

Entitlement Cards and Identity Fraud – the Government’s response to the consultation points

The consultation paper on Entitlement Cards and Identity Fraud (Cmd 5557) published on 3 July 2002 included 35 consultation points. This paper details the Government’s conclusions. For clarity, some consultation points have been grouped together.

- 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.
- 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 a means to access their services;
 - (iii) service providers who did 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 combination of greater global mobility and advancing technology is making it increasingly difficult to protect and authenticate people’s identity. As a result, we face growing threats to the security and prosperity of British citizens from illegal migration and working, organised crime and terrorism, identity theft & fraud and fraudulent access to public services, for example by illegal migrants who have no entitlement to them. That is why biometric passports and eventually driving licences are already being developed here, elsewhere in Europe and the USA.

The Government has decided to begin the process of introducing a national identity cards scheme as a key part of a comprehensive strategy to contain these threats and ensure more reliable means of authenticating people’s identity. In the light of these threats and other international developments which are driving up the standards required to prove identity, doing nothing is not an option. Our proposals are designed to protect, not erode, civil liberties, by protecting people’s true identity against fraud and by enabling them to prove their identity more easily without unnecessary intrusion by

State or private interests. The consultation exercise showed that the public preferred the term 'identity card' to 'entitlement card'.

We will proceed in two stages.

First stage

Once the Office of Government Commerce (OGC) has confirmed that the programme is ready to proceed¹, we will publish draft legislation to enable the scheme to be introduced and pave the way for the establishment of more reliable means of proving people's identity. This will include:

- (i) establishing a National Identity Register;
- (ii) proceeding towards more secure passports and driving licences based on biometric technology – with personalised, specific identifiers;
- (iii) for those who do not need a passport or driving licence and choose to take it up, making available a voluntary plain identity card. This would not, of course, become compulsory (or be mandatory for access to services) until the appropriate further Parliamentary decision – see below;
- (iv) introducing mandatory biometric identity documents for foreign nationals coming to stay in the UK for longer than 3 months. For nationals from countries in the European Economic Area (EEA) this will be done in a way which is fully compatible with European law².

The costs of these steps and all start-up costs, will be met from charging or from existing departmental budgets.

The introduction of plain identity cards on a phased basis will, on current plans, start from 2007/8 and, together with the incremental roll-out of biometric passports and perhaps eventually driving licences, might be expected to cover 80% of the economically active population within five years.

There will be close work across Government to develop effective technology particularly on biometrics and to introduce systems to ensure that biometric data can be collected, stored and used effectively. This will include a 6 month biometric pilot which will shortly be run by the UK Passport Service to test the recording of face, iris and fingerprint biometric information.

¹ By means of an OGC Gateway 0 review.

² EEA nationals would obtain biometric identity documents as part of the registration process which is compatible with existing EU law and with the draft Directive on Free Movement of Persons.

Second Stage

If the conditions were right, this first stage phased roll-out could then be followed by a move to a compulsory card scheme in which it would be compulsory to have a card – though not to carry one – and to produce a card to access public services in ways defined by those services. In the case of those services for which the devolved administrations have responsibility, decisions on production of a card to access those services would be a matter for them.

The move to compulsion would require full debate and a vote in both houses of Parliament. Clearly the Government would only take this step after a rigorous evaluation of the first stage, when it was confident that everything was in place to enable the scheme to work successfully, that its benefits outweighed any costs and risks and that it was fully affordable within future agreed spending plans. In particular, we would want to be confident that:

- roll out during the first phase has already delivered significant coverage of the population;
- there is clear public acceptance for the principle of a compulsory identity card which would be used to access free public services. This would already have included a scheme of charges based on cost recovery and subsidy for those on low incomes;
- use of the card for access to free public services would not prevent people without cards from accessing emergency services, and those on low incomes and other vulnerable groups would not be disadvantaged;
- the scheme would make a further significant difference to tackling fraudulent access to free public services, and to tackling illegal working at an acceptable compliance cost to business;

and

- the technology is working and public services have implemented the technology and business changes necessary to take full advantage of the scheme.

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 Government does not favour a targeted scheme which required only certain categories of people to obtain a card as that could stigmatise particular groups.

P3 Views are invited on whether the Government should implement a voluntary entitlement card scheme.

If a card scheme was purely voluntary, service providers wishing to check a card would have to maintain different systems for checking identity and immigration status depending on whether or not a person held a card. The Government believes that the type of scheme outlined in the response to consultation points 1 and 4 above strikes the right balance in ensuring wide coverage over time and allowing for a move towards compulsion should the conditions be right and Parliament agree.

P5 Views are invited on what the contents and scope should be of any legislation to implement an entitlement card scheme.

The Government will introduce a scheme by legislation. The contents and scope of this legislation will be announced first to Parliament in a draft Bill.

P6 Views are invited on what powers the Government should have to require cards to be held in any universal scheme and what incentives and sanctions there could be to help ensure universal coverage.

The Government does not believe that it should be a criminal offence to fail to obtain a card. Most UK citizens hold a passport or driving licence or both. As both of these documents could be acceptable forms of identity card, most of the UK resident population will be covered gradually as they need to renew or replace these documents. The consultation exercise has shown that there is a demand from some people who do not drive and do not want a passport who want a recognised Government-issued form of identification. A plain identity card will be available for these people. In time we will require foreign nationals coming here for more than 3 months to obtain a card, in the form of a more secure residence permit than that which is currently available on a voluntary basis.

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.

The Government believes that there is a case for a unique personal number to be allocated to each person registered on the scheme. If it is decided to have such a number, there is no presumption that it should be either a new number or an existing one or whether it should be incorporated on the card.

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.

Building a highly secure database – the National Identity Register - is at the heart of the identity cards scheme. Taking biometrics from all applicants should ensure that it is virtually impossible to obtain an identity card in multiple identities since because of the rigour of the database, an individual's biometric could only be registered once and once the biometric is checked it will be impossible for a fraudster to use someone else's card.

Alongside the biometric information, the National Identity Register would only record basic personal information such as name, address, date of birth. Other information held by government departments, such as medical or tax records, would not be held on this register. Legislative controls would balance individual privacy with access to identity card information in relation to the investigation of serious crime or national security.

The Government has also been examining the feasibility of developing a population register, the Citizen Information Project, which would hold a more limited set of information than that envisaged for the National Identity Register. It will be proceeding with a project definition study on a population register alongside the work on identity cards. The two initiatives will be very closely co-ordinated.

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.

P10 Views are also welcomed from organisations providing services in the public and private sectors on whether they would like to link their services to a card scheme and what features they would want to see in a card scheme that would most benefit their services.

A wide range of services were suggested by different groups responding to the consultation exercise. These are included in the Summary of Findings from the consultation exercise. The Government would like to see a scheme which is flexible enough to be useful for a wide range of services and will work with the NHS and other public services to maximise the benefits of a card and minimise the compliance costs.

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.

The Government agrees with Police organisations and financial services organisations who thought that a properly administered scheme would be an effective measure in countering identity fraud and crimes facilitated by identity fraud such as money laundering. The Financial Services Authority commented that the establishment of a simple, single and realisable means by which individuals could verify their identity was important and that the lack of a sole proof of identity put the UK at a competitive

disadvantage due to the costs involved in checking various documents to comply with money laundering regulations.

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.

The Government acknowledges the concerns of some employers’ organisations and trade unions that the process of checking a card to confirm an employee’s eligibility to work should be made as straightforward as possible and that a card scheme should not lead to discrimination. We will work closely with business – particularly small business – trade unions and others to design the system to maximise the benefits and minimise the compliance costs to law-abiding businesses and to develop an effective enforcement system that will deal with illegal workers and the minority of businesses that deliberately flout the law.

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.

One type of identity card will be issued in the form of a passport card. The card will comply with International Civil Aviation Organisation standards and – subject to formal agreement with other countries – will be valid for travel in Europe.

P14 Views are sought on whether an entitlement card would be an effective proof of age card, whether there should be a minimum age at which entitlement cards should be available and if so what that age might be.

The Government agrees with the views of many organisations with an interest in confirming the age of their customers that a card scheme would be an effective means of complying with the laws on the sale of age restricted goods and services. Young people would be eligible to obtain a card from the age of 16. Existing proof of age cards which comply with the British Retail Consortium’s Proof of Age Standards Scheme (PASS) would continue to be of value for the purchase of goods with age restrictions lower than 16.

P15 Views are sought on:

- (i) whether an entitlement card scheme would be effective in reducing crimes other than those related to identity fraud;
- (ii) whether an entitlement card would reduce administrative burdens on the police;

- (iii) whether the police, the intelligence services and other organisations investigating very serious crimes such as HM Customs & Excise should have access to the central register – including biometric information – in closely prescribed circumstances in cases where they are investigating matters of national security or very serious crimes and what those safeguards should be.

The Association of Chief Police Officers (ACPO) suggested that in the wider arena of community safety a card scheme could help to identify the victims of crime or accidents and could provide a deterrence to hooliganism, under-age drinking and low-level disorder problems. The police and other organisations will not have routine access to data stored on the National Identity Register. However there are strong arguments for giving them such access to help fight serious crime and terrorism. Such access will be set out in statute and there will be independent oversight of the arrangements as there is at the present time. There will be no new power for the police to stop someone and demand to see their card.

- P16** Views are invited on whether an entitlement card scheme would benefit the maintenance of the electoral register and facilitate new ways of voting.

The Government welcomes the contributions from the Electoral Commission, the Association of Electoral Commissioners and some local authorities. The Government notes the suggestion of the Electoral Commission that a card scheme could help address some of the security issues and problems presented by remote electronic voting. For example a card could be used to generate specific voter identifiers or to confirm identity when casting a vote. We will consult further with interested parties.

- P17** Views are sought on:

- (i) whether an entitlement card should display medical information which might be useful in an emergency and/or act as an organ donor card at the card holder's consent?
- (ii) if so, what sort of medical information would be most useful to display?
- (iii) given space constraints on the card, whether storing medical information which might be useful in an emergency on a smartcard chip on an entitlement card would be useful?

Holding information which might be useful in a medical emergency such as allergies or blood group was a common suggestion from members of the public. The Government will look at this option while taking into account the important issues of practicality, verifying that the correct information was recorded and ensuring medical confidentiality. Such information would only ever be held with the explicit consent of the cardholder.

P18 The Government invites views on the early steps it would like to take to tackle identity fraud and welcomes expressions of interest from the private sector to collaborate on this work.

Since the end of the consultation exercise:

- (i) the Passport Service has begun piloting checks of passport applications against identity-related information held by a credit reference agency. Checks are conducted with applicants' consent and do not check credit-worthiness. The evaluation of the pilot is still ongoing;
- (ii) there has been increased co-operation between Government Departments and Agencies in identifying and adopting best practice on identity checks. In particular DVLA is working closely with the UK Passport Service and the Department for Work and Pensions on aligning its procedures;
- (iii) there have been discussions within Government and with some private sector organisations on shorter term projects to combat identity fraud. The Home Office is establishing a programme management structure to co-ordinate those projects which prove viable and to provide a framework for closer co-operation between the public and private sectors building on arrangements already established such as working groups facilitated by the Association for Payment Clearing Services. The UK Passport Service has announced that it will be developing a database of passports which have been reported lost or stolen which other organisations will be able to access.

P19 Views are invited on whether checks on applications for passports and driving licences should be strengthened to the degree outlined in Chapter 5 [of the consultation paper] whether or not the Government decided to proceed with an entitlement card scheme based around these documents.

As part of a phased introduction of a national identity cards scheme, the Government will introduce some additional and strengthened checks on applications for passports and driving licences in advance of the launch of a full scheme.

P20 If more secure passports and driving licences were issued based around a common identity database shared between the UK Passport Service and 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.

In the light of the Government’s decision to proceed with a national identity cards scheme, this consultation point is no longer relevant.

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.

The usefulness of this type of service is being evaluated by the UK Passport Service (see the response to consultation point 18).

P22 Views are invited on whether a summary-only offence of identity fraud should be created.

The Government has announced measures in the Criminal Justice Bill currently before Parliament to align the penalties for making fraudulent applications for driving licences and passports and to make these offences arrestable. It has also announced that it will legislate to make it easier to prosecute those found in control or possession of false identity documents. In the light of these changes and additional offences which will be required for a national identity cards scheme – such as making fraudulent applications for cards - the Government will reflect further on whether a separate identity fraud offence would be necessary.

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.

The consultation exercise has not revealed any better suggestions for implementing a scheme than to base it on more secure forms of existing documents such as residence permits, driving licences and passports along with a plain identity card for those not covered by the other documents. The general principle will be one secure record of identity to which a variety of identity documents would be linked.

P24 Views are sought on whether young people should be invited to apply for an entitlement card when they are issued with a National Insurance number.

The Government will consider this approach as one of the ways of reaching almost all rising 16 year-olds resident in the UK. Plain identity cards will be issued free to 16 year-olds.

P25 The Government is particularly keen to hear young people’s views on what features they would like to see on an entitlement card which would make it attractive to them.

The views of young people obtained during the consultation exercise are set out in the findings document. The card scheme envisaged by the Government would help young people prove their age. Many young people who were surveyed by the British Youth Council would welcome a card if it helped them obtain discounts. The card scheme envisaged by the Government would provide young people with a convenient means of proving their identity for companies wishing to offer such services.

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.

In time, biometric residence permits, issued as part of a family of identity cards will be mandatory in time for foreign nationals moving here to stay here for more than 3 months. Those coming for short visits will continue to use their passport or European identity card as proof of identity.

P27 Views are invited on whether more background biographical checks than currently take place should be conducted before applicants were issued with entitlement cards and whether the checks suggested in this paper are useful, feasible and proportionate.

The UK Passport Service is conducting trials of making wider background checks and the results of this work will inform the design of the scheme.

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.

Only biometric-based identity cards can provide a single, highly verifiable means to prove identity. This means identity cards would bring major benefits by combating illegal immigration and illegal working, strengthening our security and combating identity fraud as well as helping regulate access to public services. They would enhance our sense of belonging, shared citizenship and identity.

The vast majority of the costs of this scheme would be necessary if we moved to a more robust form of identification through biometrics just in passports and perhaps eventually driving licences. The benefits of having only biometric passports and driving licences would be much less however. Whereas building a base for a compulsory national identity cards scheme would help reduce illegal immigration, improve security, and reduce fraud against public services.

The majority of people who used the biometric demonstrator which was installed at various UK Passport Offices during the consultation exercise were comfortable with the technology.

- 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 Government.
- P30** 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;
 - (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 Government;
 - (iii) on the longer-term use of biometric information should this form part of any scheme.
- 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.

The Government is grateful for the many suggestions it has received on the design of a scheme. It is not appropriate at this stage to make detailed decisions on the technical design of a card scheme and discussions will continue with interested parties.

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.

The information held by an identity card scheme will be basic personal information such as name, address, date of birth, gender and immigration status. The type of information held would be set out in statute and changes would require the consent of Parliament.

P33 The Government is very keen to consider suggestions from people whose circumstances might make it difficult for them to participate in a scheme and from organisations representing them on how a scheme can be designed to accommodate their needs.

The Government will continue the dialogue begun during the consultation exercise to ensure that the needs of people who might find it difficult to participate in a scheme are incorporated into the specification and design.

P34 Comments are invited on the indicative costs outlined in the consultation paper, in particular on the compliance costs which employers might incur in using a card to check the employment status of new employees.

The Government will continue to work closely with business – particularly small business – trade unions and others to design the scheme to maximise the benefits and minimise the compliance costs to law-abiding businesses and to develop an effective enforcement system that will deal with illegal workers and the minority of businesses that deliberately flout the law. In the first stage it will not be a requirement to possess a card in order to work or obtain a National Insurance number.

P35 Views are invited on what specific measures should be included in any entitlement card scheme to ensure compatibility with the principles of the Data Protection Act 1998.

The Government is very grateful for the comprehensive comments from the Information Commissioner. The Government agrees with the Commissioner that it is possible to design a scheme which is consistent with the Act. There will be continuing discussions with the Commissioner and other interested parties as preparatory work on legislation commences.