A Consultation Paper on Entitlement Cards and Identity Fraud

Intellect Submission to the Home Office

January 2003

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Introduction

This submission has been prepared by Intellect, the trade organisation representing the UK's information technology, telecommunications and electronics industries, in response to the publication of *Entitlement Cards and Identity Fraud, A Consultation Paper,* by the Home Office in July 2002.

In preparing the submission, we have relied on a series of public consultation sessions with the Home Office (October 2001, February, May and October 2002) and meetings of a working group created to guide the submission. The working group included suppliers of cards, security technologies and integration services.

This submission also reiterates the views expressed in Intellect's initial submission to the Home Office (July 2002), which advocated an evolutionary approach to this work and can be found in its entirety at http://www.intellectuk.org/publications/position_papers/An_entitlement_card_for_uk_citizens.pdf

The Evolutionary Approach

Consultation on an Entitlement Card needs a clearly understood context:
- Society is increasingly adopting the electronic service channels of business and Government.
- The trust and confidence of citizens in the online world is crucial for future success.
- Authentication is key to trust.

However, while UK citizens are largely familiar with authentication in relation to everyday banking transactions, the concept of an Entitlement Card in providing routine access to government services is largely unfamiliar, and the context above needs to be continually communicated to all relevant parties. Fundamental to this is the fear, uncertainty and doubt, which still exists amongst citizens concerning the introduction of Entitlement Cards.

Therefore, the success of an Entitlement card programme depends both on widespread acceptance and uptake by citizens, and extensive publicity of benefits including transparency of the programme.

To succeed, the Government proposals must address the twin perspectives of citizens (citizen/consumer and citizen/taxpayer) and focus especially on citizen centric needs, including, for example:

- The value of the card to citizens – these need to be tangible and compelling;
- The trust of citizens in government – this must be earned and safeguarded;
- The security of personal data – the integrity of the programme depends on this; and
- The openness and visibility of government intentions – to overcome negative perceptions.

In combination, these factors require that the Government's business proposition is substantially citizen-focussed: an Entitlement programme will have to deliver rapid and compelling benefits to citizens to shift negative perceptions and establish the foundations for long term success.

To mitigate risk while developing use and acceptance, we believe that the development of an Entitlement Card must be an evolutionary process. We advocate three steps:

- **Step 1: A consolidation and possible rationalisation of the numbers allocated to citizens (NI, passport, licence etc) and support for a simple change of address process.** Card use should not be compulsory, but become compelling through ease of use. Legislation should be minimised even though benefits will only emerge where data sharing between agencies is permitted.

- **Step 2: The creation of a single index model, intelligently linking citizens to relevant public services.** The real task in this step is not the front-end card and authentication development, but back office system re-engineering. An identification-scoring model, such as that used in Australia is suggested as the identity process, along with decentralised deployment.

- **Step 3: Government authentication arrangements to be included in the 'wallet' of digital credentials that consumers and citizens will need in the future.** Here, the key issue is negotiating privacy safeguards to secure the benefits that permission-based services will provide. Hopefully, the evolutionary process will progressively draw out the logic and benefits of the next step while capturing the benefits of mature, stable technology.

Common open standards and the process to certify against these will be crucial. It is our view that the best path for Government, once it has considered these options, is to develop a specification and technical framework that suppliers can deliver against. Open published standards and interoperability are the most important criteria. A good model is the Registration and Authentication e-Government Strategy Framework Policy and Guidelines (http://www.e-envoy.gov.uk/oee/oee.nsf/sections/frameworks-authentication/$file/Registration-AuthenticationV3.doc).

It is recommended that an organisation similar to tScheme, or tScheme itself (http://www.tScheme.org), be empowered to develop a set or sets of criteria against which trust service providers for card systems can independently be assessed for each of the trust services they wish to provide.

Specific Responses to Consultation Paper Questions

Chapter 2 – The options for an Entitlement Card scheme

P1. The Government invites views on the principle of establishing an entitlement card scheme as a more efficient and convenient way of providing services, tackling illegal immigration and illegal working and combating identity fraud.

- The establishment of an effective entitlement card scheme built on the platform of a 'gold standard' enrolment process and the associated database(s) would provide many potential advantages. These could include greater convenience for citizens and higher levels of security, without increasing the burden of regulation on organisations and at reduced cost. However, it is important to state that the success of any card will be dependent on the data provided to it.

P2. Should the Government give consideration to one or more targeted entitlement card schemes and if so what sort of schemes should be considered?

- The pace at which the benefits to Government, citizens and service providers can be realised will depend on the speed with which an entitlement card is introduced and used by a critical mass of the population. The approach adopted to enrolment will be a key factor in determining the speed, cost and level of public inconvenience associated with implementation. A single scheme would take longer to achieve critical mass, delaying benefits and increasing inconvenience.

- Therefore, it should be possible for Government to specify and manage adherence to standards for the enrolment process, card management scheme and card design/format, which would allow a multi-agency approach to the introduction of entitlement cards based on principles of interoperability and joined-up Government. This could enable exploitation of resources already in use by government and trusted third parties, in processing applications for services and entitlements, for new processes that meet the requirements of enrolment and card issuance. It would also spread the task of population enrolment, allowing faster implementation.

- In addition to applications for driving licences and passports, other areas, which could be considered as a suitable life-stage activity for entitlement card enrolment, might include:
  - Applying for a place in higher education
  - Taking on employment in government services or in the armed forces
  - Applying for employment in a registered profession (lawyers, accountants, architects, teachers, medical professionals, security guards, child minders, etc)
  - First-time applications for state benefits/pensions.

- It should also be noted that the consultation paper outlines a practical approach to implementing an entitlement card around the existing DVLA driving licence and UK Passport Service passport card. Such an approach offers key advantages over attempting to implement a completely new scheme from

scratch. Perhaps the most significant advantage is that it offers the opportunity for guaranteed public uptake on a major scale without necessarily incurring huge additional costs to Government and the taxpayer.

P4. Views are invited on whether the Government should implement a universal entitlement card scheme where:
(i) it would be a requirement that all lawful residents of the UK over a certain age register with a scheme and obtain a card;
(ii) service providers would be free to decide whether or not to use the card scheme as the means to access their services;
(iii) service providers who did choose to use the card scheme would make the scheme the exclusive way to access their services (with exceptions for emergencies such as lost or stolen cards);
(iv) some services would rely on the database which administered the card scheme rather than require production of a card if that was a more efficient and convenient way to provide the service.

- The pros and cons of a voluntary scheme versus a universal scheme are well set out in the consultation document. However, a comprehensive assessment of the relative risks of each approach does need to take into account the key factors of public acceptability and practicality of implementation. For example, it is possible that a universal scheme where everyone over a certain age was required to register and obtain a card would meet with similar objections from the general public as a compulsory scheme where they were also obliged to carry a card. The risk of systematic public campaigns of non-conformance under a universal scheme could be regarded as more significant, than that of lack of uptake under a voluntary scheme.

- Moreover, the consultation document does not explicitly mention the possibility of starting with a voluntary scheme and moving to a mandatory scheme at a later point, which may be a valid approach for dealing with these types of risks. However this may not be necessary: if the stated aims of introducing a card are achieved then there is a possibility that the voluntary card becomes a de facto standard for establishing identification, gaining entitlement to public and private sector products etc, and coverage is assured. It is also important to recognise that if the benefits of the card are valued by the citizen in the first place then the take-up of the card will become less of an issue.

- The approach of a service provider not necessarily relying upon production of a card by an individual and instead utilising access to the database administering the card, could result in significant efficiencies and an improved level of service to the customer. This is presumably one of the major objectives of implementing such a scheme in the first place. This would of course place significant emphasis upon the design and deployment of the central database – availability would need to be guaranteed in order to underpin the business processes of the service providers concerned. Fundamental to this is the development and implementation of a rigorous security policy monitoring access to data and procedures governing any misuse of data.

P7. Views are invited on whether any entitlement card scheme should allocate a unique personal number to each card holder, what form any number should take and whether it should be incorporated onto the card itself.

- As the consultation document concludes, there are some clear reasons why existing personal numbers issued by Government (driving licence number, National Insurance Number etc) are not appropriate, primarily because these systems were never devised to meet the need to have a unique personal number. A new unique number would need to be implemented in a way that avoids the type of problems that have occurred with other systems in the past – e.g. not attempting to link other personal data which may change, into the format of the number.

- This would probably point to the numbering system being a random number generated by the database supporting the entitlement card system which could be replicated on the card itself. The issuing of unique personal numbers would also need to be tightly linked with the selected enrolment/ identification process for entitlement cards. This process would need to assure that the same person had not previously been issued an entitlement card (i.e. did not have an existing unique personal number).

- The citizen's personal number will need to be displayed on the surface of the card, along with information such as sex and date of birth, for quick, low-level, off-line use. Another unique number, derived from and linked to the citizen's personal number, will be kept securely and secretly in the chip in

the card and the central database(s) (or population register), and will be used to facilitate on-line authentication of the card and the citizen, while use of PIN, digital signature, biographical data check or biometric will ensure that the cardholder is present.

P8. Views are invited on whether entitlement cards should be underpinned by a national population register which could be used in a sophisticated way across the public sector, with the aim of improving customer service and efficiency and combating fraud.

- The objectives, as set out in the Consultation document, of creating a national population register, seem to be very similar to those associated with the introduction of entitlement cards and any associated supporting database. While the entitlement card database could in time assume the role of a national population register, it is probably unrealistic to assume that this could be achieved in the short or medium term. It should however be possible for the design of the entitlement card database to anticipate some of the longer-term requirements for storing core data that could be utilised across Government, without over complicating the entitlement card project itself. In the first instance, the usefulness of the proposed card scheme will depend critically on a robust, accurate database (or a network of databases) of citizens' details.

Chapter 3 – Possible uses for an entitlement card

P9. Views are welcomed on whether an entitlement card scheme would allow for more efficient and effective delivery of Government services and what services people would most like to see linked to a card scheme.

- One of the main aims in introducing an entitlement card scheme should be that it allows more efficient and effective delivery of Government services, for example by avoiding the need for an individual to provide the same set of personal data many times to separate Government Departments. However, it should be recognised that this benefit will take some time to achieve and an evolutionary approach is required rather than attempting to provide a fully integrated cross Government service up front.

- Initially, under the current proposals, the card should be promoted initially as an identification tool which delivers a benefit to the cardholder: a secure and reliable method of proving who they are. This will in itself improve efficiency in many areas, since the bureaucratic overhead of checking addresses, signatures, etc will be replaced by a simple and familiar mechanism. However, consideration will also need to be given to the development and implementation of cross-agency approaches as the card evolves.

P11. Views are sought on whether an entitlement card scheme would be a cost effective additional measure against identity fraud and related criminal activities such as money laundering.

- A universal, easily recognised form of identity that can be trusted by all, and which would involve counter-fraud measures, would obviously benefit the fight against fraud and criminal activities, but could create new vulnerabilities. To this end, it is critically important that the correct architecture is implemented which allows security schemes to evolve on the card to combat increasing levels of risk and this, in turn, relies on the quality of data available.

P12. The views of employers, trade unions and other interested parties are sought on whether an entitlement card scheme would be an effective measure (as part of a wider package) to combat illegal working and illegal immigration and what suggestions they might have for how a scheme could be designed to minimise administrative burdens on employers.

- According to some member companies, the Canadian government estimates that their Permanent Resident Card programme would generate annual savings of at least CDN $20 million per year from a modest reduction in undocumented arrivals.

P13. Views are sought on whether an entitlement card should be available to UK citizens in a form, which allowed it to be used as a more convenient travel document to Europe than the passport book.

- We understand that the intention would be that a passport card based entitlement card could be used as a travel document in both Europe and other countries. This would allow wide usage of such a

document, but would also provide an opportunity to utilise its capabilities to improve the security of the travel document and provide additional assurances to other countries regarding the identity of the traveller. Such improvements may include the addition of biometric information relating to the cardholder, which is one of the options being considered as part of this consultation exercise. The addition of a biometric identifier to the UK travel document will also, almost certainly be influenced by new and emerging US Government border security legislation, such as the US Enhanced Border Security Act.

Chapter 4 – Combating identity fraud

P19. Views are invited on whether checks on applications for passports and driving licences 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.

- Member companies indicated that these measures are generally regarded as being necessary regardless of whether or not an entitlement card scheme proceeded, in order to counter new forms of identity fraud and to protect the security and integrity of the passport.

P20. If more secure passports and driving licences were issued based 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 this identity database to allow them to make their own checks;
(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 approach were taken as part of or as an alternative to an entitlement card scheme, it would offer many advantages to Government in ensuring that key transactions involving individuals proving their identity, are co-ordinated and that consistent levels of anti-fraud checking take place. Any common identity database used in this process could become a hub system for wider checks across Government – which could provide additional anti-fraud measures at a comparatively low cost to Government. There are no reasons why this concept could not be extended outside Government to private sector organisations, provided that adequate safeguards are put in place to ensure that the subject's informed consent has been provided. This would provide a more comprehensive and consistent anti-fraud framework and provide tangible benefits to both public and private sectors through prevention of identity fraud related offences. Therefore, consideration should be given to the establishment of routes for verification of identity for use by commercial organisations. To this end, procedures need to be established for monitoring use and processes for dealing with improper use, should it occur.

P21. 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.

- This option would need to be defined more fully before being considered – for example it is not clear what 'selected biographical data held by Government' would mean in practice. Neither is it clear how such a service would be used by Government departments – for example would it supplement or replace their existing processes for identity verification. Current credit reference style checks may be able to provide additional indicators to confirm certain aspects of an individual's 'social footprint', but this would not be the same as providing a definitive identity check. There would also be specific issues associated with identifying young adults who had not established a credit history.

Chapter 5 – How a scheme might work in practice

P23. Comments are invited on whether any entitlement card scheme should be based around a passport card and the photo-driving licence (including a non-driving licence/entitlement card). In particular, comments are invited on whether having a family of cards rather than a single card would be helpful or confusing. Suggestions of other models for an entitlement card scheme are also invited.

- In the present political and economic climate, the most effective approach may be to issue a family of separate Entitlement Cards, built upon the same security and authentication standards and the same

technology platform. In particular it could offer guaranteed public uptake and potentially overcome public concerns over the introduction of an entitlement card scheme. The benefits of the scheme as a whole would be more tangible and would allow the Government to phase in Entitlement Cards on a department or agency basis, creating a significant base within a relatively short period of time.

P26. The Government invites comments on its suggestions for how entitlement cards could be issued to various categories of foreign nationals. The Government is particularly keen to ensure that any entitlement card scheme would not make the UK a less attractive place for foreign nationals to work and settle lawfully and welcomes specific suggestions on how to ensure this.

- Once the principal of the Passport Card as the highest-level security card is established, then relevant group of foreign nationals, e.g. asylum seekers, foreign workers, permanent residents, can utilize the same technology without fear of discrimination.

P28. (i) Comments are invited on whether an entitlement card scheme should include the recording of biometric information with particular regard to the cost, feasibility and acceptability of the three most likely options (fingerprints, iris patterns and facial recognition).
(ii) The Government would like to hear the views of potential partners on how a nation-wide network of easily accessible biometric recording devices could be established and operated, how people who are not mobile or who live in sparsely populated areas could be served and what other value added services potential partners might offer.

- Capturing and storing biometrics as part of the entitlement card enrolment process potentially offers many advantages in terms of identity verification, security and ensuring that an individual's 'entitlement card account' remains unique. However, there are a number of issues with such an approach:
  1. The technology associated is still emerging and has yet to be deployed and proven on the scale of implementation that would be involved here.
  2. The scale of the project to implement the required infrastructure could be very significant (particularly for an iris pattern biometric approach) and would need to allow sufficient national coverage to support the entitlement card enrolment process and also potentially post card issue identity verification checks (on-line or off-line). The establishment of a nationwide network of biometric recording devices is fraught with issues of secure management, staff training, and suitable locations.
  3. The associated costs of such infrastructure (depending upon the biometric option selected) could make the project unsustainable, particularly if all the costs were passed on to the public as part of any entitlement card enrolment fee.
  4. Some types of biometric may be less acceptable to the general public than others and public reaction could have a significant effect upon the success of the entitlement card scheme.

- Ultimately, if biometric information is recorded, the selected option must meet the key criteria of being acceptable to the public and in terms of cost, viability and practicality on the scale required for entitlement cards. However, it is important to recognise that false positives and false negatives can still occur.

P29. Views are sought on what benefits issuing an entitlement card as a smartcard would bring to card holders, whether the use of a smartcard chip could be shared by a number of organisations effectively and whether any potential partners would be interested in managing the sharing of a chip on behalf of the Government.

- Cardholders would gain the convenience, transparency, control and security offered by a smart card. Use of a smart card chip can be shared effectively by a number of organisations, and is the policy of many smart card schemes. Any challenges lie in creating effective commercial agreements and management systems. Consideration should also be given to other technologies such as Optical Memory and Digital Cards, which can also accommodate multiple applications. It is important to recognise that the more information held on a card the higher the risk and potential for fraud.

P31. Views are invited on whether it would be feasible in business and technical terms for an entitlement card to include a digital certificate and what the implications for the cost of the card would be.

- It would certainly be feasible for the entitlement card to include a digital certificate as part of a PKI infrastructure and other countries have adopted this approach in the design of their national identity

card – e.g. Italy. However the wider issue is the practicality of doing so both in terms of cost and public usage. In costs terms, there are likely to be significant additional costs associated with such an approach, particularly in the ongoing administration of the card and the digital certificate and this would need to be balanced against the predicted benefit of public uptake and usage of these types of services.

P32. Views are welcomed on what information should be held in any central register, which might be used to administer a card scheme, and what information should be displayed or stored on the card.

- In practice, the design of that central database and the type of information stored will depend upon the precise characteristics of the selected entitlement card scheme model. For example, it remains to be determined whether biometric information and PKI related data needs to be stored. However, the approach outlined in the consultation document under which the central register stores only a minimal set of core personal information and acts as a gateway to other Government databases where details of entitlement to a service are stored, seems pragmatic. It offers the potential to provide privacy safeguards surrounding the use and sharing of personal data and reduces the scale and risk of the project implementing such a system. Similar considerations apply to the precise details that should appear on the card.

Conclusion

Intellect welcomes the opportunity provided by the Home Office to participate in this consultation. This is potentially an extremely significant project, however it is important that it is not undertaken in isolation. Therefore, there is a need for the project to be driven in line with other Government initiatives such as the e-Government programme, the NHS IT Strategy and initiatives arising from the PIU study into data-sharing and privacy and issues on data storage and manipulation arising from the Anti-Terrorism Crime and Security Act and the Regulation of Investigatory Powers Act consultations.

Our members regard it as an important model in developing trust and cooperation between government and the private sector. It is also important to reiterate that if the project is to be implemented successfully, the Government will need to be clearly on its intentions and establishes a positive dialogue with the IT industry.

As this process takes shape, we will be submitting further views based from our technology objective perspective. We also look forward to an on-going dialogue with the Home Office and other organisations about the issues raised and the technological possibilities.