



## Digital Identity Services for Australians: a NAB imperative

NAB was excited to launch ConnectID with Australia Payments Plus last month, an important milestone in the journey to provide Australians with safe, secure and trusted identity verification services. You can read more about the ConnectID solution [here](#).

We believe Australia needs an interoperable digital identity ecosystem, where Australians can choose the provider that they most trust (whether that's NAB through the ConnectID solution, myGovID, a state government app, or another trusted and regulated provider), and then use that to get all the services they need – whether accessing a government service, renting a home, onboarding for a new job, or proving age for a sale or delivery service.

This will be increasingly crucial – for our customers, for the economy at large, and for ourselves at NAB – and we are proud to step forward in helping to drive this journey. NAB's interests are intrinsically tied to the community that we serve, and we see the role for ourselves and other trusted providers as vital for facing into our shared national challenges.

**This is firstly important to us as a means for reducing the risks that we and our customers face from criminal activity in identity theft and impersonation, where we can help to reduce the volumes of personal identity data that can be copied and stolen.** There is a rising fraud and scams epidemic in Australia. According to the Australian Competition and Consumer Commission (ACCC) National Anti-Scam Centre, Australians reported \$3.1 billion lost to scams last year, an increase of 80 percent from the previous year.<sup>1</sup> Within our customer base (and the economy at large), consumers are increasingly conscious of the need to guard and minimise the sharing of their personal identity data, while simultaneously businesses often collect and store customers' personal information (either for legal requirements or business processes), creating a potential data liability for themselves. A better system would involve both sides relying on validation from a trusted party, and to not have to transfer and store that sensitive personal data at all. For NAB, given our established capabilities in verifying identities and protecting data, we have the means, and the societal opportunity to step forward with solutions for the safety and security of consumers and businesses alike.

**Secondly, we are committed to supporting the increased productivity of the Australian economy, and digital identity is a crucial enabler.** The Productivity Commission's September 2023 Quarterly productivity bulletin reports that despite "record-high growth in hours worked," labour productivity decreased by 2% in the June 2023 quarter, resulting in a 3.2% decline in productivity from the previous calendar year.<sup>2</sup> Addressing this challenge is urgent and it has been suggested that there are likely to be productivity benefits for Australia associated with a well-functioning Digital ID ecosystem. Recent estimates indicate that the economic value of digital ID to Australia could be approx. three to four percent of GDP, having regard to similar mature economies.<sup>3</sup>

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<sup>1</sup> [National Anti-Scam Centre | ACCC](#).

<sup>2</sup> [September 2023 - Quarterly Bulletin - PC Productivity Insights](#).

<sup>3</sup> [Digital ID: A key to inclusive growth | McKinsey; Unlocking-the-potential-of-trusted-digital-identity-in-Australia.pdf \(connectid.com.au\)](#).

**Thirdly, we see value in Digital ID services as it enables us to maintain and further strengthen our customer relationship.** As our customers are increasingly digitally engaged and have become accustomed to utilising online platforms and services in their daily lives, we can provide additional value to our customers by offering a secure and simple digital means of proving their identification (or verifying a single attribute for them, such as proof of age). Our customers trust us as custodians of their money and their data, and we want to continue to support, and maintain that trust by stepping forward and providing much needed identity services, rather than waiting for others to do so, such as social networks and global technology giants.

**Success of the Australian system needs banks.** Australia needs a well-functioning Digital ID framework, but not all parts of the community will wish to use a Government Digital ID offering. There is lingering scepticism of prior national identity proposals, and international studies have consistently shown that the majority of populations in western democratic societies trust their bank more than they trust government, more than they trust BigTech firms.<sup>4</sup> There are some individuals who may prefer to utilise a bank, telco, or other Digital ID provider, such as First Nations' Digital ID solution, Hold Access<sup>5</sup> to verify their identification or an attribute. If we are to achieve success and deliver these more secure and productive services, we need to meet all people where they are. 'Choose who you trust, and trust who you choose.'

Industry and community-led Digital ID solutions will complement and extend the reach of Government Digital ID services, so more Australians can confidently participate, and can access the benefits of safe and efficient digital ID solutions. NAB is committed to doing our part, and we encourage other banks and trusted regulated firms to step forward also.

**Symbiotic: Government and banks need each other.** Industry led Digital ID solutions will create benefits for the national Digital ID ecosystem as a whole. Interoperability between industry and government Digital ID solutions will reduce risks of fragmentation, which otherwise undermine the success and adoption of Digital ID. Where an individual is able to access a myriad of services across both the private and public sector, utilising their chosen ID verification service provider(s), this will create greater convenience, utility and ultimately increase the effectiveness of Digital ID.

We have seen this play out in other mature economies and the experience of Norway is worth drawing attention to, as it clearly demonstrates that the ability to utilise industry (and specifically bank-led digital ID solutions) to access Government services, will assist with uptake of Digital ID as a whole. Norway's BankID is arguably the world-leader in convenience and fraud reduction.<sup>6</sup> It is utilised by ninety nine percent of the Norwegian population aged between twenty and sixty, with each citizen using it an average of two hundred and twenty times per year.<sup>7</sup> Norway experienced a dramatic uplift in usage of Digital ID when citizens were able to start using bank-led Digital ID solution 'BankID' to access government services, which was a catalysing moment.<sup>8</sup>

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<sup>4</sup> See for example: [Financial Lives 2022: Key findings from the FCA's Financial Lives May 2022 survey](#), page 224.

<sup>5</sup> [Instant Access for the Digitally Excluded | WUNA | Australia \(holdaccess.com\)](#).

<sup>6</sup> For further detail on Norway's BankID and its success factors, including collaboration between the banking sector and between banks and the Norwegian Government, please see recent NAB News Article and NAB Digital Next Podcast, with Øyvind Westby Brekke, CEO of BankID, [NAB Digital Next: DigitalID - lessons from the Nordics - NAB News](#).

<sup>7</sup> Figures provided by [BankID](#), Norway, as at February 2023.

<sup>8</sup> See Figure 1 below, provided by [BankID](#), Norway, as at February 2023.

>10,000

Public services  
digitally available  
through BankID  
authentication

## BankID fueling digitization of public services

Customer usage  
# trx/year (millions)

≡≡≡ bankID  
Launched in  
public sector

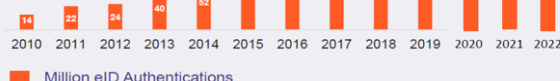


Figure 1. The role of Norway's BankID in catalysing adoption of Digital ID solutions and digitisation of public services. Source: provided by [BankID](#), Norway (February 2023).

The centrality of banking and the frequency with which an individual interacts with their bank (weekly, or sometimes daily)<sup>9</sup> creates relevance, which may not otherwise be present for government-led Digital ID solutions, where individuals may have to establish a Digital ID solution from scratch with a government service provider, which creates a level of friction from the outset.

We need an environment in Australia which encourages investment by industry in Digital ID solutions. This can be fostered through clear regulation and certainty for business that they will have an equal opportunity to deliver value to their customers, *wherever* they may need to verify their identification digitally (whether that be to access government or private sector services). We need choice in Australia's Digital ID ecosystem from the outset as this will ultimately lead to better outcomes for the system as a whole.

NAB wants Digital Identity to work in Australia, for all Australians. Our concerns remain that an emphasis only on Government Digital ID providers will see diminished participation, and that Australian Digital Identity won't reach its full potential. We're stepping forward to provide Australians choice, and to ensure our national ecosystem is stronger and safer.

<sup>9</sup> The average personal NAB customer logs into Internet Banking or the NAB Mobile App thirty-three times per month.