



MyBank¹ Identity Verification

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¹ Whenever the term “bank” is used, it is intended to include all authorised payment service providers, including, without limitation, credit institutions and licensed payment institutions.



Contents

| | | |
|----------|--|-----------|
| 1 | Management Summary | 4 |
| 2 | Market situation | 5 |
| 2.1 | Needs of Businesses and Public Authorities..... | 5 |
| 2.2 | Needs of Consumers | 5 |
| 2.3 | Regulatory needs: the Digital Single Market | 6 |
| 2.4 | The need for “Pan-European” solutions | 7 |
| 3 | The value of the “Payments Industry” verifying identity | 9 |
| 4 | MyBank Service Outline | 11 |
| 4.1 | MyBank is Multi-purpose and Multi-channel..... | 11 |
| 4.2 | MyBank four corner model..... | 11 |
| 5 | MyBank Identity Verification: Process Flow | 12 |
| 5.1 | My Bank Identity Verification User Experience..... | 12 |
| 6 | Practical Uses of MyBank Identity Verification | 14 |
| 6.1 | MyBank Identity Verification Examples of Usage | 14 |
| 6.1.1 | Confirmation of Identity Information | 14 |
| 6.1.2 | Provisioning of Information | 15 |
| 6.1.3 | Online Agreement to contracts | 15 |
| 6.1.4 | Secure logon and Authentication | 16 |
| 6.2 | What channels are available with MyBank Identity Verification? | 16 |
| 7 | Benefits of MyBank Identity Verification | 17 |
| 7.1 | Benefits to Society | 17 |
| 7.2 | Benefits for Consumers | 17 |
| 7.3 | Benefits for Online Businesses and Public Authorities | 17 |
| 7.4 | Benefits for PSPs and Industry Providers | 18 |
| 8 | Annexes | 19 |



| | | |
|-------|--|----|
| 8.1 | MyBank Identity Verification Attribute Lists | 19 |
| 8.1.1 | Introduction..... | 19 |
| 8.1.2 | Physical Person Attributes | 19 |
| 8.1.3 | Legal Entity Attributes..... | 20 |
| 8.2 | Summary | 22 |
| | What does MyBank Identity Verification do? | 22 |
| | What kind of use cases do we see?..... | 22 |
| | How do the banks fit into all of this?..... | 22 |



1 Management Summary

As society continues to move online, a number of problems related to privacy, trust and identification have emerged. The banking industry is capable of solving these problems.

This document describes how key problems in today's digital world can be solved by using MyBank to provide open, bank-validated identity services that protect consumers' privacy, reuse existing infrastructure, and create new revenue streams.

The present document is composed as follows:

Challenges and market needs are described in section 2, while the value of the payments industry verifying electronic identity is dealt with in section 3.

The existing and reusable nature of MyBank is described in section 4.

The MyBank Identity Verification User Experience is outlined in section 5.

How MyBank Identity Verification can be practically beneficial is detailed in section 6.

And the multiple benefits of MyBank Identity Verification for participants, consumers, and society in general is detailed in section 7.



2 Market situation

The importance of electronic identity is driven by accelerating demand from consumers and businesses for trusted e-identity services. While a range of individual local solutions are beginning to emerge, pan-European functionality is still missing.

2.1 Needs of Businesses and Public Authorities

Businesses are being confronted daily with new challenges as society switches to digital channels. Some of the most common are:

- How to verify identity: who are businesses really dealing with?
- How to verify age?
- How to perform customer due diligence?
- How to obtain consent to sign up services?

With no standardised electronic means of verifying such functions, businesses face rising costs and are often obliged to implement workarounds that usually involve consumers physically handing over large quantities of private data, or filling out paper forms.

2.2 Needs of Consumers

The practical problem facing consumers is how to prove who they are in a digital setting without handing over large amounts of personal data to players who they do not know, and who they may or may not trust.

Recent years have seen a number of stories that propelled the topic of internet security, identity and privacy to the forefront of public awareness. Increasing rates of online identity theft, and the corresponding need to secure personal data, have led to the realisation that many existing practices are simply not appropriate for the economy of tomorrow.

The twin concepts of “privacy” and “control of data” are central for the consumer.

On the internet, “how can you”

- Prove who you are?
- Prove that you are of age?
- Prove that bank details are yours?
- Prove that you have the right to subscribe to a service?



“On the Internet, nobody knows you’re a dog.”

©The New Yorker Collection 1993 Peter Steiner
From cartoonbank.com. All rights reserved.

2.3 Regulatory needs: the Digital Single Market

The European Commission’s clear regulatory ambition is to enable European citizens to make safe and secure transactions on the internet and ensure better access for business and consumers to digital goods and services across Europe.

This agenda is backed up by legislation such as the 4th AML Directive, General Data Protection Regulation, the E-identity and Signature Regulation, as well as the recently unveiled EU Digital Market strategy.

Of particular interest to the financial services industry is the “Access to Account” provisions in the second Payment Services Directive (**PSD2**) and the pressure to open up APIs (Application Programming Interfaces) for third-party access to accounts.

MyBank provides a shared, open framework to meet these challenges.



2.4 The need for “Pan-European” solutions

The inauguration of the Single Euro Payments Area has brought together

- 34 countries
- 500 million citizens
- 25 million corporates²
- And thousands of payment service providers

While electronic identity services are beginning to appear, they are often limited to one country, one region, one start-up with a good idea, or one national initiative. Some are even using the value of the online account - but no single, pan-European trust network has emerged.

A thousand diverse solutions that do not interoperate are the same as having no solution at all. With the drive to create a European Digital Single Market already in progress, the advantage of a pan-European network to verify identity is substantial.

² <https://www.danskebank.ee/en/31539.html>



Figure 1: Major existing electronic identity initiatives in Europe³

³ EBA Working Group on Electronic Alternative Payments. "Opinion Paper on Digital Identity: "From check-out to check-in". Version 1.0, 13th May 2014



3 The value of the ‘Payments Industry’ verifying identity

In order to access Internet services, people must usually create accounts that include multiple attributes (e.g. name, age, address and so on) - this “identity stream” is usually replicated across a variety of media: social, professional and online marketplaces (among others).

Most of this data is already securely held by institutions that hold payment accounts for their customers because they are obligated to ensure KYC “Know Your Customer” verification, as part of Anti-Money Laundering (AML) and anti-terrorist financing measures.

Banks and other payment services providers have a durable competitive advantage in the domain of Identity Verification for a number of reasons:

- a. Rich and accurate customer data (via ‘Know your Customer’ information).
- b. Proven, fraud-resistant authentication mechanisms.
- c. Experience of a collaborative network.
- d. Reach encompassing all citizens.
- e. Trustworthiness. Consumers trust banks with their data.

Digital experts Innopay estimate⁴ that there are currently 225 billion authentication transactions per year across e-mail, social media, e-commerce, and e-government. E-commerce and e-government account for 5.5 billion transactions. Assuming a value range of 10 cents to 1 euro for a transaction, the market could be worth €3 billion to €5 billion a year for these sectors alone.

Nevertheless, due to the strong growth of the market based on increasing online usage, figures are difficult to quantify with certainty. The value of identity services in future is likely to be a great deal more.

⁴ EBA Working Group on Electronic Alternative Payments. “Opinion Paper on Digital Identity: “From check-out to check-in”. Version 1.0, 13th May 2014

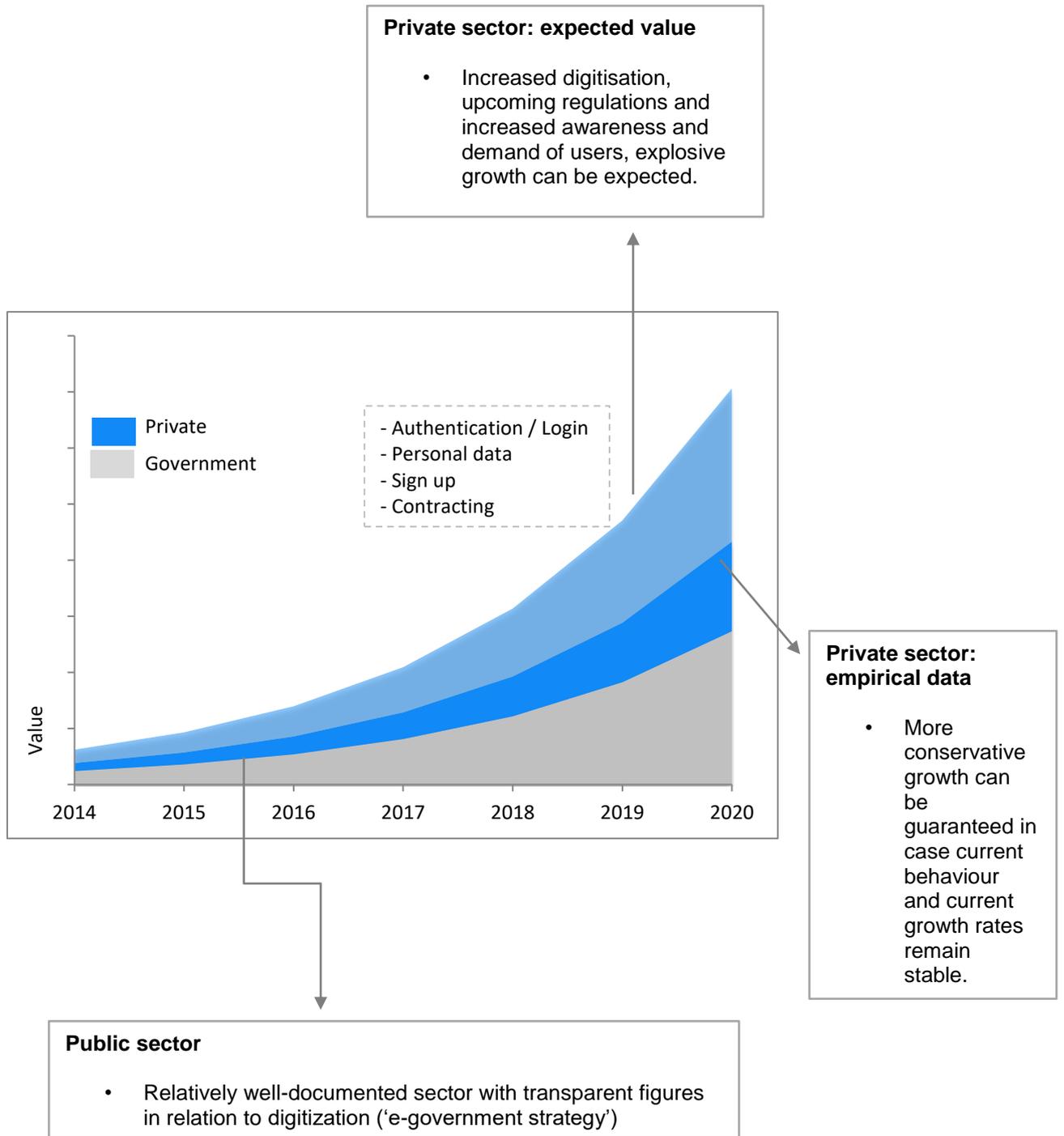


Figure 2: Market potential of e-identity services⁵

⁵ Internal MyBank research conducted in conjunction with Innopay Consulting

4 MyBank Service Outline

4.1 MyBank is Multi-purpose and Multi-channel

MyBank is a real-time, e-authorisation solution that allows the confirmation of payments, the creation of electronic mandates, or the use of identity verification services. MyBank provides common solution architecture, with a communication layer (E-authorisation Protocol) that is shared by all services. MyBank is available via any digital channel: computer, laptop, tablet, mobile, or e-wallet.

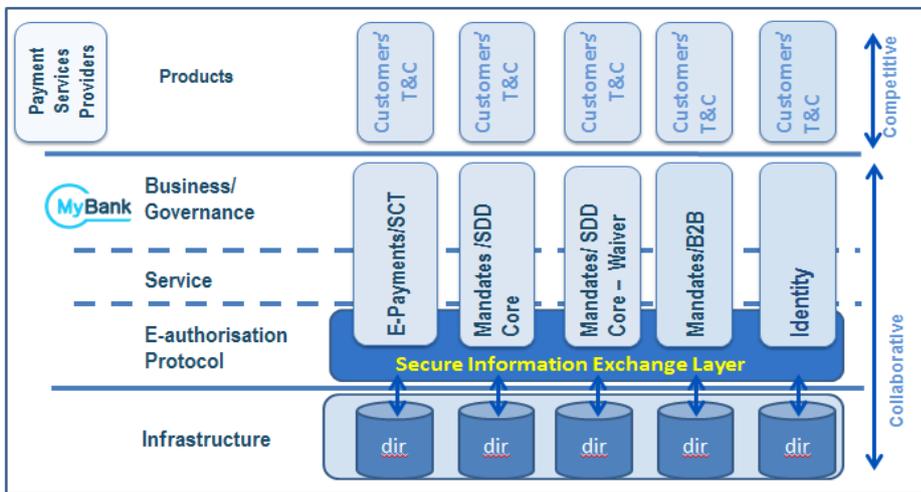
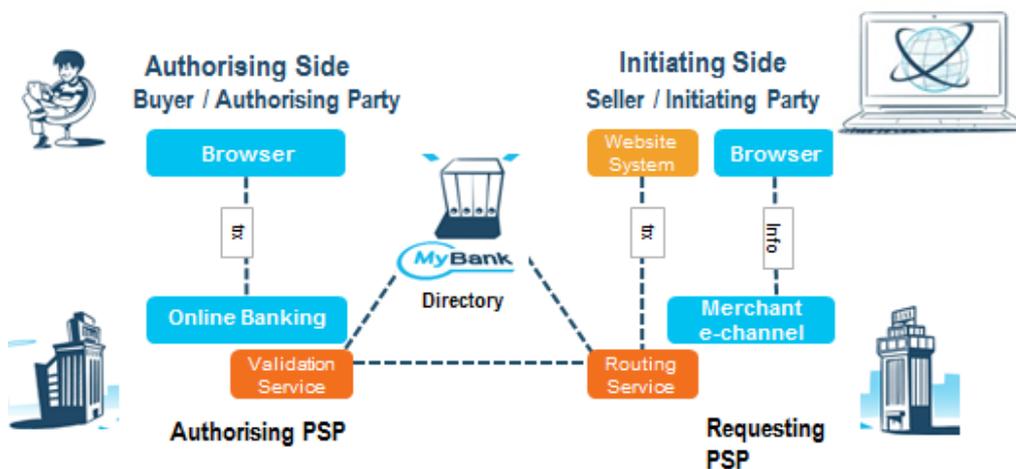


Figure 3: MyBank layers and services

4.2 MyBank four corner model

MyBank is distributed to Participants (Payments Service Providers), which in turn contract with their clients (e.g. Merchants) to make use of the service. The standard MyBank four corner model, which underpins all MyBank services, is detailed below.



5 MyBank Identity Verification: Process Flow

MyBank Identity Verification is based on a straightforward underlying flow. It is easy and cost effective to implement as it operates along the same lines as existing MyBank services and reuses much of the same data.

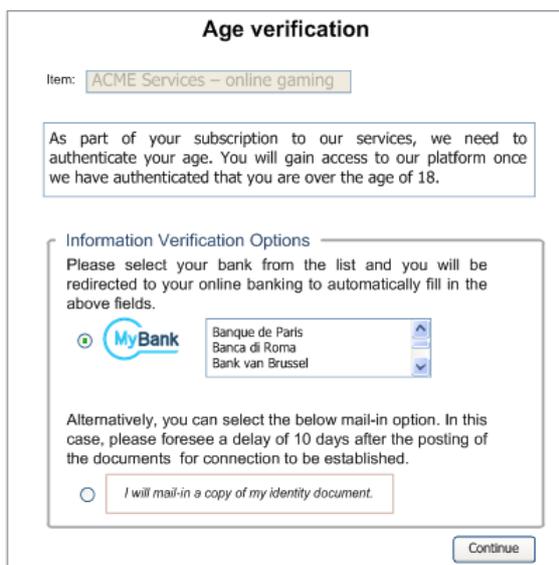
1. The customer initiates a transaction on a Merchant website for which the Merchant requires reliable identity information. The Merchant (or **Requestor**) transmits an Identity Request to the Routing Service of a **Requesting Party** (i.e. a bank or other payment service provider).
2. A **Requesting Party** (e.g. the Merchant's bank) relays this request to the Validation Service of an **Authorising PSP** (e.g. the bank of the customer).
3. The customer is redirected to his online account, and uses standard strong authentication credentials to log-in. The customer has the choice to allow the Authorising PSP to return the relevant Identity information, or to cancel the transaction.
4. The result, depending on the action of the Customer, is transmitted up to the Requestor via the Requesting Party.

MyBank, as it does for other services, serves as the Solution Manager and oversees the service directory.

5.1 My Bank Identity Verification User Experience

The MyBank Identity Verification User Experience is designed to be simple, secure and user friendly. The following example demonstrates this, using the example of age verification.

Step 1



A Customer wants to sign up for an online gaming service and wants a quick and easy means to verify his identity. He chooses MyBank to do it.

The Customer then selects his account holding institution via the drop-down list and is re-directed to it by clicking on 'Continue'.

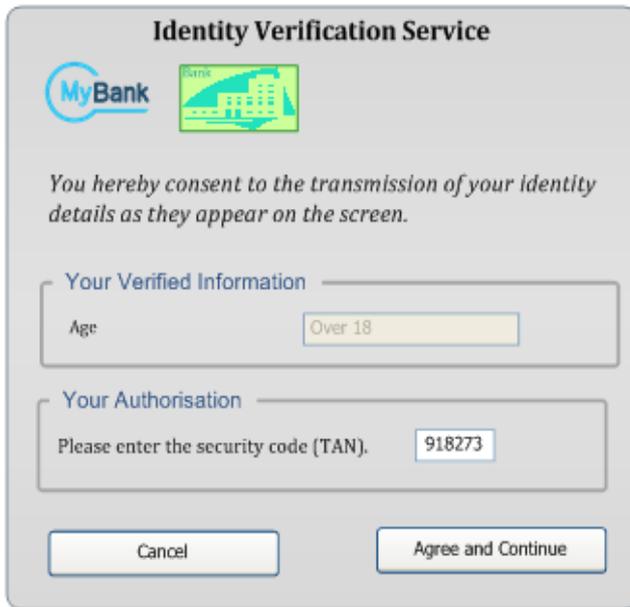
Step 2



The screenshot shows a web form titled "Authentication". It features the MyBank logo and a small bank building icon. The form is divided into two sections: "User Identification" and "User Authentication". In the "User Identification" section, there is a label "Bank User ID" and a text input field containing "12340012". In the "User Authentication" section, there is a label "Please enter your password." and a password input field containing "*****". A "Continue" button is located at the bottom right of the form.

The Customer logs into his online account as he normally would, by entering a User ID and Password.

Step 3

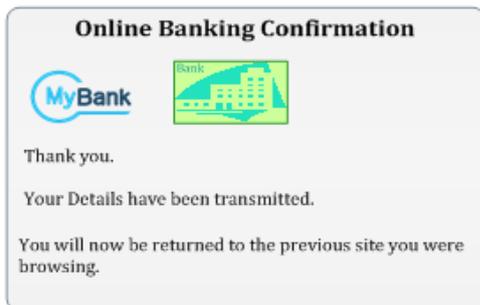


The screenshot shows a web form titled "Identity Verification Service". It features the MyBank logo and a small bank building icon. Below the logo, there is a consent statement: "You hereby consent to the transmission of your identity details as they appear on the screen." The form is divided into two sections: "Your Verified Information" and "Your Authorisation". In the "Your Verified Information" section, there is a label "Age" and a text input field containing "Over 18". In the "Your Authorisation" section, there is a label "Please enter the security code (TAN)." and a text input field containing "918273". At the bottom of the form, there are two buttons: "Cancel" and "Agree and Continue".

The Customer reviews the information he is being asked to verify to ensure he is happy with it. If not, he still has the opportunity to cancel and return to the Merchant's website.

If he is happy to proceed, the Customer enters a one-time password (sent to him, for instance, via SMS) and clicks on "Agree and Continue" to authorise the transfer of his data.

Step 4



The screenshot shows a web form titled "Online Banking Confirmation". It features the MyBank logo and a small bank building icon. The form contains the following text: "Thank you.", "Your Details have been transmitted.", and "You will now be returned to the previous site you were browsing."

The Customer is shown the successful confirmation and is re-directed back to the Merchant.

Quick, easy and fully secure!



6 Practical Uses of MyBank Identity Verification

MyBank Identity Verification is flexible. It enables business and public authorities to make use of it for their own particular needs. It can also be used in the C2C (customer-to-customer) space of the sharing economy.

6.1 MyBank Identity Verification Examples of Usage

MyBank Identity Verification can be used to request:

- *Confirmation* of information
- *Provisioning* of information
- *Online agreement to contracts*
- *Or secure logon and authentication*

Some of the most common practical examples are detailed in the following sections.

6.1.1 Confirmation of Identity Information

MyBank Identity Verification can be used to receive “Yes/No” confirmation about functions such as Age Verification, the possession of a valid account or the verification of payment details.

| Use Case | Examples |
|--|--|
| Age Verification | Ordering alcohol from a supermarket – the Merchant wishes to ensure that all purchasers are over the age of 18. Joining an online gambling site or renting a car: in most jurisdictions, age verification is required before signing-up to such services. |
| Verification that the customer exists and has a valid account | When registering on e-commerce sites, Merchants will receive confirmation that a customer really exists and has the right to use an account. |
| Payment Details Verification Verification of Name and Account Details | <ul style="list-style-type: none"> • Verification that details are correct before paying social security allowances. • Verification that maternity benefit is being paid to the right person. • Verification that the life assurance beneficiary is correct. • Verification that a customer’s account details are correct when reserving a hotel room. |



6.1.2 Provisioning of Information

The Provisioning of Information is a broad category that incorporates requests such as:

- Obtaining Identity attributes (e.g. name, address, age, etc.);
- Obtaining authenticated consent to terms and conditions for access to a service;
- Obtaining Electronic signature of a document.

| Use Case | Examples |
|---|---|
| Provision of attributes for Account Creation | When registering for sites like FX trading platforms, flat-sharing websites or social media/newspaper commentary sites, the need for various attributes to enable the creation of an account is frequent. It can also be pertinent when registering on public authority websites. Attributes provided can include one's full name, address, date of birth etc. |
| Payment Details Identification Provisioning of Name / IBAN and BIC | The provisioning of a customer's payment details can be of high value in numerous areas, such as the reservation of cars, hotel rooms, or the purchase of goods on e-commerce websites. |
| Customer Due Diligence Cases where a service provider needs certain pieces of information from a trusted source for legal and compliance reasons | Due Diligence is particularly important when verifying financial details. For that reason, examples involving subscription to card services, subscription to banking services, applying for loan facilities or subscribing to shared trading services are all frequent requirements. |

6.1.3 Online Agreement to contracts

MyBank Identity Verification allows customers to sign up to services without signing a contract thus reducing costs and time spent verifying prospective customer's details.

| Use Case | Example |
|--|--|
| Giving Consent (to a service) and making a declaration. There are many cases today where we tick a box on the | A utility company wanting a customer to approve terms of a subscription can request confirmation of this via the online account. |

| | |
|---|---|
| internet to state 'I have read the terms and conditions and I agree.' | A music subscription service signing up a new customer or an electricity company seeking to amend the terms and conditions of a contract can do the same. |
|---|---|

6.1.4 Secure logon and Authentication

Secure logon and Authentication enables the re-use of account credentials across multiple platforms. The customer only needs to identify himself with one set of credentials, which are provided by the Payment Service Provider and reusable across various business contexts.

| Use Case | Examples |
|--|---|
| Authentication and Identification "every time I go back to a third party, I log-in with my account credentials to prove who I am" | Account credentials can be re-used when <ul style="list-style-type: none"> • Connecting to a Public Authority • Connecting to a private pension provider • Connecting to an electronic health records system |

6.2 What channels are available with MyBank Identity Verification?

MyBank Identity Verification is based on information contained in the customer's online account via web browser, tablet, mobile or mobile apps.





7 Benefits of MyBank Identity Verification

The digital identity market is one of momentous potential in terms of size and growth. The number of users is continually rising, as is the number of transactions per person. MyBank Identity Verification will be beneficial across a range of categories.

7.1 Benefits to Society

As a pan-European solution, MyBank facilitates the:

- Unbundling of valuable authentication services from payments.
- Enabling of controlled online availability of valuable information.
- Creation and positioning of digital identity services toward the market via a harmonised and recognised user experience.
- Elimination of fragmentation.

This will lead to more people feeling comfortable doing business online and safely and securely authorising the transmission of their identity details to third parties via their account.

7.2 Benefits for Consumers

Opening up identity services in structured way enables consumers to protect their data by giving access only to what is needed, rather than to a package of bundled attributes.

MyBank Identity Verification will enable consumers to:

- Control confidential information and reduce the dispersion of sensitive information across various networks. The consumer will be put back in the driver's seat with regard to their confidential data. Consumers choose who sees what.
- Reuse one set of authentication and logon tokens, which include one-time passwords and two factor authentication. No more using the word "Password!" across multiple sites.
- Reduce the time spent in manually providing information for the purchase of online products and services.
- Re-use a known and trusted party to be the single repository for storing personal data.
- Reduce the complexity of managing passwords for important websites. Log-on and use online services with added confidence, due to increased trust and convenience.

7.3 Benefits for Online Businesses and Public Authorities

Online businesses require the receipt of real-time trusted confirmation of important information in order to permit them to continue their processes without being held up by burdensome administration.

In this light, MyBank Identity Verification brings:



- The ability to reduce paper processes by obtaining authenticated identity elements online. This means:
 - Reduced costs related to paper handling: postage, printing and manual handling and sorting tasks can be eliminated.
 - Reduced numbers of 'lost sales' where the customer changes their mind and does not sign up, leading to increased revenue.
 - Ability to deliver services in real time, instead of waiting for paper processes to be completed before service delivery (and invoicing) starts. This leads to increased revenues.
- The ability to comply with legal requirements, such as customer due diligence for certain products.
- The ability to reduce fraud, as well as the costs of resolving fraud-related issues.
 - Effective proof that the customer is who they say they are, and that payment will follow.
 - Reduce operational costs for verifying risks while doing business online
- Combination of payment and identity information from a single trusted source, thereby increasing efficiency and value.

The MyBank service infrastructure is easily deployable as it is supported by an eco-system of PSPs and technical providers.

7.4 Benefits for PSPs and Industry Providers

At a time when revenues are being squeezed from traditional services, Payment Service Providers are looking for new ways to offer services to their customers and generate new revenues. PSPs can tap into a market of enormous potential by providing identity services, and keep better contact with their customers.

The costs of building such a solution from scratch are substantial. Nevertheless, the costs for PSPs are relatively small as most of the necessary components are already in place. The only piece missing – the piece MyBank supplies – is the service infrastructure to link the PSPs together. It is a minor further step to ensure that such access supports identity services, the value and market for which are far larger than payments.



8 Annexes

8.1 MyBank Identity Verification Attribute Lists

8.1.1 Introduction

Provides lists of MyBank Identity Attributes for physical persons and legal entities that use less formal language than the specifications and so are suitable for use in marketing material.

The following conventions are used in the two lists:

Bold indicates, that the consumers bank will always be able to provide the information and so a value can always be returned, if requested.

Italic Indicates, that the consumer’s bank may or may not hold the data, and so may return a blank field, if requested.

8.1.2 Physical Person Attributes

| | |
|-------------|---|
| Descriptive | Full Name |
| | Date of birth |
| | Maiden name |
| | Place of birth City and Country will always be provided. Province of birth will be provided, if available. |
| | Nationality |
| | Registered address. This always includes the Country. |
| | Gender |
| | Identity verified “de visu” if the identity was established face-to-face with original identity documents. |



| | |
|--------------------------------------|--|
| Identification documents and numbers | <p>Identification documents/numbers Including: Tax Identification Number, VAT Number, National Identity Document (e.g. Passport, ID Card, etc).</p> <p>Details include (when relevant): document number, issue date, expiry date, issuing country, and issuing organisation.</p> <p>Within the context of a single country, certain identification documents/numbers will always be available at the user's bank. For example, in Italy, the Codice Fiscale and a National Identity Document will always be available.</p> |
| Contact details | E-mail address |
| | Mobile telephone number |
| | Telephone number |
| | Postal address |
| | <p>Digital Address.</p> <p>A special email address that can be used to send and receive messages with the same legal value as "Registered Mail" (e.g. a PEC address in Italy).</p> |
| Bank details | IBAN of the account |
| | BIC bank code |
| Agreement to contract details | Reference to the contract |
| | Reference of the user's agreement of the contract |

8.1.3 Legal Entity Attributes

| | |
|-------------|---|
| Descriptive | Legal Entity Name |
| | <p>Registered address.</p> <p>This always includes the Country.</p> |
| | <p>Legal Representative</p> <p>The attributes are those of a Physical Person.</p> |



| | |
|---|--|
| <p>Identification documents and numbers</p> | <p>Identification documents/numbers Including: Tax Identification Number, VAT Number, Company Registration Document.</p> <p>Details include (when relevant): document number, issue date, expiry date, issuing country, and issuing organisation.</p> <p>Within the context of a single country, certain identification documents/numbers will always be available at the user's bank.</p> |
| <p>Contact details</p> | <p>E-mail address</p> <p>Mobile telephone number</p> <p>Telephone number</p> <p>Postal address</p> <p>Digital Address. A special email address that can be used to send and receive messages with the same legal value as "Registered Mail" (e.g. a PEC address in Italy).</p> |
| <p>Bank details</p> | <p>IBAN of the account</p> <p>BIC bank code</p> |
| <p>Agreement to contract details</p> | <p>Reference to the contract</p> <p>Reference of the user's agreement of the contract</p> |



8.2 Summary

| What does MyBank Identity Verification do? | What kind of use cases do we see? | How do the banks fit into all of this? |
|---|---|---|
| <p>It allows consumer to:</p> <ul style="list-style-type: none"> • Verification of the age of the Authorising User as registered by the Authorising PSP. • Provisioning of information related to the Authorising User as held by the Authorising PSP. • Online digital contract stipulation, for contracts where the written form is not required. • Customer log-on with re-use of the banking credentials to access a private account in another system. <p>MyBank Identity Verification services rely on real-time, controlled access to the KYC data as held by Account Servicing PSPs with the agreement of the customer.</p> | <p>In fact there are so many use cases that can be imagined in every industry and sector, please find here some concrete examples:</p> <ul style="list-style-type: none"> • Login to government services, e.g. tax registration. • Confirmation of bank details to public authorities, hospitals, social services. • Online registration for insurances, credit cards, house sharing services. • Proof of age when required. • Providing repetitive data (e.g. address information) to speed up online purchasing. • Stipulation of utility digital contact | <p>Banks are in a prime position because they have:</p> <ul style="list-style-type: none"> • Rich and accurate customers' data • The trust to protect that data • Networks that link all parties • Secure authentication systems • A significant role in the transaction business <p>The authorising party (i.e. the account holding bank) will provide data on request of their customer. They may charge for this service.</p> <p>The account service PSP makes available and certifies the customer registered data in compliance with KYC provisions and privacy laws.</p> <p>MyBank is simple and light</p> <ul style="list-style-type: none"> • Unlock the value of the account. • Put the customer in control. • Reduce costs for merchants. • Create new revenue streams. |

For further information, please contact info@mybank.eu