

Minutes of meeting

Sprint 11

Date: 11.12.24 | Virtual meeting

Agenda

1. **Introductions**
2. **2025 Working Groups**
 - a) Market opportunity working group
 - b) Trust and governance working group
3. **MVP**
 - a) 2 – Phased implementation approach
4. **Open Discussions**
 - a) What are the priority use cases (beyond onboarding) that should be explored further by the working groups?
 - b) Emerging recommendations: what are the concrete actions to achieve compatibility between individual digital IDs and digital company IDs in the UK? Who are the action owners?
5. **Next Steps/ AOB**
 - a) AOB / Q&A
 - b) Expression of interest to join working groups & MVP
 - c) Showcase Day 2025

Minutes

Item 1 – Introductions & guiding principles on competition

Purpose: For information

<p>Speaker: LI</p>	<ul style="list-style-type: none"> • Leon Ifayemi (LI) Reminder of the anti-competition principles all CFIT Coalition meetings are governed by. • Welcomed everyone, thanked everyone for the support offered so far. • Noted this is the final session, with another in early January 2025. • Encouraged open and flexible contributions, whether via meeting discussions, emails, or one-on-one conversations. • Acknowledged chat monitoring for additional comments/questions. <p><u>Coalition Ways of Working</u></p> <ul style="list-style-type: none"> • Emphasised respect, collaboration, and open-mindedness in discussions. • Requested participants to raise hands for contributions to give all participants the opportunity to talk. • Stressed the importance of focusing on the agenda while valuing all perspectives.
<p>Comments:</p>	<ul style="list-style-type: none"> • None
<p>Decision:</p>	<p>N/A – for information only</p>
<p>Actions:</p>	<p>None</p>
<p>Item 2: 2025 Working Groups</p> <p>Purpose: For discussion/information</p>	
<p>Speakers: RH</p>	<ul style="list-style-type: none"> • Rob Haslingden (RH) Reiterated open communication, encouraging questions via chat or raised hands while respecting others. • Outlined the session's goal: to discuss next steps in operationalising the Company Identification (CID). Noted positive feedback from stakeholders on CID's potential, particularly in improving SME onboarding, fraud reduction, and access to finance.

Next Steps: Overview

- **Quantitative Market Research:**

- Expand on earlier qualitative research with a broader sample (~1,500 SMEs and sole traders).
- Focus on identifying priority use cases and understanding SME adoption drivers.
- Analyse market size, value exchanges, pricing models, and liability concerns.
- Proposed research completion in the new year.

Working Groups:

1. **Trust & Governance Framework:**

- Define methods for verifying and attesting data, leveraging existing best practices like DITF.
- Produce a proposal for government to standardise CID implementation.

2. **Market Opportunity Group:**

- Analyse commercial potential, pricing models, and SME incentives.
- Examine liability impacts and draft recommendations for government policy and regulation.

- **Minimum Viable Product (MVP):**

- Build an MVP for live data exchange between SMEs, CID providers, and banks.
- Stage 1: Populate CID with live data.
- Stage 2: Facilitate live data sharing for bank onboarding.
- Seek participation from banks to ensure relevance.

	<ul style="list-style-type: none"> ○ Prepare for FCA sandbox testing to validate CID’s compliance and regulatory <p><u>Use Case Selection</u></p> <ul style="list-style-type: none"> • Identified three proposed use cases for research and validation: <ol style="list-style-type: none"> 1. Bank Onboarding: New SME applications for loans/accounts. 2. Supplier Identity Verification: Confirmation during payments. 3. Digital Platform Onboarding: SME account setup with providers like Amazon/Google. • Key considerations: <ul style="list-style-type: none"> ○ Is the problem significant for SMEs and third parties? ○ Does the use case have broad appeal? ○ What are the current workarounds, and how do they compare to CID’s value proposition?
<p>Comments</p>	<ul style="list-style-type: none"> • Penny Dunbabin (PD) Since companies sometimes trade under different names to their registered name, will the CID also include the trading name? • Chor Teh (CT) Are we going to have SME part of this MVP build and test? Do we have an idea the types of SMEs? • Jon Roughley (JR) one consideration is whether it is more attractive to SMEs to pre-create or create on the fly when needed and save for reuse in the future.
<p>Decision:</p>	<ul style="list-style-type: none"> • N/A
<p>Actions:</p>	<ul style="list-style-type: none"> • none

Item 3: Open Discussions

Purpose: For discussion

Speakers:
Coalition
Partners

Open Discussion 1: What are the priority use cases that should be explored further by the working groups?

- **Paul Baker (PB)** Suggested expanding the use case to include existing accounts, not just new ones, to mitigate risks for current users. Raised the idea of addressing SMEs' concerns about payment fraud, though acknowledged it could be a large undertaking.
- **RH** SMEs perceive fraud as the bank's responsibility rather than their own. Suggested educating SMEs about the value of CID for fraud prevention, though noted this may need careful positioning to appeal to SMEs.
- **PB** Proposed mirroring strong customer authentication practices from personal banking as an incentive for SMEs. Suggested working groups should explore whether CID can be a tool for account reviews and fraud mitigation for existing accounts.
- **RH** Agreed that SMEs trust banks to provide CID services, making it critical to position CID as a tool to protect SMEs and their transactions. Emphasised focusing on larger SMEs and their interest in using CID to prevent payment fraud.
- **LI** Confirmed that working groups will be led by external chairs/secretariats, with coalition partners encouraged to volunteer. Important to integrate trading names into the CID framework, ensuring alignment with Companies House data.
- Noted challenges in involving SMEs fully in the MVP process but suggested leveraging quantitative research for SME input.

- **John Abbott (JA)** Pointed out the existing baseline value of trust frameworks and urged clarity on how CID provides additional value.
- **RH** Agreed with John Abbott and emphasised the need to quantify the uplift provided by CID compared to existing frameworks.

- **Liz Brandt (LB)** Advocated prioritising Use Case #2 (identity confirmation of a supplier and receipt of goods), as it provides clear value to SMEs by enhancing productivity.
- Suggested Use Case #3 (interactions with big tech platforms) as a secondary option but flagged potential challenges with platform negotiations.
- **LI** Asked about expanding procurement in small businesses to government and challenges of engaging with large platforms like Google, Amazon, or TikTok.
- **LB** Highlighted government procurement as a key lever for enabling market growth and shared examples from business sessions where strategic procurement was emphasised. Addressed challenges of engaging with big tech, noting possible resistance due to conflicting interests.
- **LI** offered to take the discussion offline.

- **Clive Hodges (CH)** Compared COP and CID. Stressed COP's established infrastructure and new liability models, suggesting complementarity between CID and COP rather than replacing COP.
- **LI** Discussed potential use cases for enhancing COP with additional data points. Suggested defining where CID's application would be most valuable, especially for payments to suppliers.

- LB Proposed aligning CID with supplier identity verification for contracting purposes to avoid conflicts with COP.
- **Chor Teh (CT):** Suggested extending use cases to include continuous monitoring and periodic account reviews for added value to SMEs.
- **LI** Mentioned that periodic reviews were considered in SME research but noted the potential for exploring additional incremental use cases.
- **Mark Devlin (MD):** Discussed how CID could complement COP by preventing fraud at multiple levels—removing bad actors early and providing additional checks when payments seem suspicious. Highlighted ongoing issues of senior officials falling victim to fraud and the need for education. Spoke to fraud prevention as a critical opportunity, especially for SMEs, and raised interest in hearing more SME perspectives on CID's benefits.
- **LI** Explained the potential for a secondary verification layer to enhance COP's effectiveness against fraud.
- **RH** Highlighted issues flagged by SMEs about being locked out of business accounts by platforms like Facebook and Google, leading to authentication challenges. Stressed qualitative research findings and sought feedback on relevance to the audience.
- **MD** Acknowledged Rob's points but refrained from further comment, indicating clarity on other discussion points.
- **John Harrison (JH):** Inquired about potential collaboration with Companies House for experimental use cases, specifically for submission of returns and confirmation statements.

- **Charlie Boundy (CB):** Expressed resource constraints near the financial year-end but suggested conceptual exploration. Noted potential lack of a strong business case.
- **Adrian Field (AF):** Pointed out a clash with "One Login" initiatives, noting potential for complementary use.
- **JH** Asserted that integration of identity and payment could complement rather than conflict with "One Login."
- **CB** Agreed on focusing on stronger business cases elsewhere, like onboarding and KYC processes.
- **Nick Mothershaw (NM):** Suggested refining the scope of Point 2, distinguishing supplier identity verification from account ownership verification. Pointed out the significance of preventing fraud by validating accounts tied to verified suppliers. Proposed aligning processes with Confirmation of Payee (COP).
- **LI** Supported splitting Point 2 into sub-points: (1) supplier evaluation and (2) payment verification. Highlighted the need for complementary measures beyond COP.
- **RH** Clarified that the intent of the discussion was supplier identity verification, not payment account authenticity.
- **JH** Suggested exploring a future use case where payments are tied to confirmed identities rather than account numbers. Speculated on the convergence of identity and payments.

Open Discussion 2: Emerging recommendations: what are the concrete actions to achieve compatibility between individual digital IDs and digital company IDs in the UK? Who are the action owners?

- **LI** Opened discussion on recommendations for the Coalition's blueprint, focusing on collaboration between ID providers and digital company IDs in the UK. Invited input on non-CFIT owner contributions and risks to success.
- **LB** Highlighted the need for tracking risks and dependencies (e.g., legislation not passing) and government collaboration. Warned against fragmented implementations of company ID across sectors and stressed interoperability and consistency.
- **LI** Encouraged further input from ID providers (e.g., Adrian, Caroline) to position recommendations and ensure ecosystem alignment.
- **CB** Highlighted the importance of understanding demand strength for CID (Company ID). Suggested collaboration with DBT to track demand and explore potential legislative mandates. Highlighted the need to align with government missions (e.g., economic growth) rather than limited use cases (e.g., cost-saving).
- **LI** Stressed the need for validated research from end-users to strengthen conversations with DBT and other government departments.
- **CB** Mentioned the EU's development of standards for interoperability and questioned their relevance to UK use cases. Suggested exploring international use cases and aligning efforts globally.
- **LI** Proposed discussions on international use cases to ensure the solution has broader applicability beyond domestic contexts.
- **AF** Highlighted defining roles for individual and corporate wallets to reflect real-world use cases (e.g., individuals acting on behalf of legal entities). Suggested including various legal entity types under a generic organisational ID framework for broader applicability.

	<ul style="list-style-type: none">• LI Raised the need for flexible data requirements tailored to specific use cases to ensure compliance while minimising data usage.• AF Supported data minimisation and ensuring only necessary data is shared for specific journeys. • JH Noted the underdevelopment of personal digital IDs in the UK and highlighted the need to address this to ensure compatibility with CID.• JA Warned against data duplication risks between personal and corporate IDs. Suggested aligning existing standards and schemas to prevent redundancy.• RH Agreed with leveraging best practices from personal ID frameworks to inform corporate ID development. • JA Stressed the importance of convenience for end-users to encourage adoption. Highlighted the risk of creating a solution that users find inconvenient.• JH Advocated for wallet portability to ensure user ownership and prevent reliance on specific data suppliers. • NM Highlighted the need to extend DIATF (Digital Identity and Attributes Trust Framework) policies to cover organisational identities. Proposed alignment with ongoing government updates to trust frameworks.
Comments:	<ul style="list-style-type: none">• John Harrison (JH) Is there any possibility -within the lifespan of the WGs - for even an experimental use case in collaboration with Companies House, perhaps submission of confirmation statements? • Glen Keller (GK) I think the plan is to do exactly that use-case, so eventually All companies would need this, also to 'live monitor' the

companies over the lifespan of the account. I think it's just not pulled out as one of the POC use-cases.

- **PD** Definitely agree with Liz – verification of suppliers is important. The evidence we have is that payment diversion fraud is significant.
- **RH** Does anyone have view on how CID would complement existing work being done on addressing payment fraud?
- **Lorraine Salmond (LS)** For Use Case #2 is that for the onboarding of suppliers you are paying, or checking the supplier when the actual payment transaction is happening?
- **RH** Could be both.
- **AF** digital ID adds authentication of the parties, additional data and consent, that CoP doesn't do in Europe, eIDAS & VoP need to align.
- **JH** COP can be seen as a preliminary for CID, and for integration with payments.
- **GK** Does COP cover the eligibility of a supplier from a AML perspective? Chor Teh – absolutely agree. Bank conversations discussed the need for monitoring / reviews to be covered too. Just maybe not as a priority use-case.
- **CB** agree Onboarding was the main expectation. That was the main motivation for the EU member states equivalent of this work (though there's more public sector involvement to make sure there's seamless interoperability across borders)

- **LB** Can I add re Use Case 3. Thinking more about this. It is critical for a fair and flourish economy. Referencing the CMA online platforms report very many points to the problems to the economy of businesses getting locked out of their accounts on online marketplaces which allow their competitors to take their market position. Which may not be the best supplier and or may be a bad actor who has manipulated the marketplace process to remove them for the platform.
- 2 is a 'request - are You a valid company.
- 3 is a declaration that 'I am a valid company'
- **PD** On govt procurement, as mentioned by Liz Brandt, it might be worth contacting the public sector counter-fraud authority - which has responsibility for controlling fraud against all public spending. Happy to provide contact details.
- **RH** We'd love to have a conversation with public sector counter-fraud authority please.
- **RH** Charlie. Do you think the Use Cases we've specified so far provide a useful basis to define the market opportunity?
- **CB** I think so (I missed the first 40mins so if you can send this over to me). I was intrigued by Liz Brandt referencing some sector specific cases coming up
- **CB** Digital trade (enabled by Electronic Trade Documents Act) may also be relevant which may be less obvious to this group. Either way it's important to help educate us (UK Gov) about the difficulties faced in everyday transactions that this shortcuts.
- **RH** We've already received one market specific Use Case from the Environment Agency on linking Waste Management permits to the

	<p>CID. This is to identify Bad Actors in the Waste Management industry...</p> <ul style="list-style-type: none"> • PD On Rob's point on the Environment Agency, I think there are lots of regulators who could potentially be interested – for example, possibly the Gangmasters and Labour Abuse Authority. • CB Is it worth us talking to DBT about open regulation to open up licence/ permit data? Find a licence - GOV.UK • Vivienne Artz (VA) wallet portability is more likely to succeed. • James McGreevy (JM) https://forms.office.com/e/D5i3upJ3mw
Decision:	<ul style="list-style-type: none"> • N/A
Actions:	<ul style="list-style-type: none"> • None

Item 5: Next Steps/Closing

Speaker: LI	<ul style="list-style-type: none"> • LI Thanked attendees for joining, noting strong turnout despite the holiday season. • Provided updates on progress: • User Journeys and Prototypes: Completed and delivered to Lloyd’s, Monzo, and NatWest. • Final Session Agenda (15th January 2025) <ul style="list-style-type: none"> ○ Playback of PSC results. ○ Overview of the final blueprint timeline. • Shared updates on working group formation: <ul style="list-style-type: none"> ○ Participation Cap: 30 members per group.
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	<ul style="list-style-type: none"> ○ Expressions of Interest: Encouraged to submit before year-end. ○ Terms of Reference: To be shared shortly. <ul style="list-style-type: none"> ● Showcase Day 2025 <ul style="list-style-type: none"> ○ Scheduled for March 6, 2025. ○ Placeholder invites to be sent in the coming week. ○ Coalition partners allocated two slots per company, supporters to receive one slot. <p>Closing Comments</p> <ul style="list-style-type: none"> ● Reflected on an eventful year, including government changes and the introduction of liability and reimbursement measures. ● Acknowledged participants' efforts in balancing coalition commitments with broader industry challenges. ● Wished attendees a Merry Christmas and expressed optimism for 2025 outcomes.
Comments	<ul style="list-style-type: none"> ● None
Decisions	<ul style="list-style-type: none"> ● N/A
Actions	<ul style="list-style-type: none"> ● None

Attendees:

Chair/s: Leon Ifayemi (LI) & Rob Haslingden (RH)

Total Attendees: 50

Organisation
CFIT
Alloy
Bank of England
Cardiff University
Companies House
CRIF
CTRL - SHFT
Daon
DNB
DSIT
Dun & Bradstreet
Encompass Corporation
Experian
EY
FDATA
GLEIF
Intelligent Data Advisor
Leading Point

Lexis Nexis Risk Solutions
Lloyds Banking Group
Mastercard
Moody's
NatWest
OBCconnect
OCDX
One ID
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