Digital ID&V (Identification and Verification)

Enhancing ID&V with Improved Privacy

The Balancing Act: Security vs. Privacy in Identity Verification

Digital Identity and Verification (ID&V) is critical in many online interactions. However, it can also create privacy risks particularly when organisations require customers to share identity documents. Balancing regulatory requirements, like 'Know Your Customer' (KYC) for financial services, with user privacy is a constant challenge.

The Problem with Traditional ID&V

Traditionally, organisations verify identities by collecting and storing copies of passports, driver's licenses, or other sensitive identity documents. This approach creates several problems:

- **Increased Risk of a Data Breach:** Storing sensitive documents makes organisations a target for cybercriminals, as evidenced by the Optus, Latitude Financial and Medibank data breaches, where millions of documents were exposed and many of these use for further crimes including identify theft.
- **Privacy Concerns:** Collecting and retaining more data than necessary raises privacy concerns for customers and erodes user trust.
- **Inefficiency:** Manual verification processes can be slow, cumbersome and provide a poor customer experience while increasing data breach risk at the same time.

Digital ID&V: A Secure and Privacy-Focused Solution

Conversely using secure digital ID&V solutions can provide significant benefit to the organisation and the customer. And the recent introduction of the Digital Identity Bill ([factsheet here](#)) in Australia introduces safeguards into law secure and user-centric digital ID&V solutions building upon the existing Trusted Digital Identity Framework - [TDIF](#) accreditation.

These solutions offer several benefits:

- **Reduced Risk:** By eliminating the need to collect and store sensitive identity documents, organisations reduce the risk – both likelihood and impact - of a data breach. Existing ID&V providers should be accredited (under TDIF) and therefore held to an extremely high standard of security, privacy and data protection.
- **Improved performance:** The effectiveness of digital ID&V solutions typically outperform existing manual processes therefore reducing the of errors in the identification and verification process.
- **Enhanced Privacy:** Users retain control over their identity data and choose which verified attributes to share with organisations for the specific purpose. For example, you only need to know if someone is over 18 to purchase alcohol, you don't need to know their date of birth or their identity.
- **Improved Experience:** Digital ID&V solutions streamline the verification process, leading to faster onboarding and better user experiences. Using digital IDV portals and standard capabilities of mobile devices customers can safely and securely identify themselves at a time and place that is convenient to them.

How Digital ID&V Works

Accredited digital ID&V providers leverage advanced Machine Learning (ML) and Artificial Intelligence (AI) to:

- **Authenticate Documents:** Verify the authenticity of government-issued IDs like passports or driver's licenses using a multitude of data points from the document content and material to confirm its genuine.
- **Verify Identity:** Confirm that the person presenting the ID document is also a real live person and the legitimate owner.
- **Provide Assurance:** Organisations receive an assurance code linked to the verified identity which confirms that the ID&V has been completed, eliminating the need to store ID documents.
- **Customer experience:** Implementing Digital ID&V involves incorporating these tools into the existing customer experience

processes at specific touch points for both new and existing customers.

Organizations can take several steps to leverage the benefits of digital ID&V:

- **Understand Regulations:** Clearly understand your specific regulatory requirements for identity verification for your organisation. While KYC regulations require verification, they may not mandate document collection and retention.
- **Review Processes:** Evaluate your current ID&V processes and identify opportunities to reduce reliance on obtaining and retaining physical documents.
- **Explore Digital ID&V Solutions:** Research accredited digital ID&V providers approved under the Trusted Digital Identity Framework (TDIF) and determine if they have a solution that could enhance the privacy of your organisation and provide a better customer experience.
- **Implement and Enhance:** Implement a secure digital ID&V solution into the existing business process and consider integrating re-verification steps throughout the user journey. Like any change organisations should ensure the communication to stakeholders and customers is clear and effective.

Please don't Wait for the Future, Embrace It Today!

Digital ID&V solutions offer a secure and privacy-enhancing approach to identity verification. These solutions can enhance security, improve user experience, and build customer trust. Please contact us today to discuss how we can help you explore and implement digital ID&V solutions tailored to your needs.

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