

## Italian Digital Onboarding overview & eIB project

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## ❖ Italian Digital Onboarding scenario overview

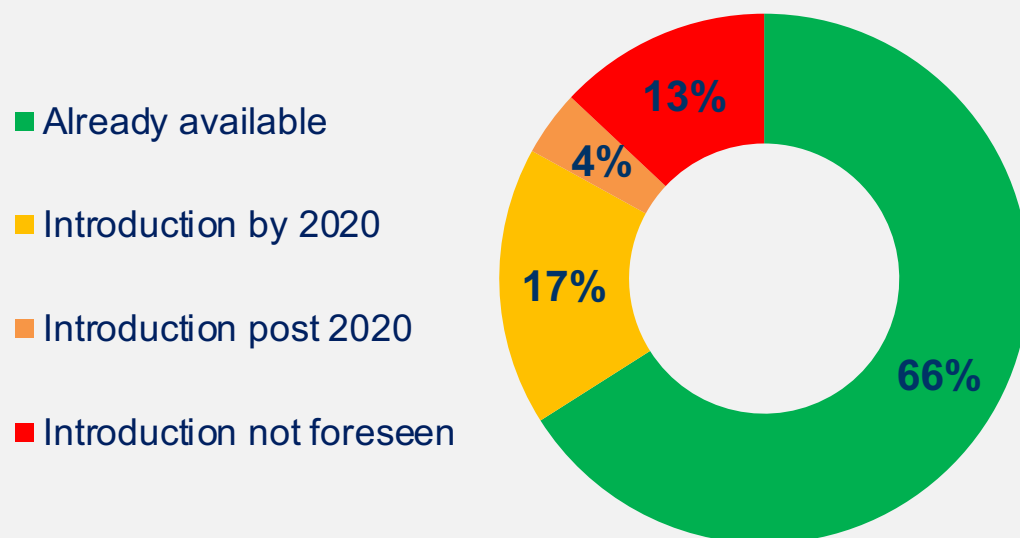
### ❖ eIB project

# Where we are...

**66% of banks** include **Digital Onboarding** in their offer, and an **additional 17% will add during 2020**. The push towards digitalization of the onboarding process is driven by the objectives of improving user-experience, the acquisition of «digital first» customers, and competitive positioning.

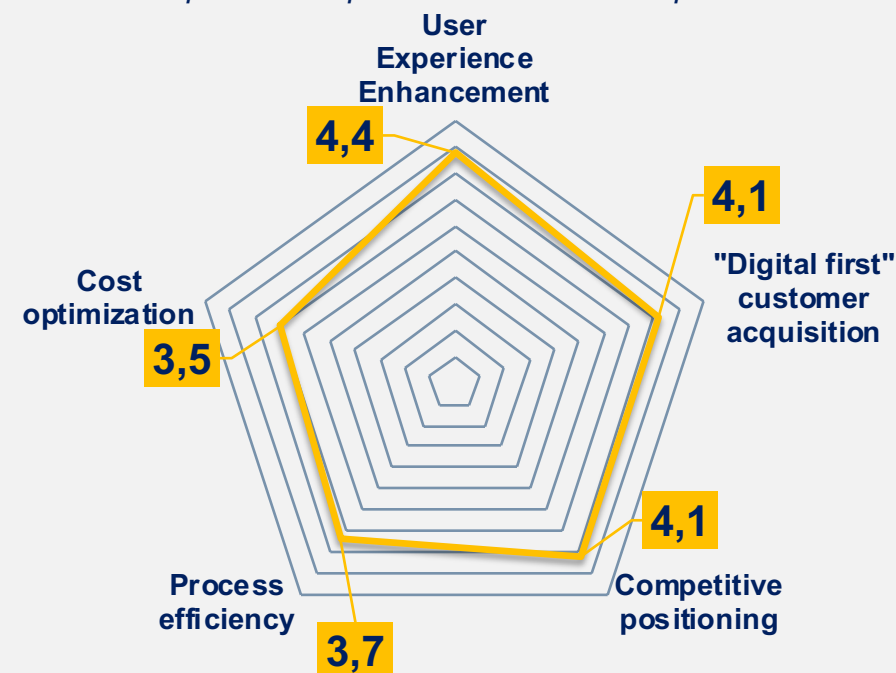
## Presence of Digital Onboarding in the offer

Sample: 23 Respondents Banks / Groups



## Benefits found/expected

Sample: 21 Respondents Banks / Groups



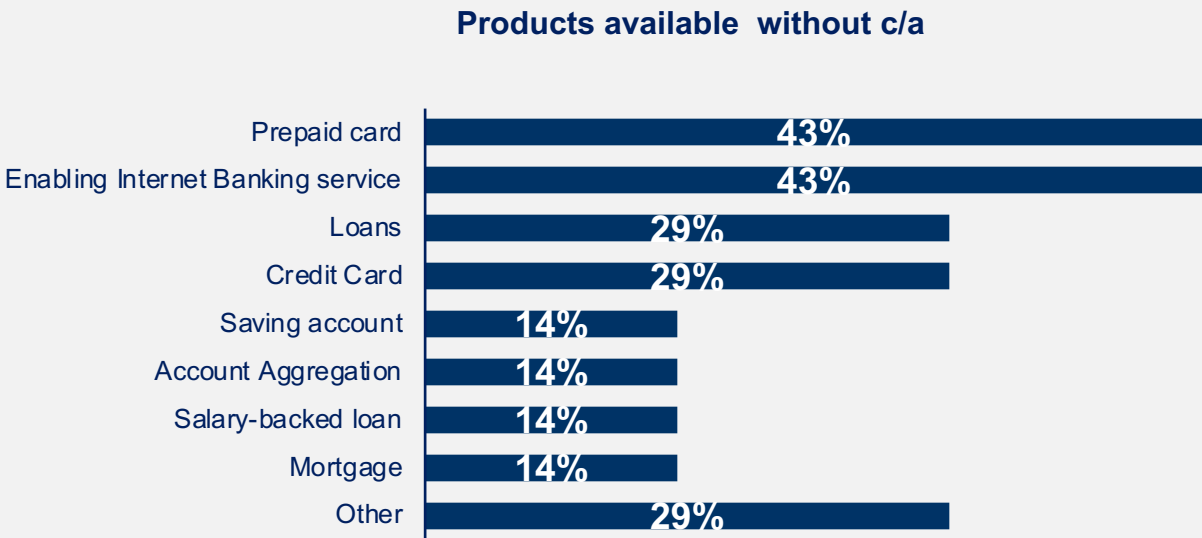
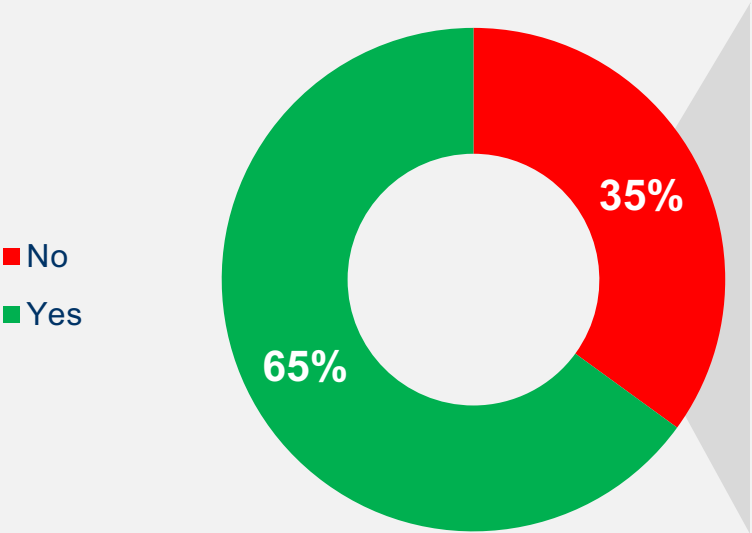
Notes: scale 1-5, Average value of the score given by respondents

# The checking account «filter»

65% of the responding banks **expect the checking account to be the first relationship opened** in case of Digital Onboarding of a new customer. Among the entities that do not necessarily provide for the checking account’s subscription at the first contact, **43% indicate prepaid card and Internet Banking service** as products.

Digital Onboarding for new clients: the necessary subscription of the c/a at the first contact

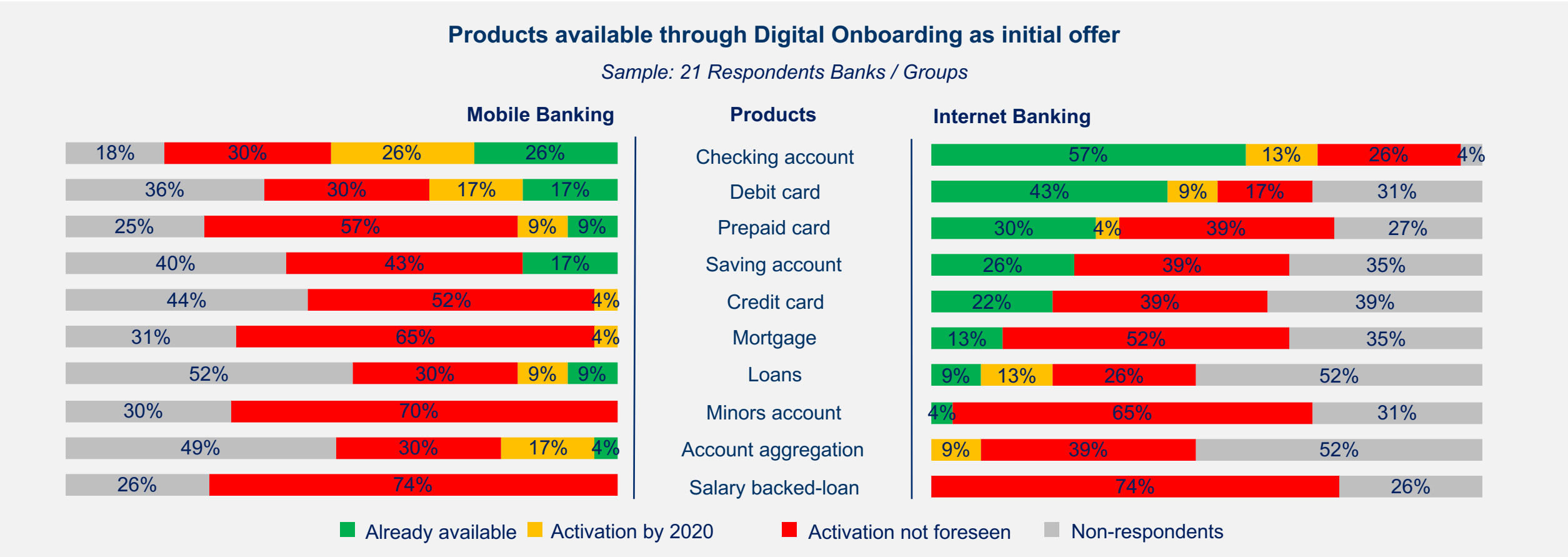
Sample: 20 Respondents Banks / Groups



# The diversity of Digital Onboarding

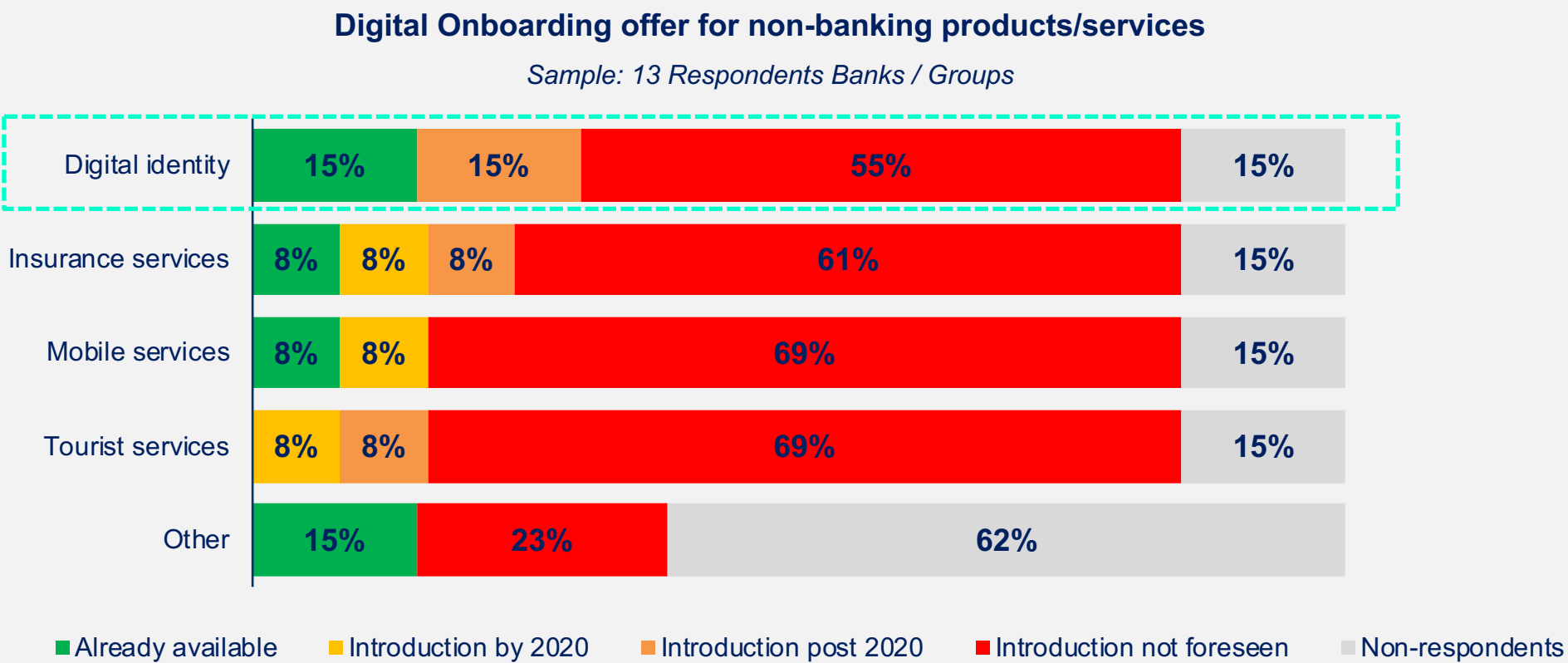
**Accounts** (checking and saving) and **Cards** are the most frequently offered products, especially on the Internet channel, which is more consolidated than Mobile.

Several **players have a standard offer**, where Accounts and Cards are offered jointly and possibly combined with other credit products such as loans and leasing.



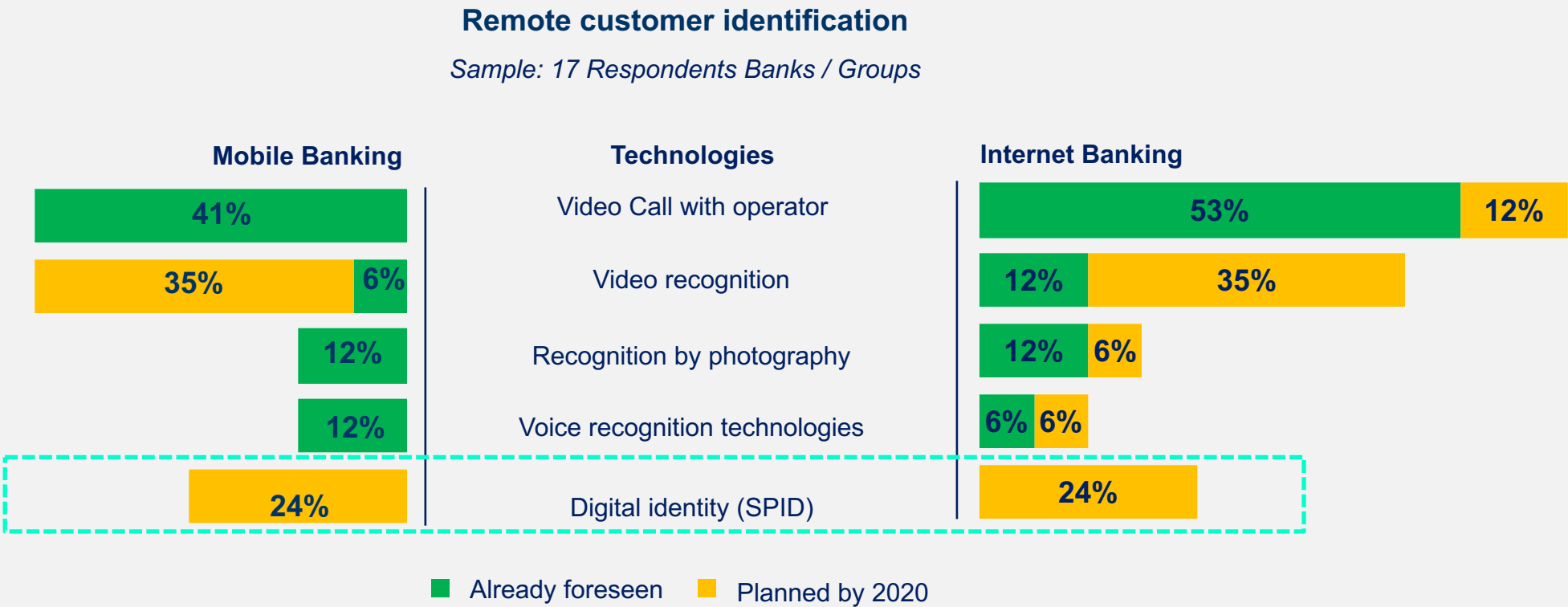
# An alternative way of engagement

In the past years, the banks have been increasingly focused on **non-banking services** that can be an **additional access point to the client**. Currently, a limited number of entities offer this, or plan to do so. The most widespread service is the supply of the **Digital Identity**.



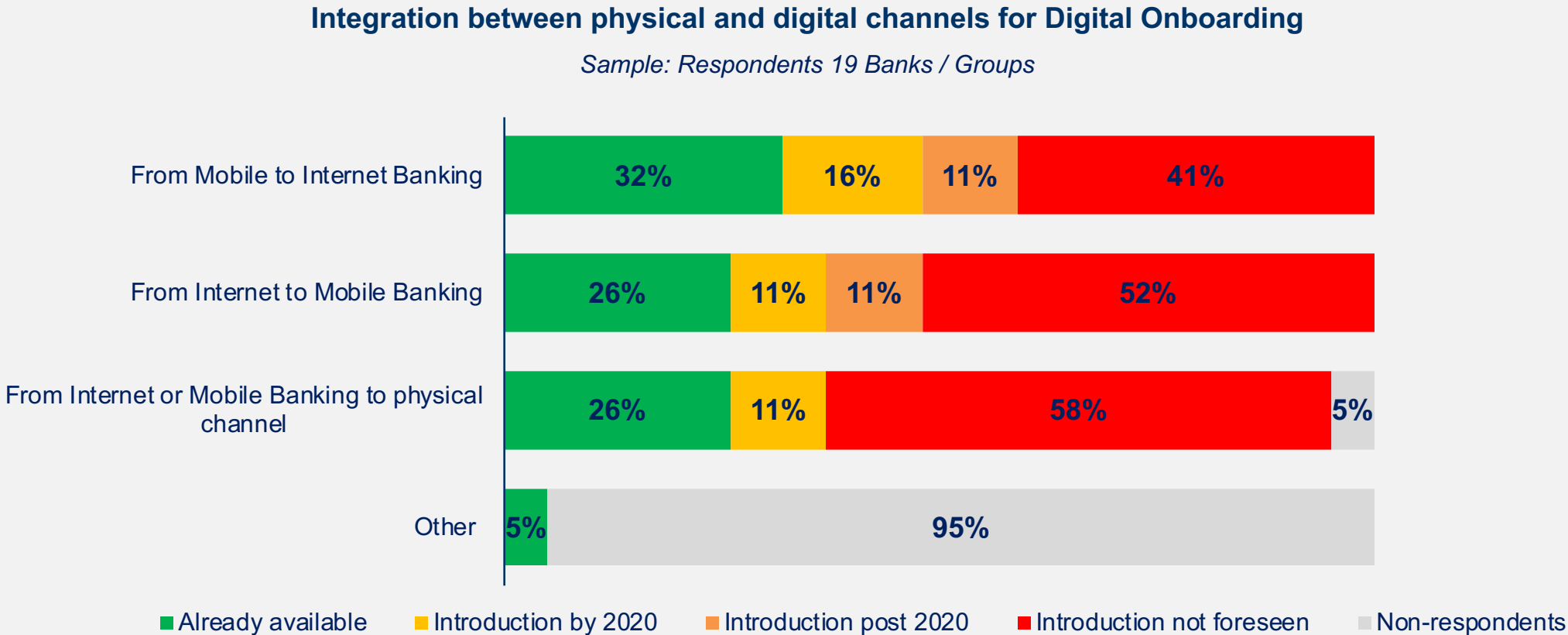
# Remote identification mode

A Video Call with an operator is the most widespread remote identification mode. Most likely because it gives a user experience similar to the face-to-face branch experience, offering the same security and compliance level.



# The omnichannel of Digital Onboarding

Less than half of the Banks in the sample **have invested or are investing in the multi-channel integration of Digital Onboarding** (primarily the transition from Mobile to Internet Banking).  
 The results show the potential to improve on all levels in order to guarantee the customer with a seamless experience throughout the different touchpoints.





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### ❖ **eIB project**

# The eIB White Paper

**The scope of the White Paper** is to activate the discussion on the several identity models that are available for the European Financial Industry to have a safe and efficient customer identification for remote digital transactions and activities

## Structure of the White Paper:

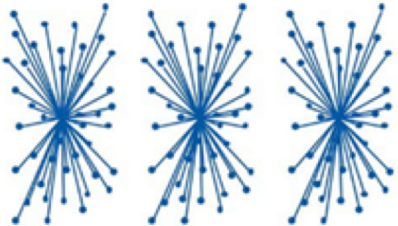
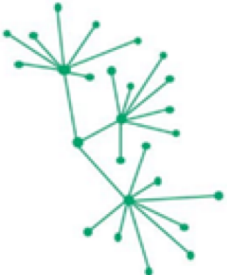
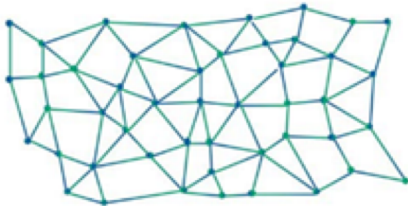
Chapter 1: The digital identity situation: Regulatory Drivers, challenges, evolution of ID models (Federated IS, SSI, self-attestation, etc.), examples of European successful collaboration.

Chapter 2: Preliminary results on “Digital Customer Onboarding in the Banking Sector Survey”, the eIB model, the Identity Governance Service, Standardizing ID APIs: the collaboration with the Berlin Group, application on e-commerce frauds, the way ahead.



Download available at  
<https://www.abilab.it/progetti-europei/eIB>

# The digital identity models

IDENTITY MODELS	Centralized	Federated	Decentralized
			
TECHNOLOGY	<ul style="list-style-type: none"> <li>• ID/Password</li> <li>• Multifactor Authentication</li> <li>• Single Sign On</li> </ul>	<ul style="list-style-type: none"> <li>• OAuth</li> <li>• OpenID</li> <li>• SAML</li> </ul>	<ul style="list-style-type: none"> <li>• DLT</li> <li>• Cryptography</li> </ul>
CHARACTERISTICS	<ul style="list-style-type: none"> <li>• Identity fragmented across many enterprises</li> <li>• Enterprises control user data</li> <li>• Centralized data is a honeypot for cyber attacks</li> </ul>	<ul style="list-style-type: none"> <li>• Less fragmentation of login credentials</li> <li>• User information fragmented across many enterprises</li> <li>• Enterprises control user data</li> <li>• Centralized data is a honeypot for cyber attacks</li> </ul>	<ul style="list-style-type: none"> <li>• Identity can be portable across enterprises</li> <li>• User information in user's wallet or a secure cloud</li> <li>• Decentralized data limits data exposure on cyber attacks</li> <li>• Users control their data</li> </ul>

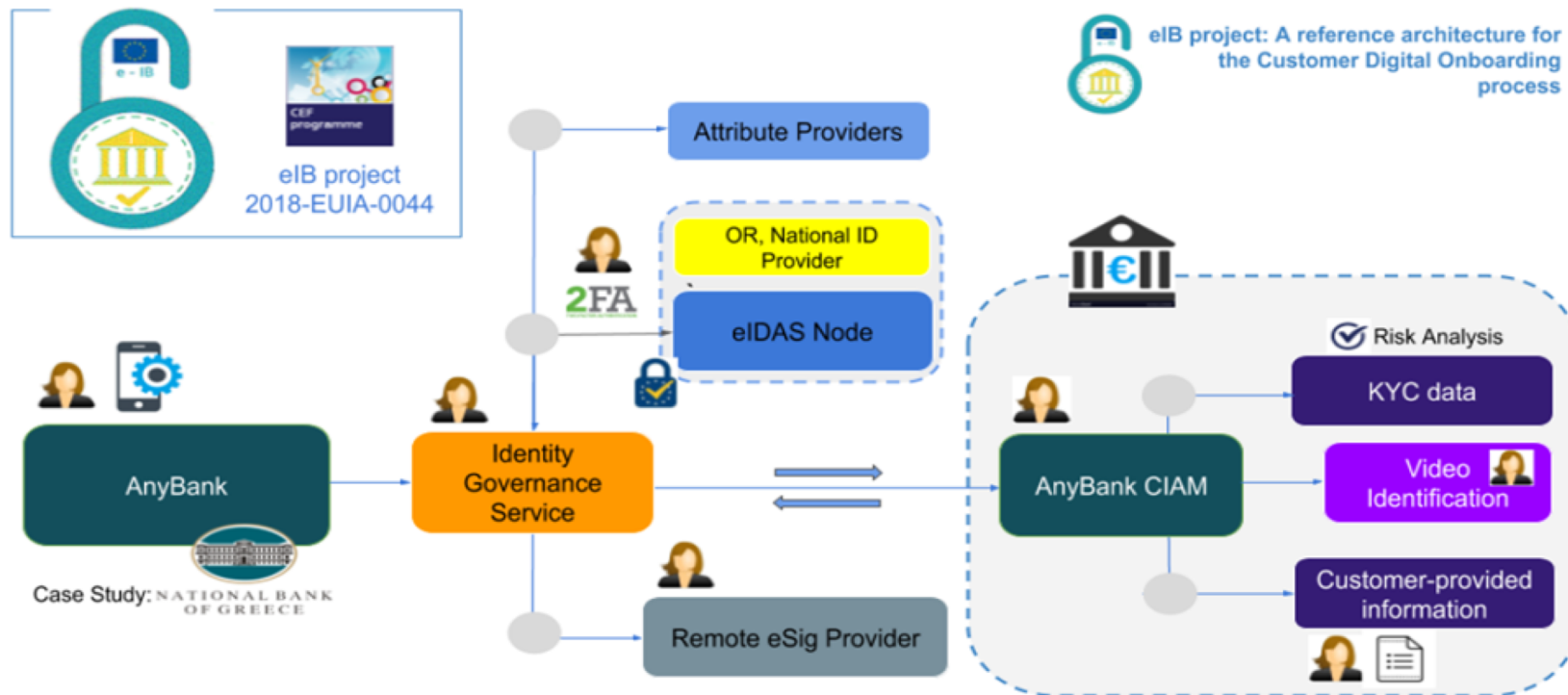
Service providers use a combination of online and offline processes to onboard users, then authenticate their identity for future interactions

A single set of credentials for e.g. (username, password) are used to login to various applications, websites, services etc

It provides infrastructure for credentials to be issued, stored, and verified online at scale. A user can custody own digital credentials and share them only with trusted parties

In Italy 38% of the customers left the remote onboarding process for a financial service, stressed by the excessive number of paper-based information required

# eIB is discussing a new digital identity model



eIB model's lies in adding to the Federated ID approach a multi-source identity feature, to deal with the variance of additional identity, KYC and verification data required by different Relying Parts (here represented as AnyBank)

The Identity Governance Service should exchange information in a very similar way to a card payment scheme switch. Otherwise switching information could be done through a blockchain infrastructure.

# White Paper' main findings

- Banks at European level are using different procedures to onboard customers
- To facilitate the onboarding procedures, the eIDAS dataset should be completed by financial-specific attributes that are used by banks for Know Your Customer requirements.
- There is a need to classify KYC dataset and trustable sources.
- Banks are in a strategic position for supporting this integration between eID and KYC data.
- Collaboration is a pillar of every reasonable design for digital identity services. There is no single government, technology company, financial institution, or even industry sector that can effectively deliver a smart digital identity service by itself.