INFORMATION INTEGRITY SOLUTIONS

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Creating trust and management of identity information in banking

Towards stronger user control

TRUSTED ICT FOR FINANCE

Luxembourg
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“Managing” “identity”:
Whose risks are you managing?
What’s your concern?

- Identity fraud, identity theft, identity takeover?
- Maximum information collection
- Customer retention
- The bottom line?

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The internet has changed the rules

- The move online involves more than just technical considerations
- Power to know more about individuals than ever before
- Privacy principles cannot keep up in the face of the tidal wave of new technology
- Not just individuals who can pretend they are someone else

facebook

YouTube
Broadcast Yourself™

Google

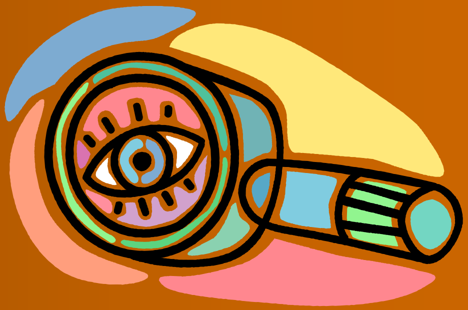
Don’t take my word for it ...

“... Identity management in the physical world helps *address risks* associated with human interactions and *increases confidence* between the parties interacting. It is therefore *fundamental for economic and social life*. The same is true online, where the lack of a demonstrable link between a physical person and a digital identity can create additional uncertainties that do not exist offline...”

OECD

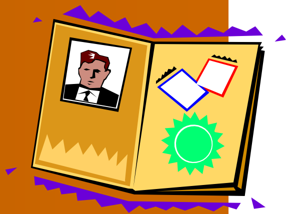
Digital Identity Management: Enabling Innovation and Trust in the Internet Economy, 2011

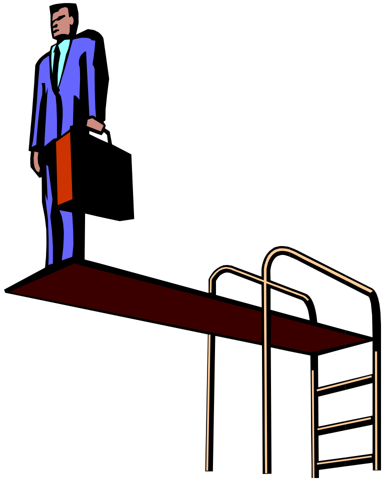
So how do we deal with online uncertainty?



Managing risk by managing identity

- Token necklace (?)
- Identity card (?)

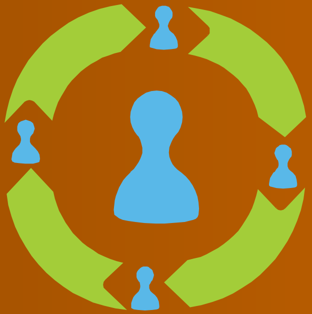




The status quo approach to managing identity

An organisation-centred solution based on a patchwork of *identity one-offs*:

- A registration process
- Issuing of credential
- Presentation of credential



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Reducing organisational risk

- This is logical and understandable
- Quite often, *but not always*, the risk is lowered for the individual as well
- However, the prevailing mindset is centred on the organisation

The imbalance is not lost on the individual...

Broad consents

More EOI

Logging & Monitoring

Inadequate Accountability

Unexpected uses

Lack of Control

Burden of Risk

The Great Trust deficit:
“ You don’t trust me, so
why should I trust you?”

The trust deficit – Impact

We avoid engagement

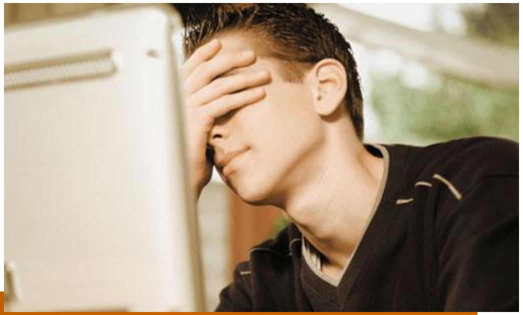
We defend – minimise or falsify our responses

We call for more law regardless of impact

Opportunities missed to develop close relationships

Solutions go on the scrap heap

New security vulnerabilities – more information collected than needed creates the ID fraud honey pot



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Consumers are responding

– According to the latest Edelman study (March 2012), 70% of global consumers are more concerned about data security and privacy than they were five years ago

– The same study found 68% of global consumers feel they have lost control over how their personal information is shared and used by companies

– Annual Data Breach Survey of UK businesses shows that the average cost of a data breach for 38 large businesses in 2010 was £1.9 million – **48%** can be attributed to customers that go elsewhere after hearing of the problem

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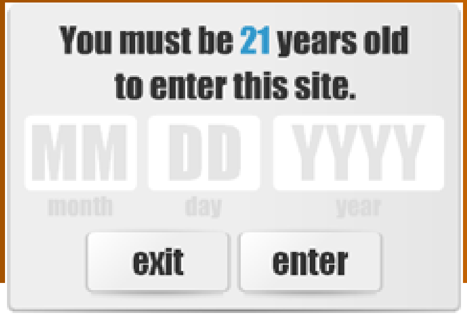
New mind set needed

Do we really need to know “who” in all cases?

Is it more about authenticating attributes (claims)? For example:

- Are you over the age of 21?
- Are you an Australian Citizen?



You must be 21 years old
to enter this site.

Appropriate risk allocation

My risk ↔ Your risk

“Too often, risk management *has not resulted in reduction of aggregate risk but rather reallocated the risk from the organisation to its employees, clients or service users*”

Safe to Play: A Trust Framework for the Connected Republic

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Need to move out of silos

- Government agencies going their own way
- Private sector too busy competing and maintaining market share rather than expanding the overall market
- Duplication of effort
- Too many credentials
- Useability dropping
- Individuals creating security risks (the sticker on the screen)

World initiatives to clean up mess...

ABC4TRUST

OpenID

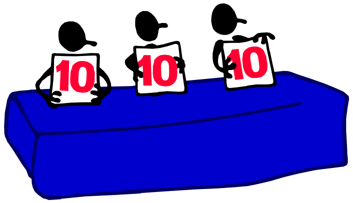
AVOCO secure

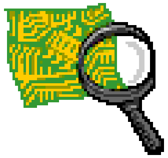
australia.gov.au your connection with government

NSTIC

NIST National Institute of Standards and Technology U.S. Department of Commerce

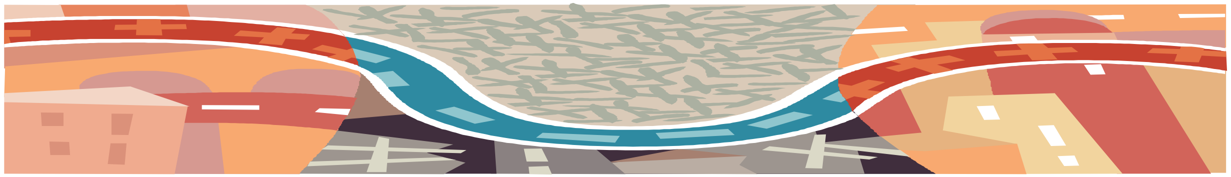
Government Digital Service Putting the public first in delivering digital public services





All put individuals at the centre

- Control
- Transparency
- Accountability
- Data minimisation
- Reduce trackabiltity

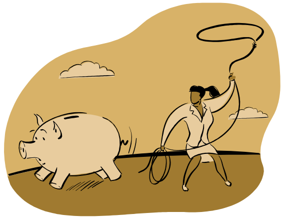


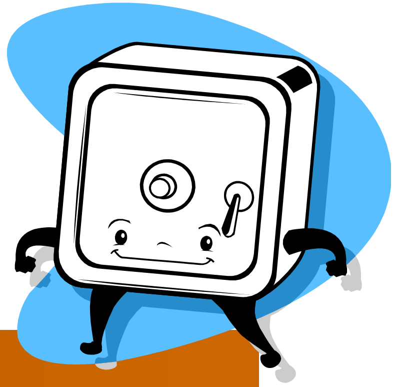
All involve public and private sector

- Leverage existing infrastructure
- Who can do what best?
- What to cooperate on and what to compete on?
- What to do about liability?
- How to share resources but keep consumer trust?
- What’s in it for business?
- How to support but not supress innovation

Banks are an important part of the picture

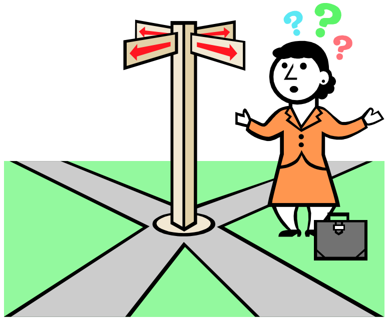
- Long history of trust with consumers
- High integrity identity providers
- Wide network of outlets
- Strong relationship with government
- Need for banks to have strong trust in customers – including AML requirements





Australian banks still mainly acting in isolation

- Each having own EOI processes
- Each having own authentication infrastructure
  - User name and passwords
  - 2nd factor authentication
    - One-time password tokens
    - SMS
- Still not seeing what is in it for them to cooperate



Easy Access
$2,500.00 Available

MasterCard
$1,732.12 Availab

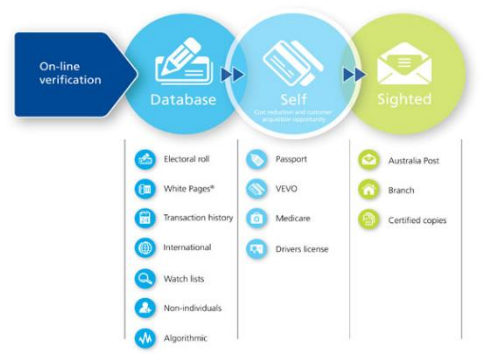
er Amount

$2,500.00
$2,982.00

Pay $100 from Streamline to Michael Bowman (Mobile - 0433231432)?
Transaction Fee: $0.50

Initiatives in Australia

- payments using mobile, email or Facebook contacts, including contactless payments
- Online verification process matching existing customer information against up to five separate databases including:
  - Sensis White Pages
  - Australian Electoral Roll
  - GDC National Telephone File
  - GDC Citizen File
  - The Transaction History Database



MAMBO

- Simple but secure online payments and transmission of information using existing shared infrastructure – banks could not agree

Elsewhere, some banks are in on the act

- Bank ID – Swedish banks are identity providers for government – capitalising on trust and identity infrastructure
- Canada – three of the largest banks – BMO Financial Group, TD Bank Group and Scotiabank participating in credential brokering service to provide identity authentication services to Canadian government – privacy a strong feature

  www.secureidnews.com/2012/04/02/canada-enables-bank-cards-for-access-to-online-government-services

Slow movers are likely to be left behind

BankID

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Huge opportunity with the right trust settings

- Increase efficiency (may be able to reduce some identity related infrastructure)
- Use existing expertise and infrastructure to generate revenue
- Opportunity to innovate and operate online services requiring high level of trust
- Closer relationship with customers – including two way trust
- Greater chance for global connection

- **BUT THE CUSTOMER MUST BE AT THE CENTRE**

- **Soooo . . . . .**

Get connected!

- Find out what your government is doing
- Find out what private sector is doing
- Find out what is happening globally
- Talk to your competitors and banks around the world
- Look at latest privacy thinking
- Talk to your consumers – what do they want?
- Think laterally – what can we cooperate on, what can we compete on?

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