

Minutes of meeting

Date: 30.10.24 | Virtual Partner Meeting

Agenda

- 1. **Introductions**
 - a. Meeting Overview
- 2. **POC User Journey Flow**
 - a. Live run through of draft UX flows
- 3. **Guest Presentation**
 - a. A&O Shearman on legal landscape
- 4. **Open Discussion**
 - a. Do you see any challenges in the Data Sharing model that is being proposed in the Company ID?
 - b. Do you have any concerns about the process of updating and alerting Banks and SMEs to changes to the Company ID?
 - c. What role should SME's play in maintaining their Company ID and controlling how this is shared with Third Parties?
- 5. **Next Steps/ AOB**
 - a. Recap of key actions to take into next.

Minutes	
Item 1: Introductions & guiding principles on competition	
Purpose: For information	
Speaker: LI	<ul style="list-style-type: none">• Leon Ifayemi (LI) Welcomed everyone, thanked everyone for the support offered so far.

- Expressed appreciation for partners' participation and highlighted the coalition's progress (two-thirds complete), thanking attendees for their contributions.
- Shared that over 71 organisations and stakeholders (government, regulators, academia, industry) have joined, showing strong collaboration.
- Noted the recent Supporter Touchpoint session, which brought fresh perspectives, enriching final deliverables.
- Previewed today's focus on the draft user journey for a company ID, encouraging feedback to refine the draft.
- Reminded participants of ongoing documentation, with minutes accessible on the CFIT website.
- Emphasised inclusive contribution options (live or offline), with options for 1:1 or email follow-ups.

- Reinforced ground rules for respectful interactions, encouraging an open mind, focus on the agenda, and structured input.
- Revisited key milestones: from initial research to developing the company ID and prioritising KYB (Know Your Business) in onboarding processes.
- Acknowledged data sovereignty as a priority, driven by partner input (e.g., Gleif). These concerns have been integrated into user flows.

- Shared recent alignment on the POC impact assessment and completion of workshops with POC partners (Lloyds, Monzo, NatWest) to finalise the POC assessment scope. Expected impact numbers are due mid-November.

	<ul style="list-style-type: none"> Briefly addressed future discussions on data standards, liability, and advocacy; these will continue post-coalition in future work programs. Introduced Rob Haslingden, the new Head of Impact and Engagement at CFIT, to lead the demo of the draft UX flows for company ID creation and usage in onboarding processes. Noted prior consultations with Companies House for foundational steps. After which, Nikki Johnstone from A&O Shearman would present a legal review of the design and data model, covering risks and mitigations.
Comments:	None
Decision:	N/A – for information only
Actions:	None

Item 2: UX Flow Walk Through

Purpose: For discussion/information

<p>Speaker: RH</p>	<ul style="list-style-type: none"> Rob Haslingden (RH) Expressed gratitude for joining CFIT and working with its team and partners. <p><u>Draft User Journey Overview</u></p> <ul style="list-style-type: none"> Described three journey components: <ul style="list-style-type: none"> SME process to create a company ID. Repurposing the company ID for bank onboarding. Dashboard for SMEs to manage and maintain their company ID over time. Emphasised limited meeting time and informed attendees that Figma wireframes would be shared for later review.
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- The coalition banking partners reviewed the draft journey, helping visualise the company ID concept. Anticipated gathering feedback on core data components over the next 5–7 days.
- Consensus on minimum requirements will allow flexibility for banks to add further data as needed.
- Stressed importance of baseline data on "who is associated with the company" and "company transactions."
- Working towards finalising a trust and governance framework for company ID providers aligned with the UK digital identity framework.
- Proposed creating a working group with stakeholders and SMEs to define a certification framework for company ID providers.
- Clarified that company ID providers would maintain data accuracy and notify SMEs of updates, while banks would be accountable for assessing additional risk.
- Announced plans to test company ID user journeys with a focus group of SMEs next week, focusing on:
 - Usefulness in risk mitigation and onboarding.
 - Value in enabling SMEs to access financing and verify business legitimacy.
 - Concerns about data-sharing transparency.

Overview of Company ID Creation Process

- Introduced a process allowing company ID providers to gather data directly from Companies House as part of service for SMEs. This includes:
 - SMEs entering their company name and selecting from a Companies House-generated list.
 - Confirming company details and beginning to collect associated data.

Data Collection on Directors

- Highlighted that company ID providers pull information from Companies House, such as director details, to validate identities. Steps include:
- Directors providing contact information for identity validation.
- Authentication via phone or app with an authentication code, leading to a login for further company ID setup.

Identity Verification Steps

- Walked through identity verification for each director, involving standard ID checks:
- Confirmation of ID, country of origin, and submission of photo ID and biometrics (e.g., passport and a live video check).
- Process repeated for each director and for individuals with significant control (e.g., Andrew Baker).
- Goal is to streamline data collection, reducing back-and-forth between banks and SMEs.

Company Profile Information

- Transitioned to gathering additional company profile details from public registers and other external sources:
- Information pulled from Companies House and other public registries, such as the FDA, for verification.
- Optional data from sources like HMRC, which can be accessed via government gateway and added to the company ID for enhanced profile accuracy.

Additional Data for Risk Assessment

- Discussed banks' interest in adding external data elements to assess company risk, including:
 - Data from HMRC on financial accounts.
 - Potential for credit history, open banking data, and transactional behaviour to be integrated, as illustrated in the example journey.

Company ID Dashboard Overview

- Presented a dashboard concept for SMEs to manage and view their company ID, highlighting:
- Access for directors to see all their companies and ID status, date-stamped for tracking.
- Breakdown of verified information, including director IDs, company details, financials, and pending elements.
- Detailed data view available for each company (e.g., Example Limited), showcasing identity verification, company profile, and financials.

Company ID Dashboard Elements

- **Directors and Verification Checks:**
- The dashboard shows verified identities of directors, along with completed AML, PEPs, and sanctions checks.
- **Banks' Requirements:** Discussions with banks continue regarding potential adoption of a minimum standard for such checks.
- **Persons of Significant Control (PSCs) and Authorised Signatories:**
- Additional verified roles, including PSCs and authorised signatories, are displayed.

Company Information Collection

- **Data from Public Registers:**

- Companies House information, such as incorporation details and status, is integrated.
- Public identifiers like DUNS, LEI, and URNs (e.g., Experian) are included when available.
- Authentication can involve external registers for additional verification.

Parent Company and Financials:

- Pulling data from sources like Dun & Bradstreet allows a deeper look into company structure.

Financial Information Sources

- Bank account verification is available from directors' personal or business accounts, along with:
 - Open banking data to analyse transactional behaviour.
 - Credit reports and HMRC-sourced financials, including tax returns and full accounts when applicable.

Deployment in Bank Onboarding Journeys

Banking Integration Process:

- SMEs engaging with a bank may be prompted to link a pre-existing Company ID, selecting from certified providers.

Open Banking-Like Redirection:

- Users would authenticate via multi-factor authentication, consent to share data, and have it integrated into the bank's APIs for onboarding.
- Additional bank-specific data collection is possible, contingent on the bank's own risk criteria.
- Estimated reduction of screen count and data-gathering stages by 50% through this streamlined data-sharing approach.

	<ul style="list-style-type: none">• All data is consolidated into a single, shareable Company ID, reducing repeated outreach. <p>Future Uses and Repurposing:</p> <ul style="list-style-type: none">• Beyond banking, this process could facilitate applications in insurance or loans, supporting identity verification for SMEs.• For existing companies, transaction history and behavior data could also be integrated. <p>Real-Time Data Updates:</p> <ul style="list-style-type: none">• Alerts for data changes ensure the bank is aware of relevant updates without re-sharing the entire Company ID pack, supporting ongoing risk assessment.
Comments	<ul style="list-style-type: none">• Henry Balani (HB) Per Rob's discussion, what type of Company SMEs would participate in the focus group?• LI Great question. The focus group for the POC will focus on smaller business Ltd companies, which typically lack administrative support:<ul style="list-style-type: none">○ The lower end includes micro businesses with between 5-10 staff and annual turnover below £2m, and○ Small businesses with under 50 staff and turnover below £10m.• Adam Prince (AP) Sorry I am late to join, had a PC systems crash. Can you please share this figma.• LI No problem, Adam. All partners will receive the Figma links this Friday, and we're looking forward to gathering all your valuable feedback to refine these assets as we progress.

	<ul style="list-style-type: none"> • AP I can see "Company" in many places. Should this be "Business" as most of these data sources will also exist for partnerships, charities etc • RH We've limited to focus of the POC for now to look at an onboarding journey for Ltd Companies only. But we'd also like to expand the application of this journey to Sole Traders and Charities at some future date. We'd love to get your feedback on how we should amend the journey to reflect the requirements for this audience.
Decision:	<ul style="list-style-type: none"> • N/A
Actions:	<ul style="list-style-type: none"> • none

Item 3: A&O Shearman Presentation

Purpose: For discussion

Speaker: NJ	<p>Overview of Legal Risks</p> <ul style="list-style-type: none"> • Nikki Johnstone (NJ) provided an overview of legal and regulatory risks, noting that while the group has a positive outlook, the model requires thorough risk assessment. <p>Primary Compliance Focus:</p> <ul style="list-style-type: none"> • Financial Crime Compliance: The model should support participants in complying with financial crime laws but cannot ensure full compliance independently, as responsibility ultimately lies with individual firms. • Data Protection: Firms must consider personal data protection and other sensitive data obligations.
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- Open Data Market Creation: Emphasised that the model contributes to creating an open data market that aligns with government and regulatory objectives for safe data sharing.
- Key Compliance Areas: Key areas include anti-money laundering (AML), counter-terrorism financing (CTF), and adherence to financial sanctions, all requiring effective due diligence and monitoring processes.
- Challenges in Legislation: She noted the impact of recent data-sharing legislation and potential adjustments as the model evolves.

Additional Compliance:

- Highlighted that while the model aids compliance, it is not a substitute for each firm's independent legal and regulatory risk assessments.
- Ongoing Legislative Changes: Updates to the data-sharing legislation may necessitate adjustments to the model as it progresses.
- Stressed that compliance remains the firm's responsibility, despite support from external providers.

Detailed Compliance Considerations

- Minimum Data Collection Requirements: Customer identity, verification of directors/owners, and due diligence on financial details to mitigate fraud.

Financial Crime Categories:

- Money Laundering & Terrorist Financing: Due diligence to prevent illegal funds; compliance responsibility remains on firms.
- Sanctions & High-Risk Individuals: Emphasis on PEP checks and monitoring transactions with sanctioned individuals.

- Additional Financial Crime Measures: Authorised Push Payment fraud and other fraud prevention requirements noted as rising in importance.

Regulatory & Operational Considerations

- Governance & Oversight: Encouraged governance committees to oversee company ID provider relationships and data-sharing activities.
- Outsourcing & Resilience: Detailed heightened expectations in supplier management and operational resilience, especially under recent regulatory reforms.
- Standardisation: Emphasised the potential benefit of technical standardisation for third-party due diligence.
- Risk Management & Data Protection
- Legal Gateways for Data Sharing: New measures for inter-organisational information sharing on financial crime; stressed need for responsible disclosure.
- Data Protection Compliance: Outlined that data protection obligations are manageable within the model, with compliance contingent on specific data roles and processes.
- Data Sharing Features: Firms must consider various data protection aspects, with sharing based on user agreement. This differs from GDPR consent.
- Data Protection Compliance: Company ID providers must meet GDPR requirements using diverse compliance methods.
- Data Use and Access Bill: The bill facilitates public authorities' information sharing without requiring individualised consent, preventing duplicative processes.

	<p>Key Considerations</p> <ul style="list-style-type: none">• Public authorities, like HMRC, can only share data for specific purposes, such as verification services.• Shared information must align with intended uses like KYC and verification.
Comments:	<ul style="list-style-type: none">• John Harrison (JH) Nikki – do you believe that banks will ever rely upon ID providers for routine online authentication and payment authorisation? Or is this excluded by risk and regulatory considerations?• RH Jon – to Mark's point – could you not argue that Banks already rely on Third Party Providers (Account Aggregators) and/or other Banks to help process Open Banking payments.• JH Rob – yes, banks do rely upon 3rd party providers in OB, but – as far as I know – they all retain the authentication step, prior to payment authorisation, in house• NJ Additional support might also be derived from updates to industry guidance, e.g. JMLSG <i>et al</i>• David Lane (DL) An area of future consideration (for regulated firms) would be whether this model, alongside the Companies House reforms, could prove that the discrepancy reporting obligations on those firms could be dialled back...The usefulness of doing this has been questioned by many firms since Day 1• GK (replying to NM) Re. Forcing the whole list – That's really interesting and something that is quite impactful on the current thinking. We have to address this concern in a meaningful way.

	<ul style="list-style-type: none"> • RH Good point Nick. The question of how we position Company ID Providers to SMEs is a big one that needs further consideration. E.g. How would an SME distinguish one Provider's services from another's?
Decision:	<ul style="list-style-type: none"> • N/A
Actions:	<ul style="list-style-type: none"> • None

Item 4: Open Discussion

Purpose: For discussion

<p>Speakers: Coalition Partners</p>	<p><u>Open Discussion:</u></p> <p><i>a) Do you see any challenges in the Data Sharing model that is being proposed in the Company ID?</i></p> <p><i>b) Do you have any concerns about the process of updating and alerting Banks and SMEs to changes to the Company ID?</i></p> <p><i>c) What role should SME's play in maintaining their Company ID and controlling how this is shared with Third Parties?</i></p> <ul style="list-style-type: none"> • LI Launched the discussion on Company ID and Banking Authentication • Company ID Deployment: Recognition of potential for company ID implementation, pending industry measures for practical application. • John Harrison (JH) Questioned if banks rely on ID providers for online authentication and payment authorisation? • NJ's Response: Without legal changes, banks cannot fully rely on company ID providers due to regulatory liability. Current regulations only allow limited reliance on other financial institutions. • JH Distinction made between ID proofing and routine online authentication.
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- **Mark Devlin (MD)** Highlighted potential applications, such as using company IDs for verifying payment beneficiaries to reduce fraud. Emphasised the need for regulatory support to ensure trust and minimise due diligence efforts by banks.
- **LI Liability Considerations:**
- Future possibilities may include the data provider being liable for data accuracy, while banks retain responsibility for the outcomes of using that data. This reflects a need to delineate responsibilities within the current regulatory framework.
- **GK** Addressed the legal implications of providing feedback to businesses about passed or failed checks without violating "tipping off" regulations concerning AML.
- **NJ** Discussed that showing incomplete checks in information does not necessarily imply suspicion of financial crime; discrepancies could be due to simple errors.
- Emphasised that any real suspicion of financial crime should be handled differently, indicating a need for further information collection.
- **GK** Suggested a follow-up discussion to clarify various checks conducted and ensure transparency in processes.
- **LI** Thanked Nikki for her detailed presentation and the guidance on legal and regulatory aspects.
- Noted limited time for open discussion and requested written feedback post-meeting.

	<ul style="list-style-type: none"> Highlighted the importance of addressing concerns about the updating process for banks and SMEs regarding company IDs. Nick Mothershaw (NM) Commended the earlier presentations and raised points regarding the open banking model and the necessity for equitable provider access. Discussed the importance of due diligence and competitive features among company ID providers. Noted that ID providers cannot guarantee the accuracy of externally sourced data, emphasising the importance of data provenance. Nina Kerkez (NiK) Expressed interest in understanding feedback on the user experience (UX) aspect presented and stressed the importance of creating a system that improves upon existing solutions, rather than duplicating them.
Comments (on chat):	<ul style="list-style-type: none"> None
Decision:	<ul style="list-style-type: none"> N/A
Actions	<ul style="list-style-type: none"> None
Item 4: Closing Remarks	
Speaker: LI	<ul style="list-style-type: none"> Invited participants to share their thoughts via email for future discussions. Stressed the importance of addressing submitted questions in the next session.

	<ul style="list-style-type: none">• Mentioned the formation of a policy-driven working group, potentially chaired by Nick Mothershaw. Further details will be shared in upcoming weeks.• Discussed the group's focus on extending the DSIT Trust framework or creating supplementary schemes for companies, involving conversations with relevant stakeholders. <p>Coalition Partner Opportunity</p> <ul style="list-style-type: none">• Introduced a commercial model working group aimed at exploring the extension of the company ID beyond the know-your-business (KYB) use case.• The group will consider various charging models for banks and SMEs, both one-off and volumetric.• The commercial model working group is expected to commence in February 2025, running for three to six months with meetings held bi-weekly or monthly.• Participants were encouraged to consider leading this working group and to confirm their interest formally via email.• Mentioned the distribution of Figma files by Friday, with instructions for providing feedback directly in the files.• Thanked all participants for their contributions and confirmed future sessions will address ancillary themes, including ethics.
	<ul style="list-style-type: none">• Thushan Kumaraswamy (TK) Questions:<ul style="list-style-type: none">○ Have the POC banks identified what parts of their onboarding and due diligence processes will be replaced/changed by the introduction of CID?

	<ul style="list-style-type: none"> ○ On the Companies House page with the list of CIDPs, will there be any additional info about each CIDP to enable an SME to make an informed choice? ○ On the Company Profile page, what is mandatory information to provide, e.g., HMRC data? ○ During the NeoBank onboarding process, is there an option to not have a CID? <ul style="list-style-type: none"> ● Look forward to Figma.
Decisions	<ul style="list-style-type: none"> ● N/A
Actions	<ul style="list-style-type: none"> ○ Participants should send feedback via email and contribute to the Figma files. ○ Those interested in chairing the commercial model working group should formally express their interest.

Attendees:

Chair/s: Leon Ifayemi

Total Attendees: 55

Organisation
CFIT
A&O Shearman
Alloy
Bank of England

Cardiff University
CoLC/CFIT
CRIF
Dun & Bradstreet
Encompass Corporation
Experian
FDATA
Fintech West
GLEIF
Innovate UK
Leading Point
LexisNexis Risk Solutions
Lloyds Banking Group
Mastercard
Moody's
Nationwide
NatWest
OIX
OneID

Revolut
Sage
SelectID
Technology Strategy
TechnoXander
Tunic Pay
UCDX
Virgin Money
Yoti
Zally