

## Government and the Industry supports an accredited digital identity scheme for home sales

Etive Technologies has secured an Innovate UK grant, to improve identity verification in the residential home buying and selling process, using a digital identity trust scheme.

The project will enable consumers to use one digital identity when buying or selling a home and share this with other relying parties such as estate agents, conveyancers, mortgage intermediaries and mortgage lenders, within a scheme framework.

Stuart Young, MD of Etive noted that “Currently a seller's and buyer's identity is verified up to 5 times by the different relying parties. Conveyancers, estate agents, mortgage intermediaries and financial services are regulated by different entities with various levels of oversight and compliance which can cause conflicting guidelines on identity verification.” This creates friction for the consumer, greater costs and uncertainty.

The project, supported by the Law Society, CLC, SRA, CILEx Regulation, NAEAPropertymark, Guild of Property Professionals, RICS, RPSA and National Trading Standards Estate and Letting Agency Team (NTSELAT), is to create a centrally agreed framework, aligned to DCMS policy objectives and HMLR guidelines, against which all processes and providers would be accredited, to provide greater surety of data quality and reliance. Digital Infrastructure Minister Matt Warman said: "Technology is transforming the way we live, work and access services, and our work in government to boost the use of digital identity will enable smoother, cheaper and more secure online transactions when buying or selling a home. I look forward to seeing this project help not only house hunters but also those in the legal, business and public sectors."

The property sector has embraced digital identity verification, formally recognised within The Money Laundering and Terrorist Financing (Amendment) Regulations 2019. The legal Sector's own guidance, developed by the Legal Sector Affinity Group (LSAG), which includes the Law Society, CLC, SRA and CILEx Regulation, identifies electronic checks as “a sufficient measure for compliance with money laundering requirements (acknowledging) there may be circumstances where it will not be appropriate. Developing a trust framework for digital identity in conveyancing holds out the promise of faster and more secure transactions and is good for clients, conveyancers and the property market as a whole”. “This project demonstrates the importance of professions across home buying and selling working together on innovation and improvement. The CLC sees digital identity as a key step forward and urges conveyancers to consider how they can prepare their businesses for a fully digital future” added Stephen Ward of the CLC.

As part of the project, we must also consider the wider use of an identity, for example in other legal and financial services. As David Pope, of CILEx Regulation highlighted “The recent months have highlighted the importance of us all working together to make it easier and safer for a consumer to carry out a property transaction. We think that this work will have future uses in other areas of legal services”.

Law Society of England and Wales president David Greene said: “We welcome efforts to establish a reliable, secure and universal digital identity for consumers to use when looking to buy or sell a home. This will ease the burden on consumers having to produce information for ID checks with different parties and could help reduce fraud and reduce delays in the sales process - all beneficial developments for our members. The Covid-19 crisis has resulted in transformational technological change in the conveyancing market and this represents another important step forward.”

Combined with this is the work being carried out by HM Land Registry and improvements. “We welcome all progress toward providing easy-to-use, modestly-priced, remote and digitally secure ways for conveyancers to securely identify the buyers and sellers of a property. Our recently published draft standards clearly establish our requirements and we hope to see conveyancers able to use this relatively new technology in the near future.” said Michael Abrahams, Product Manager, Digital Services of HMLR.

For the sector as a whole, this brings greater opportunity to work more closely together to help reduce delays and drops out rates within the sales process. “This is critical in scope and working with the calibre of those involved to achieve a very real change will speed up the process and add increased certainty to the transaction” Mark Hayward, Chief Policy Adviser of Propertymark.

Iain McKenzie, CEO of The Guild of Property Professionals, says “Digital communication and cohesion is long overdue between the stakeholders involved in the moving process. Finding ways to reduce the time it takes for a property transaction to take place will be highly beneficial to both the industry and of course our customers who are eager to move into their new property as quickly as possible.”

The Digital Identity Trust Scheme seeks to develop a standard against which providers of electronic verification can be accredited. Combined with this it will help reduce some of the delays in the home buying process as well as better tackle incidences of property and mortgage fraud where false identities are used to either steal a property or money or where there is a misdirection of deposits and funds where the individual has no right to sell the property.

The project is expected to run for 6 months, from the 2<sup>nd</sup> of November 2020, and will involve a succession of working groups made up of regulators, Government, financial services sector, identity providers and solicitors and estate agents.

The first output is expected in April 2021 as a draft scheme supported with a set of operation manuals for the industry to adopt and work towards improving the home buying and selling process.

For more information please contact Stuart Young [s.young@etive.org](mailto:s.young@etive.org) or 07740 075026.

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Etive are a digital identity and property data technology company who have been working in identity since 2014 and the leading supplier of Property Log Book® for residential properties in the UK since 2011.

The Industrial Strategy Challenge Fund aims to bring together the UK’s world leading research with business to meet the major industrial and societal challenges of our time. The fund was created to provide funding and support to UK businesses and researchers, part of the government’s £4.7 billion increase in research and development over the next 4 years. It was designed to ensure that research and innovation takes centre stage in the Government’s modern Industrial Strategy. It is run by UK Research and Innovation.