Financial Inclusion TechSprint (May 2024) video Transcript.

Team 5 - Vouchsafe

Delegate 1

Thank you. Hi, I'm Lisa

Delegate 2

and I'm Nandita and we're here to introduce Vouchsafe, the world's most forward thinking identity verification platform.

Vouchsafe is the key to unlocking access to vital services to everyone who needs them.

Here's the problem. There are 11 million people in the UK that don't have a passport or driving licence and because of this struggle to pass a traditional identity check, that figure is a billion globally. This means that many people, and primarily the most vulnerable, struggle to access vital services like bank accounts, benefits and employment.

Many more are at risk of entering this precarious position. The majority of adults in the UK are financially undisturbed or fragile, and this is only going to get worse with the deepening costs of living crisis.

Delegate 1

This is also a huge problem in the financial sector, with 20% of adults struggling to pass a traditional ID check. That's effectively one in five potential customers who are being turned away.

Delegate 2

We've done extensive research to understand the spectrum of needs and barriers that users face in accessing a passport or driving licence.

To start with, it's far more expensive than it looks. It's a clear example of the poverty premium to get passport it's £108.00 including postage. Extra and hidden costs, such as paying for supporting documents like birth certificates, rack up the already really expensive process.

Secondly, to get a traditional ID you often need to know someone in a special profession. The problem is this really doesn't reflect the society that we're living in. Many people don't have a solicitor and barely anyone knows their GP anymore. Plus, even if you do, they often get you to charge to vouch for you.

You also need to have prerequisite documents like a birth certificate. This is another hurdle for many who can't afford or access them, which is common, for example, with survivors of domestic abuse.

It's clear then that there are major barriers in accessing a passport or driving licence. FCA guidance addresses this by placing an obligation on financial services to accommodate for customers who lack a traditional ID. Some banks are already using alternative means to pass KYC cheques for the hardest case user, such as accepting a benefits letter which the customer has to present in person.

Now, the problem is these processes, they're convoluted, they're irregular, and they're really hard to navigate. And to make things even harder, like we spoke about, bank branches are closing at a rapid rate.

Delegate 1

The solution to tackle identity verification is to use something that everyone in society has and is integral to who we are, our trusted relationships.

Delegate 2

Vouchsafe is the only tool that allows users to prove who they are by having someone they trust to vouch for them. As well as traditional methods you don't need to rely on having expensive old fashioned paper documents. Vouchsafe is becoming the front door to lots of government services. We're actually currently working with our first customer, the Scottish Government, to enable everyone to access the services they need. Vouchsafe really isn't a new idea. Lots of systems and services use vouching to prove certain things about their users. A common example which many of you have gone through is when you have to get a new job, you have to provide a reference to your employer.

Another example is when you put in the DWP Access to Work claim. You have to nominate a colleague that vouchers for the hours that you worked that you're claiming for. Sorry that came up dark, but I'm just going to say anyway, we're bringing vouching from the fringes of identity verification to the mainstream through a standardised and automated process. Here's how we do it.

Delegate 1

There are three main things happening in a vouch the user journey, the referee journey and everything we do in the background. To verify the identity being claimed, the user takes a video selfie from which we do a liveness check. They share some basic information and can also upload supporting evidence like NHS HMRC or benefit letters. The user then nominates a referee who can't be a close relative, partner or someone they live with, but it can be anyone else who knows them. And then the referee does their bit. They review a photograph of the user and answer some basic questions about the person

they are vouching for. Then they do a video selfie and take a pass and take a picture of their passport or driving licence.

We assess the information provided and check the biometric information to check to ensure the voucher is valid. And while the voucher is the centrepiece, it's by no means the whole process. We carry out a whole range of background cheques using a wider set of data sources compared to traditional cheques. We go through this rigorous process to understand the fraud risk, establish an activity history, and gather independent proof of the user's identity.

Vouchsafe has been designed with data protection as a core principle. We don't store any personal identifiable information. After the user's identity has been verified, we hand the proven identity back to the customer, but never any biometric data. We only store audit trail data to support fraud investigations.

We encrypt all data when it (ohh sorry). We encrypt all data and it's when it's being moved from one location to another and when it's being stored. Our process is compliant, it's secure, and it's fast.

Delegate 2

Vouching is a game changer.

We're already making strides and access to public services. Now we're offering the same opportunities to the financial sector. With Vouchsafe, firms can onboard 25% more users while continuing to protect against fraud risk to the same standard, making services more accessible and profitable.

Delegate 1

Our ROI calculations show what firms could stand to benefit from onboarding customers who normally fail traditional ID cheques.

Delegate 2

We'll have all the relevant regulatory approvals completed over the next six months. We're already in the process of getting certified to the UK Digital Identity and Attributes Trust framework, which, to quote from the policy, is part of the Government's wider plan to make it easier for people to verify themselves using modern technology, with the aim to create a process as trusted as using passports or bank statements.

We're driven by our user centred approach. We've done about 50 research sessions over the past six months to gain in-depth insights and accommodate for diverse user needs. We're then driven by the goal to create meaningful change.
We're tackling the root causes of inaccessibility to services, not just finding a quick fix which really doesn't solve the problem.

But we can't achieve this alone. We want to work. That's the time we want to

work with regulators and firms to really understand how to integrate vouching into KYC processes to create a process that is secure and accessible and can tackle financial exclusion in the UK.

Thank you.