similar schemes, or in applying for approval under the UK initiative.

tScheme aims to provide assurances by developing sets of criteria, known as Approval Profiles, against which trust service providers can independently be assessed for each of the trust services they wish to provide for clients. This independent assessment will be carried out by *tScheme*-recognised assessors against *tScheme* approval profiles.

tScheme aims to ensure continuity of assurance. Trust service providers satisfactorily meeting *tScheme* criteria and thereby qualified to carry the *tScheme* Mark on assessed services offered will be bound by contractual terms to ensure that good practice continues. The validity of the Mark will need to be renewed, and the Mark can also be revoked.

tScheme works closely with the government to make UK the "best and safest" place in the world for e-commerce and provides an effective voluntary approvals regime for electronic trust services, making it unnecessary for the Secretary of State to invoke powers under Part 1 of the Electronic Communications Act 2000 to establish a statutory authority.

tScheme is active internationally and continues to further international co-operation and peer-scheme mutual recognition (<http://www.tscheme.org/>).

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