

Digital Identity Trust Scheme Project FAQs

Home Buying and Selling Group (HBSG)

The HBSG is the leading industry group in which the Ministry of Housing, Communities and Local Government (MHCLG) and other government departments who actively participate to develop and test improvements in the home buying and selling process. The HBSG has been set up by participants from diverse organisations who are motivated by a genuine desire to effect change to improve the home buying and selling process.

To facilitate change, smaller expert teams have been set up to focus on areas which we have agreed will bring the greatest improvements to the consumer. The digital identity trust scheme is one such sub-group, led by Stuart Young, who chaired the first meeting involving the HBSG in October 2020.

More details can be found here - <https://homebuyingandsellinggroup.co.uk/digital-identity/>

Project Aim

This project will develop a digital identity trust scheme (DITS) for the home buying and selling sector, aligned to the DCMS digital identity and attributes trust framework. This will allow the digital identity of a home buyer/seller to be verified once and then be shared by the consumer used throughout the rest of the sales transaction, based on consent.

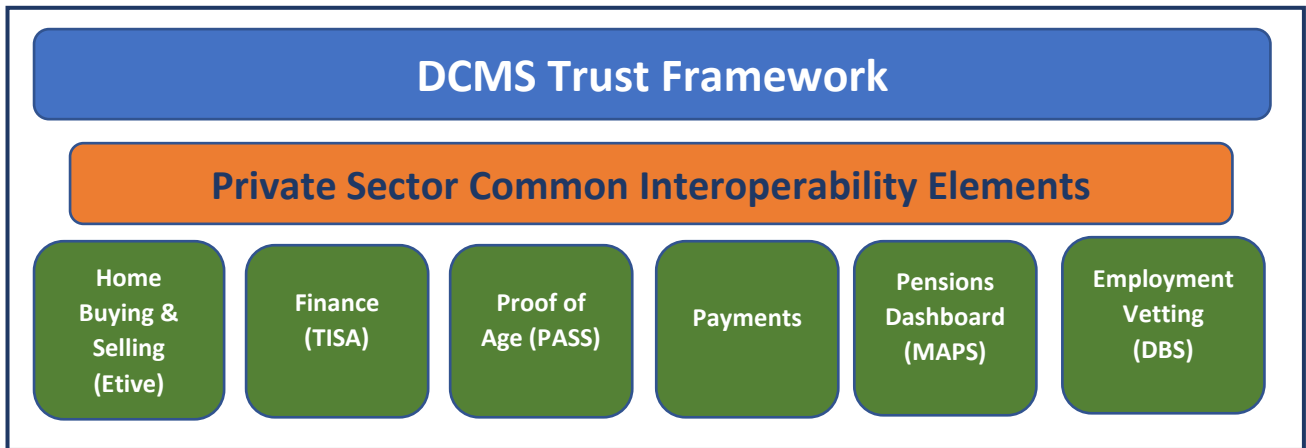
In particular, the DCMS Trust Framework will ensure a standard for identity verification that can be applied across the whole UK economy. Working under this framework, sectors across the economy are able to develop an appropriate Scheme that will meet its own sector specific needs if they wish to. This will facilitate interoperability between schemes and ensure that minimum standards are met.

This Scheme is for the complete home buying and selling process/transaction and has active involvement from all key stakeholder groups including estate agents, conveyancer/solicitors, mortgage intermediaries, new home builders, mortgage lenders and identity providers serving the market.

The Scheme, by following GPG45 guidelines, is working to align with DCMS policy objectives and certifying IDP adherence to the standard, allows IDPs to support many methods of identity verification and provides certainty for all service providers, whilst ensuring inclusivity for consumers. The Scheme is working to ensure inclusivity, especially for digitally excluded people or those considered to be 'thin file' e.g. who do not have a biometric passport.

Identity Schemes

This Scheme is currently one of several UK schemes in development alongside the DCMS Trust Framework. Members of these Schemes are working together to ensure interoperability between the Schemes and alignment with DCMS requirements.



Certification

A key principle of the Scheme is the certification of Identity Providers (IDPs) to a government standard. The Scheme has a requirement for certification to build a 'trust' and 'reliance' framework. This is a key requirement of the Framework and is also being implemented in the other Schemes that are currently being developed. The Framework will help to facilitate cross-Scheme collaboration which ensures synergies, cost savings and enables end user interoperability.

The UK Digital Identity Trust Framework will require IDPs to be certified and the intention is to give the Framework a legal basis. The Fifth Money Laundering Directive (5MLR) Regulations specify the requirement for certification of third-party providers of Customer Due Diligence against the Framework. Further details [HERE](#).

Identity Certificate

The output of the identity verification process is an identity certificate providing a verifiable proof of a consumer's identity enabling the consumer to share this with another service provider (SP) such as a conveyancer/solicitor, estate agent or mortgage lender. This enables the SP to confirm that the individual they are dealing with matches the verified identity, without having to take the client through another identity verification process. This will contribute towards quicker and more secure client onboarding and will be cheaper for consumers.

Use of Identity Providers

The Scheme aims to reduce the recognised problem of friction and unnecessary cost for the consumer who may have to go through up to 5 identity checks during the home buying & selling process. With a Digital Identity Trust Scheme, a consumer will go to a certified identity provider (IDP) to get their identity verified, once, for the whole transaction enabling other SPs to rely on this single check. This empowers the consumer to go through an estate agent, conveyancer/solicitor, mortgage intermediary or mortgage lender, or indeed any other Scheme provider.

Commercial Models

The Scheme has been designed to ensure that there is no adverse impact on any existing commercial models, a key objective of MHCLG's.

Identity Providers (IDPs) will continue to operate their current commercial models and consumers of IDP services can develop new commercial models.

Many IDPS already provide services (apps) that enable a consumer to manage, control and share their identity credentials with other parties. The market has already been developing this innovation for a number of years, so therefore does not force a different approach to existing commercial models.

Innovation

This Scheme is working to deliver alignment with the Government's policy objectives including its work on establishing standards, interoperability, trust, data schemas and accreditation.

It is left open to the IDPs to continue to innovate, this Scheme is not defining technical service solutions for how IDPs offer or deliver their services.

We have had direct access to many of the IDPs on this project and we can see that IDPs have been developing extremely secure and innovative solutions and arguably this innovation has been accelerated by Covid. There are many different service providers operating within the home buying and selling sector, some are solely Identity & Verification (ID&V) companies and others provide enhanced checks, as part of a suite of services. Some IDPs provide solely a digital service whereas others provide a wider service including supporting manual identity checking.

Whilst there are currently 32 organisations who provide some form of ID&V services engaged in this project there are no barriers for other companies that have not taken part so far. This project is being run as an open project for those who have a vested interest in the residential home buying and selling sector.

HM Land Registry's Digital Identity Standard

Aligning the proposed DCMS Trust Framework with HMLR's Digital Identity Standard

The Department for Digital, Culture, Media and Sport (DCMS) trust framework is looking to introduce a trusted and reusable identity check for a range of markets, not just conveyancing. The HMLR Digital Identity Standard reflects the specific security considerations the conveyancing sector requires. Both projects have the same goal, make the digital identity process clearer, and HMLR will continue to work together as the framework develops to meet this goal while protecting the Land Register.

HM Land Registry's Digital Identity Standard will be reviewed regularly as trust framework schemes in the property sector develop to ensure they align as seamlessly as possible.

Supporting the Etive scheme to develop a Scheme for the property sector

Along with MHCLG and DCMS, HMLR are in conversations with Etive about the work they are undertaking, and are supportive of any initiative that seeks to make the digital identity process clearer. HMLR aim to learn from legal and technical developments in the digital identity sphere, including projects like the Etive Scheme, and will continually review their Digital Identity Standard to ensure it meets the needs of the conveyancing market.

Regulation & Scheme Governance

This Scheme will set up a scheme level Governance body made up of industry representatives. The Scheme does not require a regulatory body, as the Scheme will operate within the existing regulatory framework on the Money Laundering Regulations (MLR) that govern Identity Verification as part of the Customer Due Diligence (CDD) requirements. The Scheme will be voluntary for organisations and those not participating can continue to meet their regulatory obligations as they do today. We have been working with organisations such

as CIFAS and COPSO to understand how they set up their schemes. CIFAS is a non-for-profit fraud prevention service and COPSO (Council of Property Search Organisations) represents property information service providers.

As part of the project, we have sought input from project participants to understand how they would like to see the Governance structure to be set up, which is open to all representatives from across the sector.

The Scheme will require IDPs, who provide identity verification under the scheme rules, to be certified. tScheme is an existing scheme to certify trust service providers, such as IDPs. tScheme which was setup following government legislation to provide a rigorous environment for certification of trust service providers. The DCMS Digital Identity Trust Framework will provide a comprehensive framework for the certification of IDPs, of which tScheme may be one of potentially many certification bodies.

Auditors of IDPs are required to be accredited by UKAS (UK Accreditation Service) ensuring they have the skills to ensure IDPs are meeting the requirements of this scheme, which will initially be registered with t-Scheme and DCMS. The certification of IDPs will ensure they meet the Scheme rules with annual audits to show compliance. A key part of the audit will be to ensure that identities are being verified in line with the governments Identity verification standard, GPG45: how-to-prove-and-verify-someones-identity.

Consumer Care

A key consideration in this Scheme is the protection of the consumer. The Scheme is working with the National Trading Standards Estate and Letting Agency Team (NTSELAT) and CIFAS to embrace consumer and victim care. This will ensure that the rights of consumers are protected and should their identity be compromised they have an independent body to approach for assistance.

Transferability

This Scheme is currently looking at an identity that is applicable to the current/one transaction. Through the workgroups, we are working to understand how the Scheme will handle the transferability of an accredited identity.

Scenario 1. A consumer may have their identity accredited based on the intended purchase of a new home. However, a week later they may decide not to progress with the original purchase, as they have found another property from another new home builder and may decide to buy that property instead. Question is, can the consumer use their current verified identity with the second new home builders, as it has not been used for an actual transaction?

Scenario 2. Home buyers often visit a number of estate agencies when searching for a property. Due to a breakdown in a transaction, the buyer decides not to pursue with the first purchase and decides on a second property instead. However, the consumer got their identity checked through the first estate agency. Again, can the consumer use their current identity verification with the second estate agents?

In both instances the consumer has had their identity verified by a certified IDP, which is less than 6 months old and has not been linked to a purchase, so can be used for the purchase of a different property through a different seller.

As we are reducing the friction for consumers, they should not have to get a second identity verification, as they already have one, which has not been used for a purchase.

Storage of Data and Evidence

The Money Laundering and Terrorist Financing Regulations (Amendment) 2019, established that where a 3rd party is used for all or part of Customer Due Diligence (CDD), the evidence used to prove an identity does not need to be captured and stored by the organisation (Service Provider) requesting the CDD.

Under the regulation, the organisation can rely on the statement of the identity provider that the individual is who they say they are, if the IDP is certified under a government identity scheme, this Scheme. In addition, the organisation must be able to request the evidence and the IDP must be able to provide this evidence when requested.

In line with the regulation, the Scheme will not require IDPs to provide the evidence to Service Providers as a default. However, where an individual Service Provider, e.g. solicitor or conveyancer, requests the evidence this will be provided. In addition to the ID Certificate the evidence will be stored in the consumer's personal data store /digital wallet to allow access to the evidence.

There is a requirement that the evidence is available for a number of years following the transaction specified by different legislations, see table below. As the consumer cannot be relied upon to store the evidence for this period the Scheme will require that either IDPs store and make available the evidence or the Scheme will provide a secure storage capability. This will ensure that the requirement for data storage, for audit and/or investigative purposes, is met.

Further information is included in the Scheme draft.

Next Steps

Based on participant feedback we are discussing a potential pilot/trial, after this part of the project which officially ends at the end of April 2021. All project participants will be kept up to date of progress. Meetings have been held with various stakeholder groups and there is a clear desire to progress this project into a trial.

Project Workgroups & Sectors

There are 6 working groups made up of over 100 organisations and also working with the relevant government departments. Project details can also be found [HERE](#).

Working Group Structure

WG1 – HMRC/estate agents - 6

WG2 – Legal & estate agent regulators - 12

WG3 – Financial Services - 21

WG4 – Identity Providers (IDPs)- 33

WG5 – Service Providers - 28

WG6 – HBF/new builds – 5

Plus 5 other organisations - 5

Government departments – DCMS, MHCLG, HMLR, HMRC/AMLS and HMT

We have also developed sub-groups based on interest levels which include mortgage lenders, conveyancers, estate agents and IDPs.

Project Participants

Please note that participation does not mean Scheme endorsement at this stage, just contributions towards helping develop the Scheme.

Work Group 1 - HMRC/Estate Agents	Work Group 4 - IDPs	Work Group 5 – Services Providers
NAEAPropertyMark	Ardent Technologies	Askhomey
National Trading Standards Estate and Letting Agency Team (NTSELAT)	Amiquis	Berwins
The Guild of Property Professionals	CLS Property Insights	Bold Legal Group
Savills	Credas	Breezemotion
Arnolds Keys	CRIF	Blacks Solicitors
Hunters	Digidentity	Blueleaf Consultants
Work Group 2 - Legal & EA Regulators	Digital Identity Net	Building Passport
Brymer Legal	EIGroup	Carter Jonas
Cilex Regulation	GBG	Conveyancing Ass
CLC	Hooyu	Compliance Matters
Law Society (CLLC)	Iamproperty	Eaton Evans
Society of Licensed Conveyancers (SLC)	Idemia	Digital Consultancy
SRA	IDNow	Grant Saw
Guild of Property Profs.	Incase	Jackson Lees
OIX	Infotrack	Karl Tatler
NAEAPropertyMark	iproov	Life Moments
NTS	LexisNexis	Landmark (Searchflow)
RICs	Minerva	Montrose Conveyancing Ltd
RPSA	Mitek	Movin Legal
Work Group 3 - Financial Services	Northrow	Nationwide BS
AMI	OIX	Practical Vision
BSA	Onfido	PIP Report
CIFAS	OpenBrix	Sarah Dwight Solicitors
Financial Ombudsman	PSD	Simply Conveyancing
IMLA	Scytales	Switalskis Sol
Innovate Identity	Scrive	DC Law
TechUK	Searches Group	Trustmark
UKFinance	Smartsearch	TwentyCi
Digital Consultancy	TIO	
Habito	Thirdfort	Government and Regulators
Howdens	Veriphy	DCMS
Impactsf	Vistra	HMLR
Fluent Money	Yoti	HMRC
Mortgage Advice Bureau		HMT

Legal & General	Work Group 6 - HBF/New Build	MHCLG
Nationwide BS		RoS
Sortreffer	HBF + 3 new home builders	NTSELAT
Trussle	Foxwood	Propertrymark & The Guild
TSB		SRA, CLC, CILEx Regulation, Law Society
Openwork		
Smartr365		

Project Management

The problem of identity in the home sales process has been well defined for many years and Etive took the opportunity to work with the sector to design and build an identity Scheme.

Etive secured two rounds of public funding for this work.

The first was secured through Scottish Enterprise – By Design fund and the second from InnovateUK – The Sustainable Innovation Fund. No other organisation has contributed financially to this project and as a publicly funded project we have been very clear to run the project as an open project. This has enabled us to encourage as many organisations as possible, who have a vested interest in this sector, to take part in the project. No one has been excluded.

Etive has a successful history of delivering publicly funded projects in identity dating back to 2014 with our personal data store Digital Log Book™, see below.

Two GDS funded projects, through the OIX, were involved with developing an identity solution for thin file citizens using www.gov.uk/Verify working with the Government Digital Service, Tower Hamlets Council, Hackney Council, Greater London Authority, DWP and Birmingham City Council.

Project details:

<https://openidentityexchange.org/projects?action=view&Project=389>

<https://openidentityexchange.org/projects?action=view&Project=372>

Contact Details

For any further project information or to take part in future work please contact Stuart Young on s.young@etive.org

Project details publicly available here <https://etive.org/identity-trust-scheme/>