

Italian Digital Onboarding overview & eIB project

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Italian Digital Onboarding scenario overview

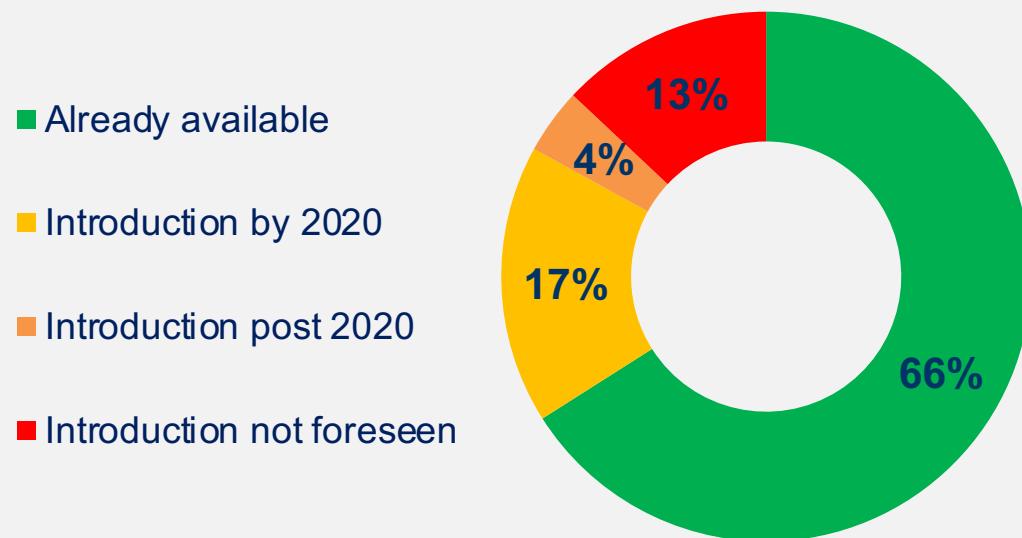


elB project

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.

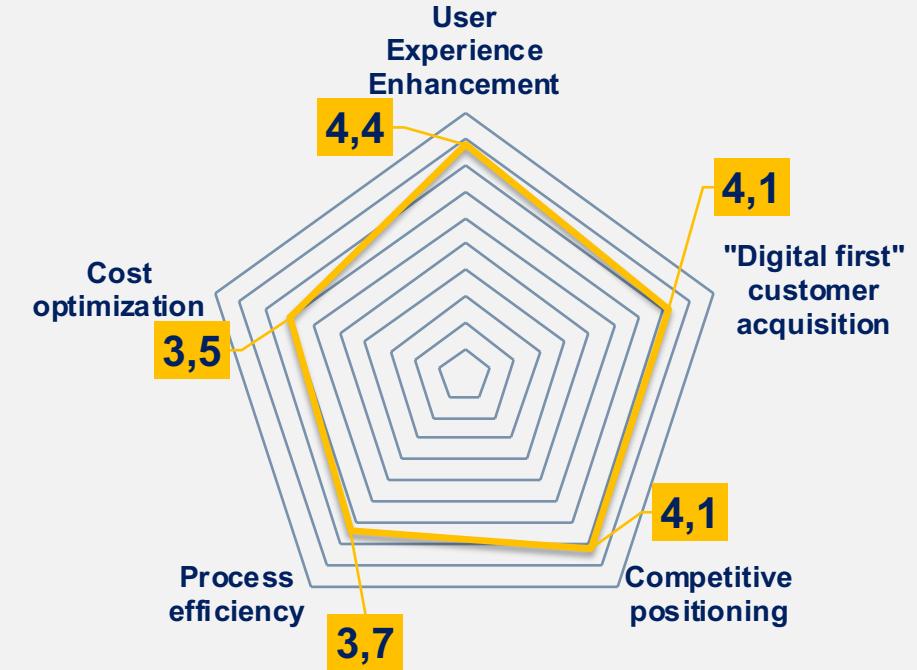
Presence of Digital Onboarding in the offer

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

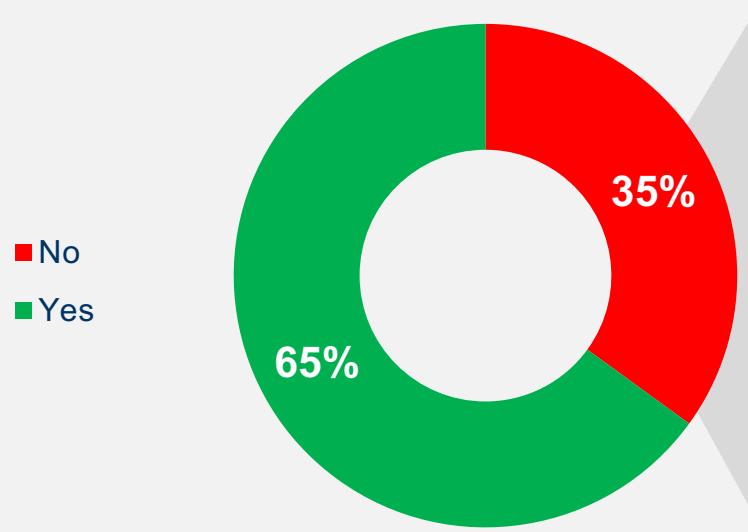
The checking account «filter»

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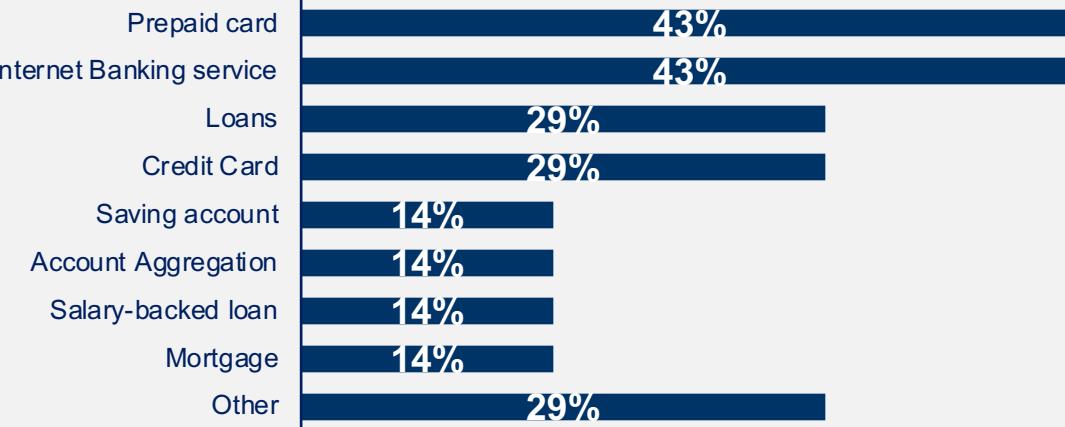
65% of the responding banks **expect the checking account to be the first relationship opened** in case of Digital Onboarding of a new customer. Among the entities that do not necessarily provide for the checking account's subscription at the first contact, **43%** indicate **prepaid card** and **Internet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



Products available without c/a



The diversity of Digital Onboarding

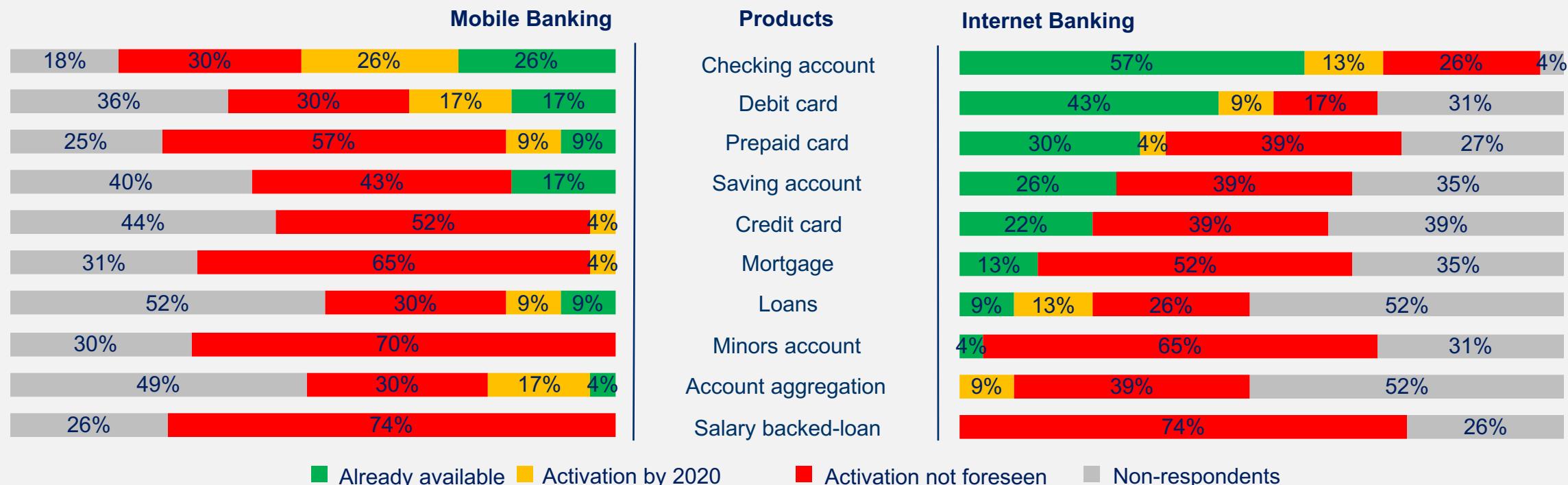
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Accounts (checking and saving) and Cards are the most frequently offered products, especially on the Internet channel, which is more consolidated than Mobile.

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.

Products available through Digital Onboarding as initial offer

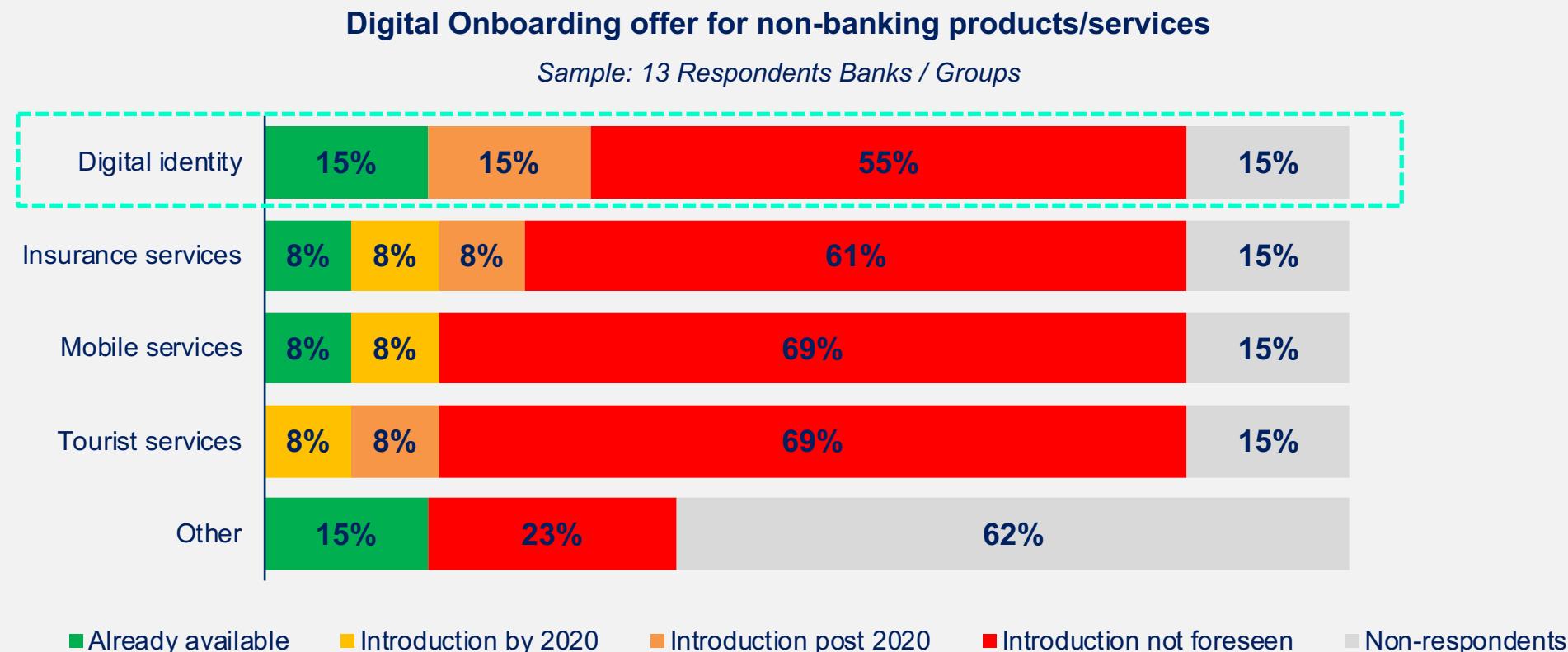
Sample: 21 Respondents Banks / Groups



An alternative way of engagement

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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**.



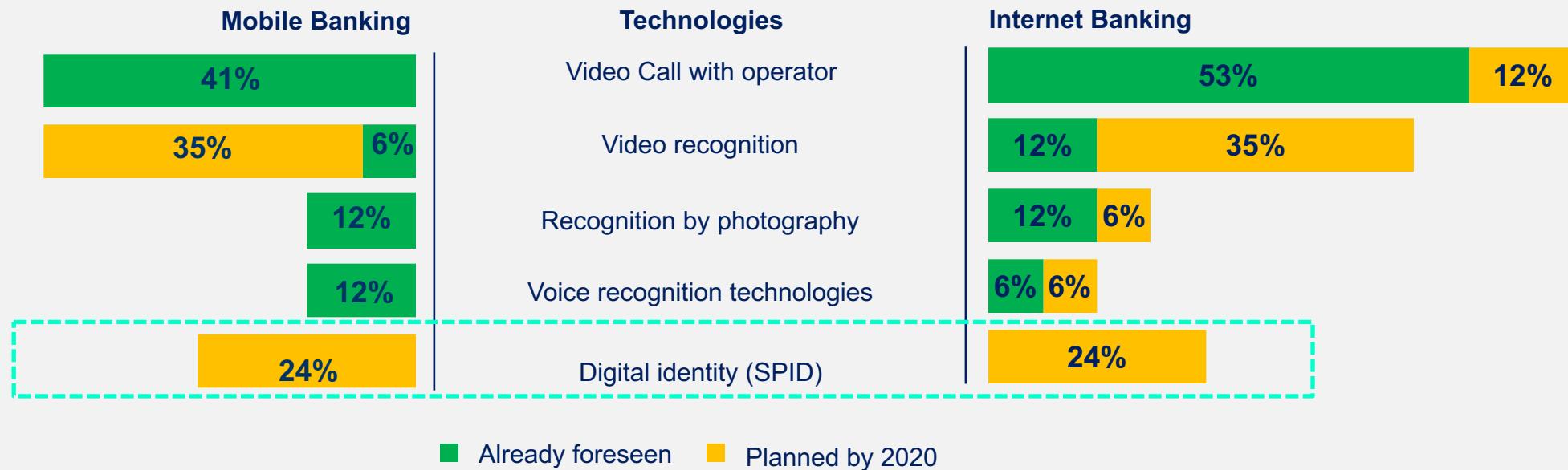
Remote identification mode

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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.

Remote customer identification

Sample: 17 Respondents Banks / Groups



The omnichannel of Digital Onboarding

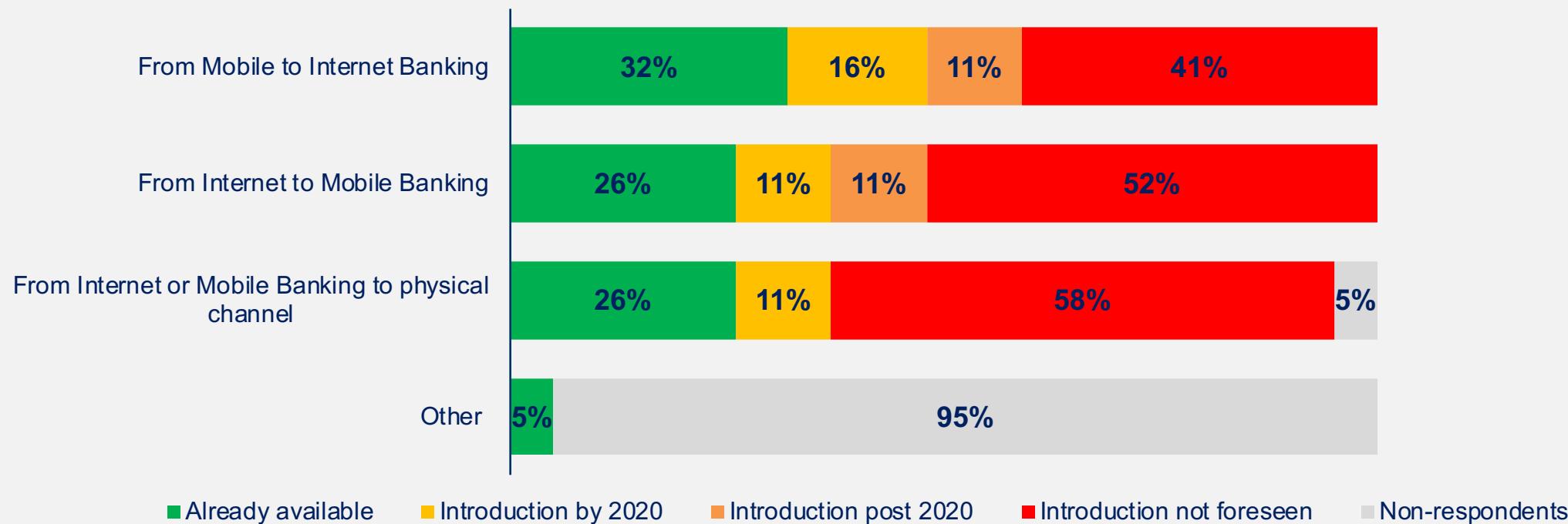
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Less than half of the Banks in the sample have invested or are investing in the multi-channel integration of Digital Onboarding (primarily the transition from Mobile to Internet Banking).

The results show the potential to improve on all levels in order to guarantee the customer with a seamless experience throughout the different touchpoints.

Integration between physical and digital channels for Digital Onboarding

Sample: Respondents 19 Banks / Groups



❖ Italian Digital Onboarding scenario overview

❖ eIB project

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>

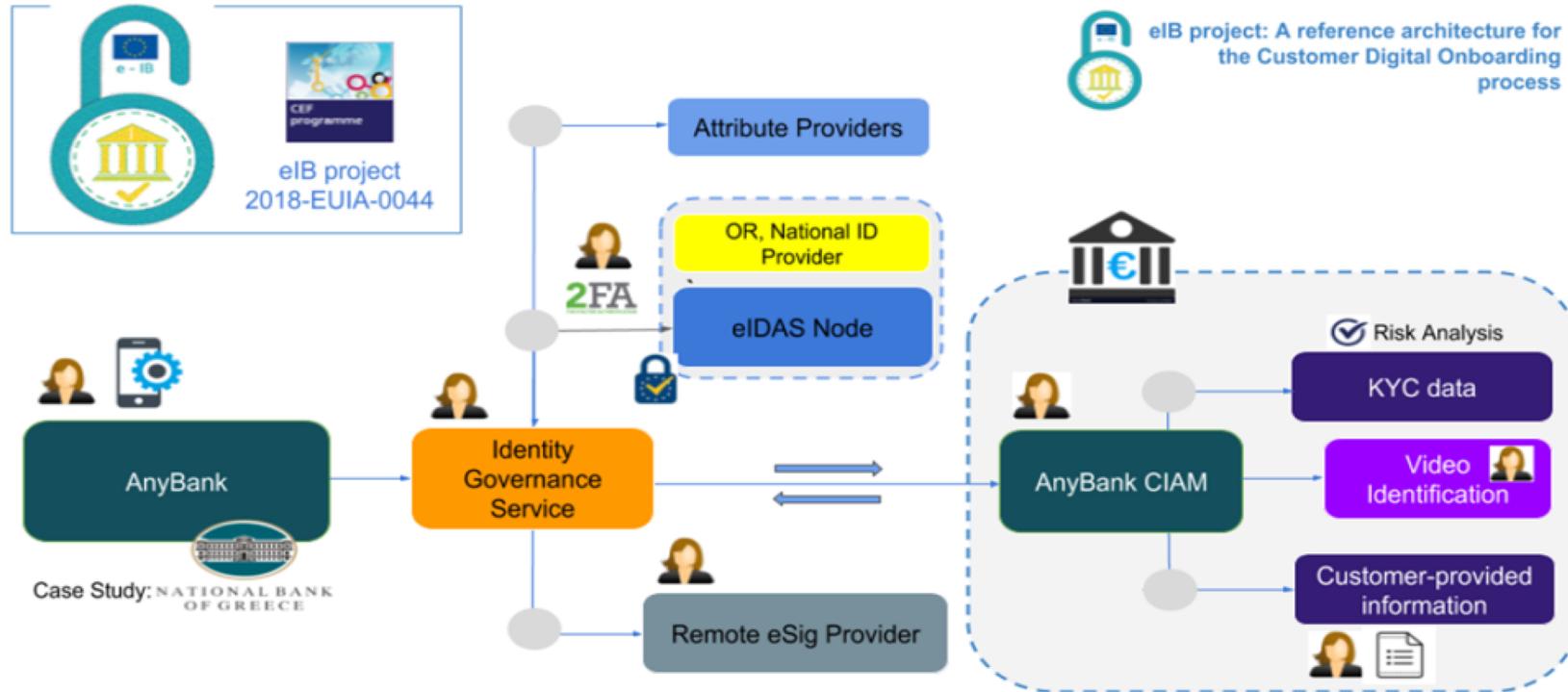
The digital identity models

IDENTITY MODELS	Centralized	Federated	Decentralized
TECHNOLOGY	<ul style="list-style-type: none">• ID/Password• Multifactor Authentication• Single Sign On	<ul style="list-style-type: none">• OAuth• OpenID• SAML	<ul style="list-style-type: none">• DLT• Cryptography
CHARACTERISTICS	<ul style="list-style-type: none">• Identity fragmented across many enterprises• Enterprises control user data• Centralized data is a honeypot for cyber attacks	<ul style="list-style-type: none">• Less fragmentation of login credentials• User information fragmented across many enterprises• Enterprises control user data• Centralized data is a honeypot for cyber attacks	<ul style="list-style-type: none">• Identity can be portable across enterprises• User information in user's wallet or a secure cloud• Decentralized data limits data exposure on cyber attacks• Users control their data
	<p>Service providers use a combination of online and offline processes to onboard users, then authenticate their identity for future interactions</p>	<p>A single set of credentials for e.g. (username, password) are used to login to various applications, websites, services etc</p>	<p>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</p>

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

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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.

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)

- 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.