



Digital Identity Services:

What Consumers Want and How Governments, Banks and Other Enterprises Can Deliver



Introduction

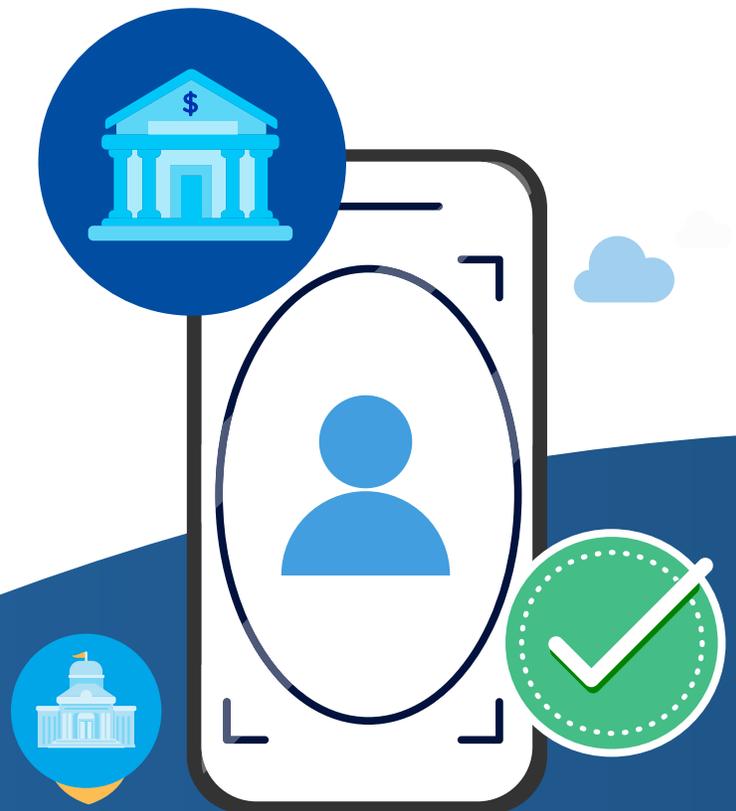
Digital identity is an area of huge global growth. According to research from McKinsey, countries extending full digital ID coverage to their citizens could unlock value equivalent to 3 to 13 percent of GDP by 2030.

The opportunity for governments and enterprises is multi-faceted. Whether it's offering digital identity services that consumers can use across organizations and borders, or simply enabling customers to access more services more easily with convenient online identity verification and authentication, banks and governments have a huge stake in the digital identity narrative.

This report provides data on how global consumers view digital identity services.

Equipped with these findings, governments and enterprises can better understand how digital transformation programs can and should evolve.

iProov surveyed 16,000 citizens around the world to understand attitudes to digital identity services and how they authenticate themselves online.



Summary of Findings

Part One

Consumer Demand for Digital Identity Services is High

- **86%** of consumers worry about identity theft
- **97%** of consumers care about data privacy
- **90%** would use a single digital identity service (when it is explained to them)
- Only **58%** say they know what 'digital identity' means, although only 42% actually do
- Banks, Google and governments are most trusted to deliver digital identity services

Part Two

Government: Citizens Want More Public Sector Services Online

- **80%** want more government services to be delivered online
- Identity-related services – driver's license renewals, vehicle tax, tax returns, voter registration, and passport renewals – were the most popular
- **37%** said that they found online government services difficult to access

Part Three

Banking: Consumers Want Identity Verification for Online Banking

- **84%** of global consumers expect online payments to be verified at some threshold
- **64%** already use or would use face verification to access their online banking

Part Four

Consumers Need Simple Online Identity Verification and Authentication

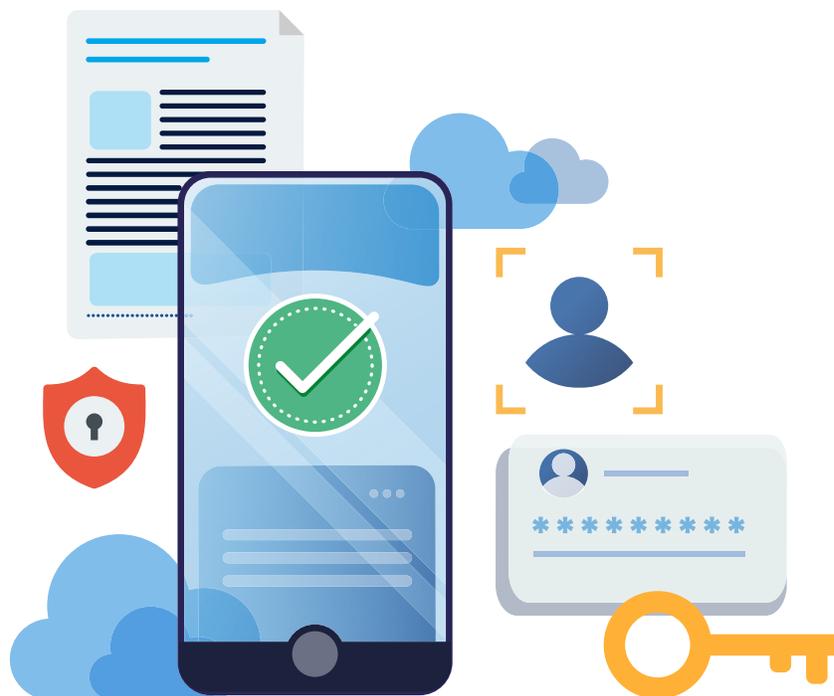
- **32%** of global consumers have requested a password reminder in the last 24 hours
- **32%** have abandoned an online transaction in the last month due to password frustration
- **38%** of global consumers have already used online face verification at least once
- **55%** of consumers already use biometrics to access their mobile devices
- **80%** like online face verification or have no opinion on it
- **72%** want to use face verification for secure online transactions

Part One

Consumer Demand for Digital Identity Services is High

Digital identity is an area of enormous global growth. Yet, further expansion in this sphere relies on public demand if uptake and usage of digital identity services are to be maximized.

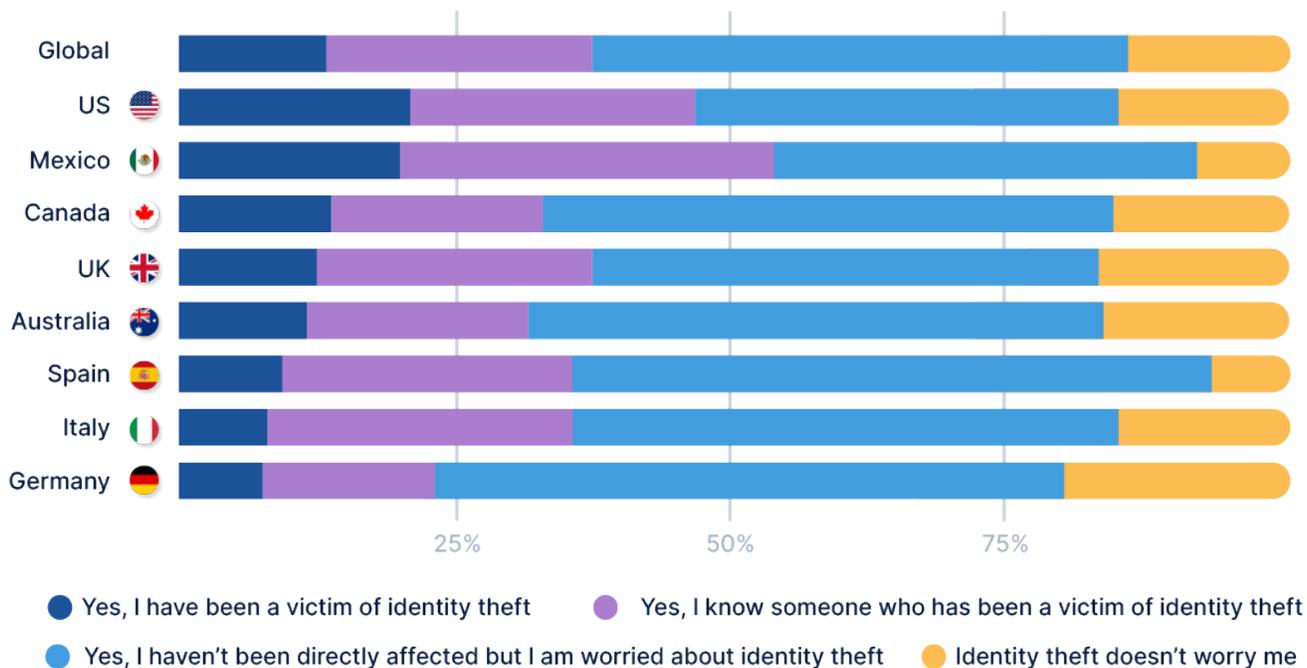
Our research shows that, although some education is required in this area, there is a significant demand for digital identity services. Consumers have a very clear understanding of the need for data privacy and protection against identity theft. We sought to understand current consumer attitudes towards digital identity, the issues that digital identity services can solve, and which institutions people would trust to offer those services.



1. 86% of Consumers Are Worried About Identity Theft

The first two questions seek to establish global consumer need for digital identity services. Do consumers care about the benefits that digital identity services provide, namely protection against identity theft and improved data privacy?

Are you worried about identity theft?



Key data points

- **86%** of global consumers are worried about identity theft.
- **37%** have been a victim themselves (**13%**) or know someone who has been targeted (**24%**).
- **49%** haven't been affected but are still worried about identity theft.

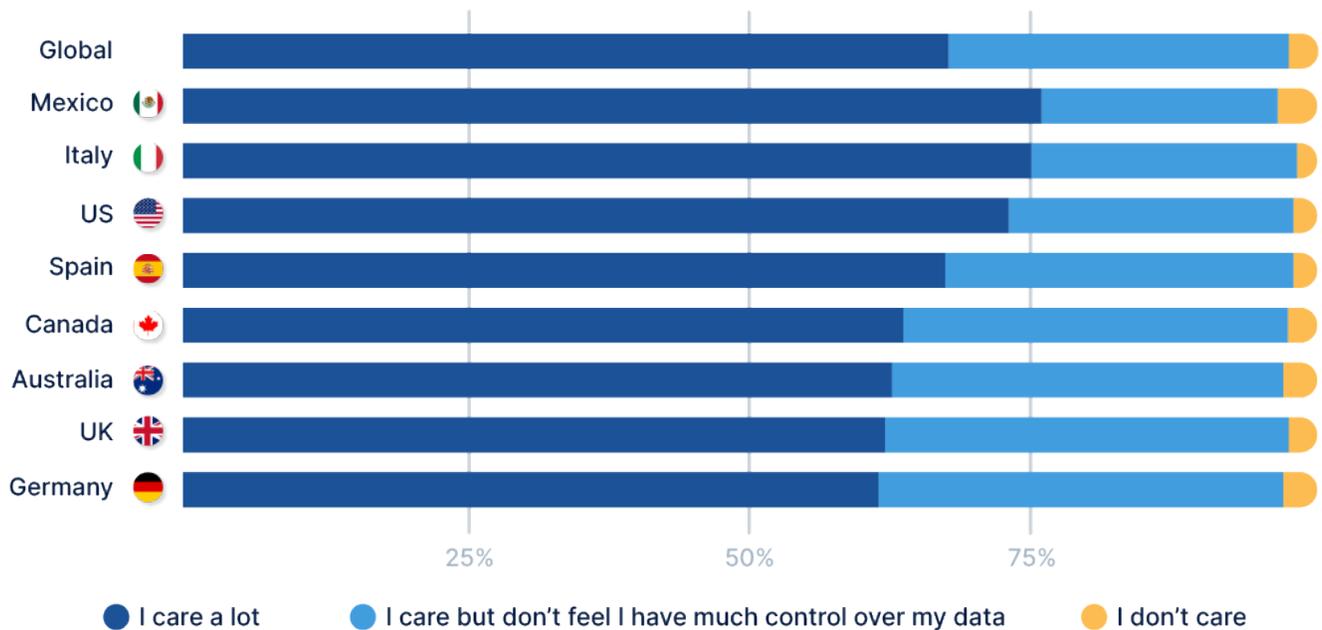
Takeaways

- Identity theft is a major concern for global consumers.
- Consumers are aware of identity theft and often have direct experience of it.
- Governments, banks and other enterprises need to protect consumers against identity theft.

2. 97% of Consumers Care About Data Privacy

Is data privacy a concern to consumers? It's been suggested that the average person has over 100 online accounts, so does this mean that consumers are relaxed about sharing data or are they looking for services that can help to protect their data?

How much do you care about your data privacy?



Key data points

- The majority of global consumers (**68%**) “care a lot” about data privacy.
- **30%** care about data privacy but feel they do have much control over it.

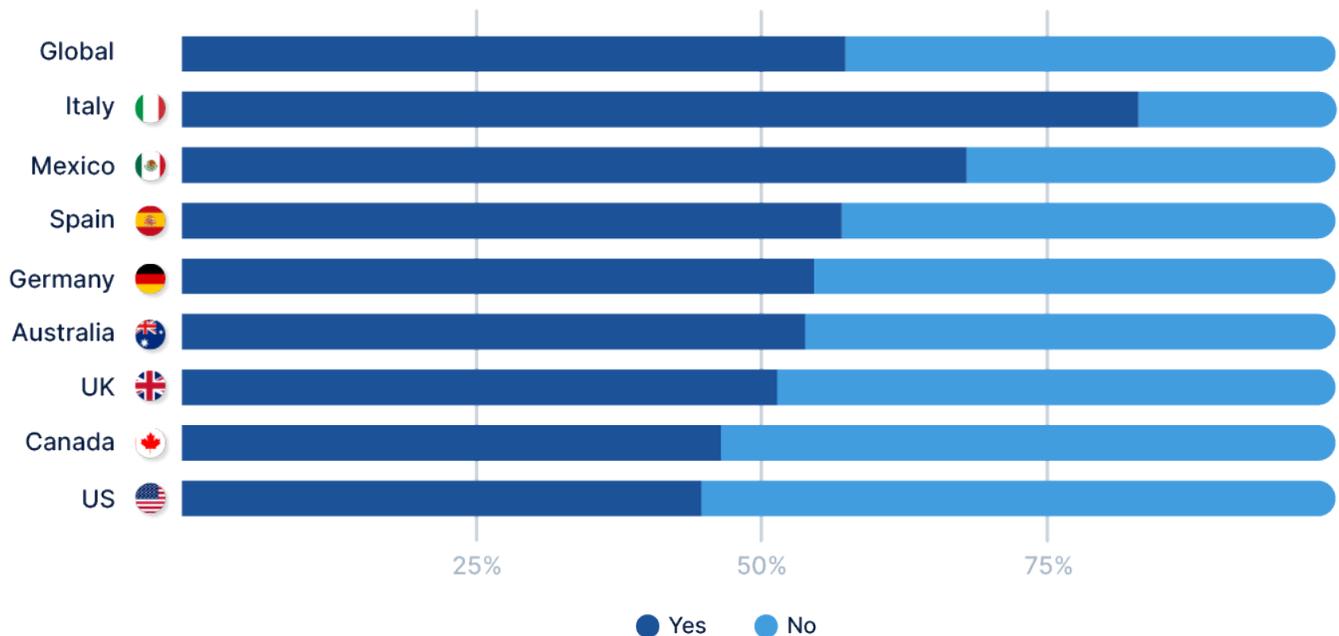
Takeaways

- Consumers want control of their data and will potentially avoid services that ask for too much information to be shared, such as date of birth or security question data.
- Data minimization is key. Governments and other organizations need to offer single sign-on authentication for multiple services.

3. 58% of People Say They Know What “Digital Identity” Means

The first two questions established that consumers want to protect against identity theft and unnecessary data sharing. The next two questions look at consumer understanding of the solution to those problems: digital identity services. Do they understand what ‘digital identity’ means?

Do you know what the term “Digital Identity” means?



Key data points

- 42% of global consumers admit that they do not know what the term “digital identity” means.
- Respondents in the US were least likely to know, with just 45% saying that they know what it means.

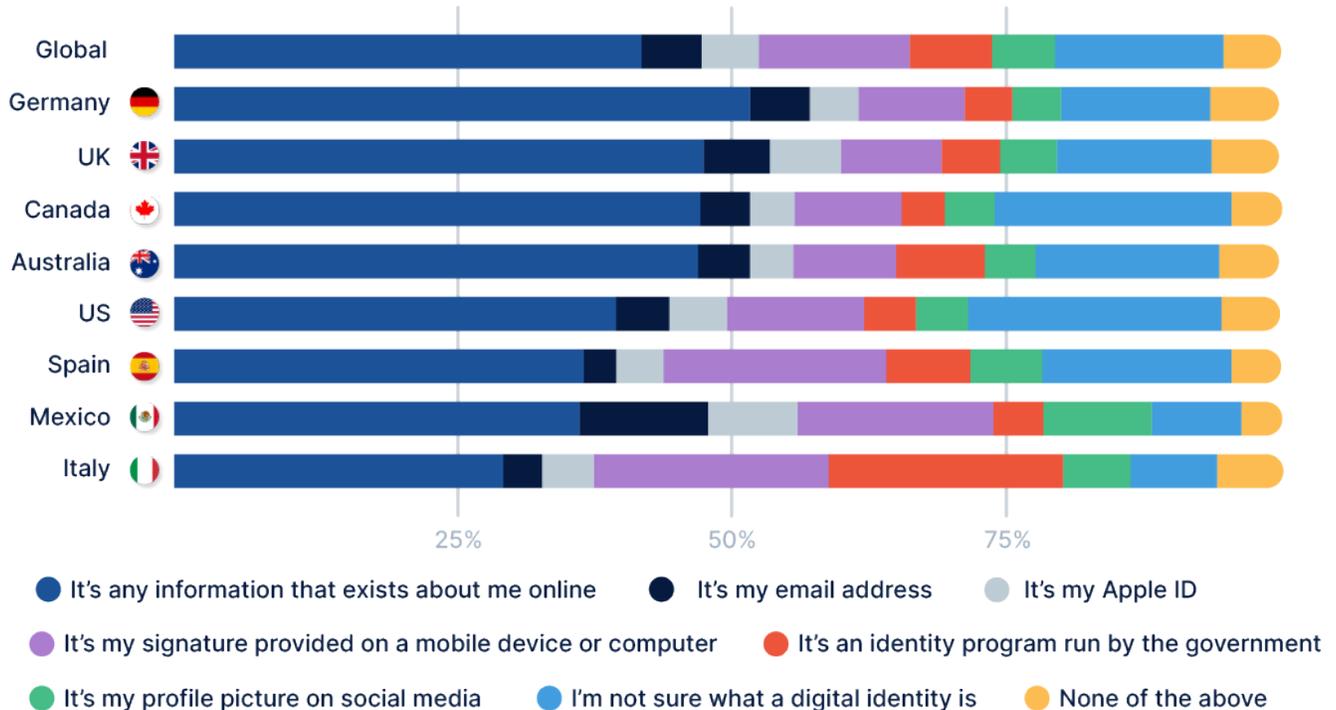
Takeaways

- There is a lot of confusion around digital identity.
- As governments and enterprises roll out digital identity services, some consumer education will be needed.
- Consumers need help in understanding what digital identity services are, why they are needed, and how people can benefit from enrolling in and using such programs.

4. Only 42% of People Can Accurately Define Digital Identity

There are many ways of defining digital identity. The goal with this question was to see whether consumers actually understood the term and what they consider to be meant by digital identity.

Which of the following statements best matches your definition of 'digital identity'?



Key data points

- Only **42%** of global consumers gave the most accurate answer, defining "digital identity" as any information that exists about them online.
- Other consumers defined it as anything from an email address to a profile picture on social media.

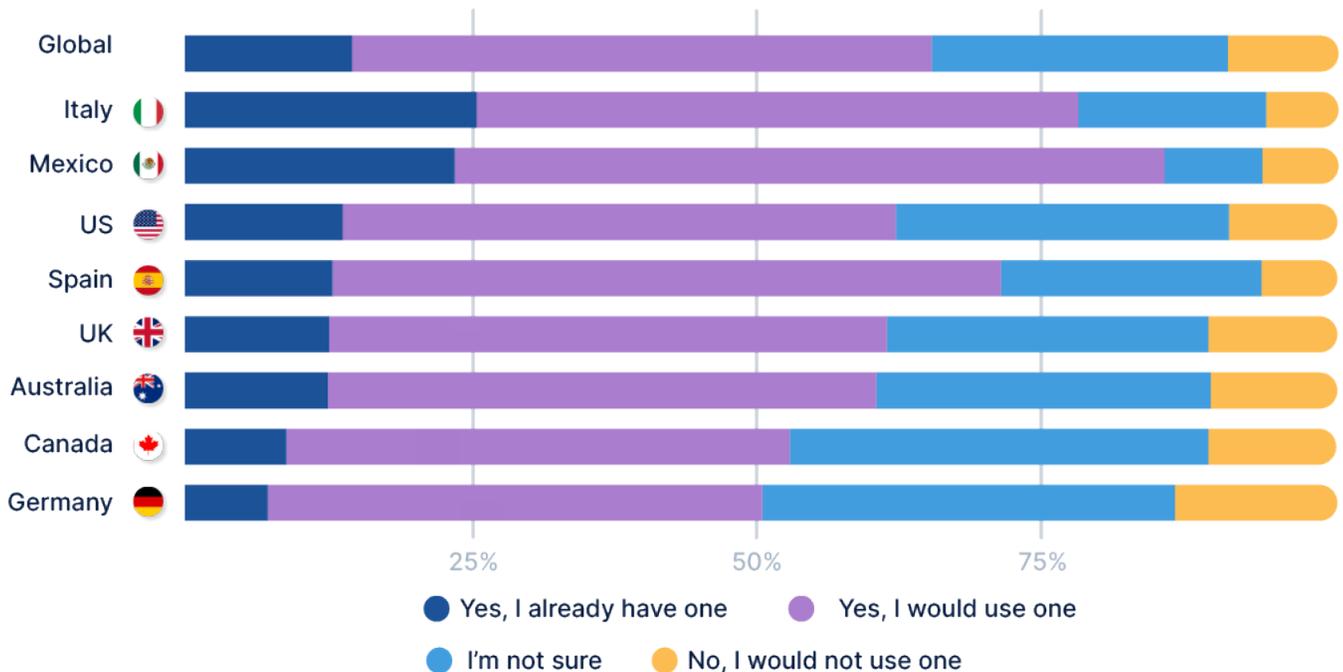
Takeaways

- A digital identity is made up of numerous attributes. Governments and enterprises need to build strategies that take all of these into account.
- It is then important to educate citizens and consumers on what a digital identity service is and how it keeps them safe online.

5. 90% of Consumers Either Would or Might Use a Single Digital Identity

Does the lack of understanding of the term “digital identity” impact on consumer willingness to use digital ID services? If the concept is explained to them, is there a demand that governments and enterprises need to meet?

Do you think it would be easier if you had one secure digital identity that you could use to help you access online services without sharing too much information with individual websites?



Key data points

- **90%** of global consumers either already use or would consider using a single digital identity.
- **15%** use one already (highest in Italy and Mexico).
- Another **50%** said they would use one if it was available to them.

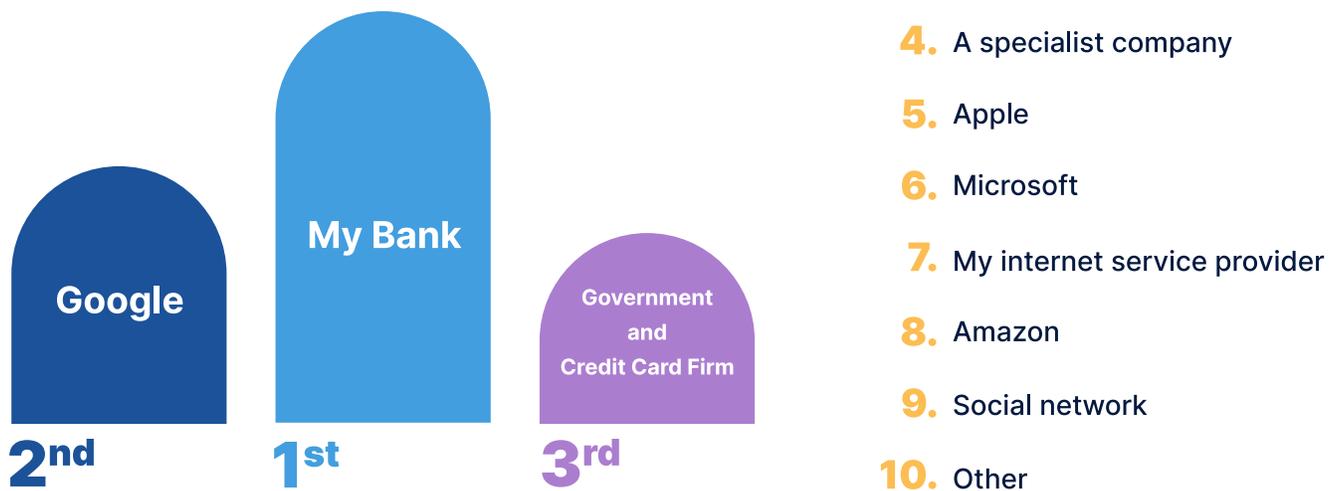
Takeaways

- There is a strong consumer appetite for single digital identity services.
- Government agencies should look at how digital identity programs can be introduced and/or extended for other uses.
- Enterprises, such as banks and other businesses, should look at how they can deliver digital identity services as part of their product strategies.

6. Banks, Google, Governments and Credit Card Firms Are Most Trusted to Provide Digital Identity Services

Having established that there is a global consumer appetite for digital identity services, who would consumers trust the most to deliver those services?

Who would you trust to look after one secure digital identity for you?



Key data points

- **49%** of global consumers would trust their bank to deliver their single digital identity service (it was the top choice in every country).
- **26%** said they would trust Google (top in Mexico and lowest in Germany).
- **23%** would choose their government (highest in Australia and lowest in Mexico and the US).

Takeaways

- Banks are trusted by consumers, because banks are proven at holding people's valuable assets securely in an accessible way.
- People want the same for their data. They want to be sure that their data is held securely but that it is conveniently accessible to them when they need to use it.
- Governments and other enterprises need to think like a bank when it comes to managing data and identity.

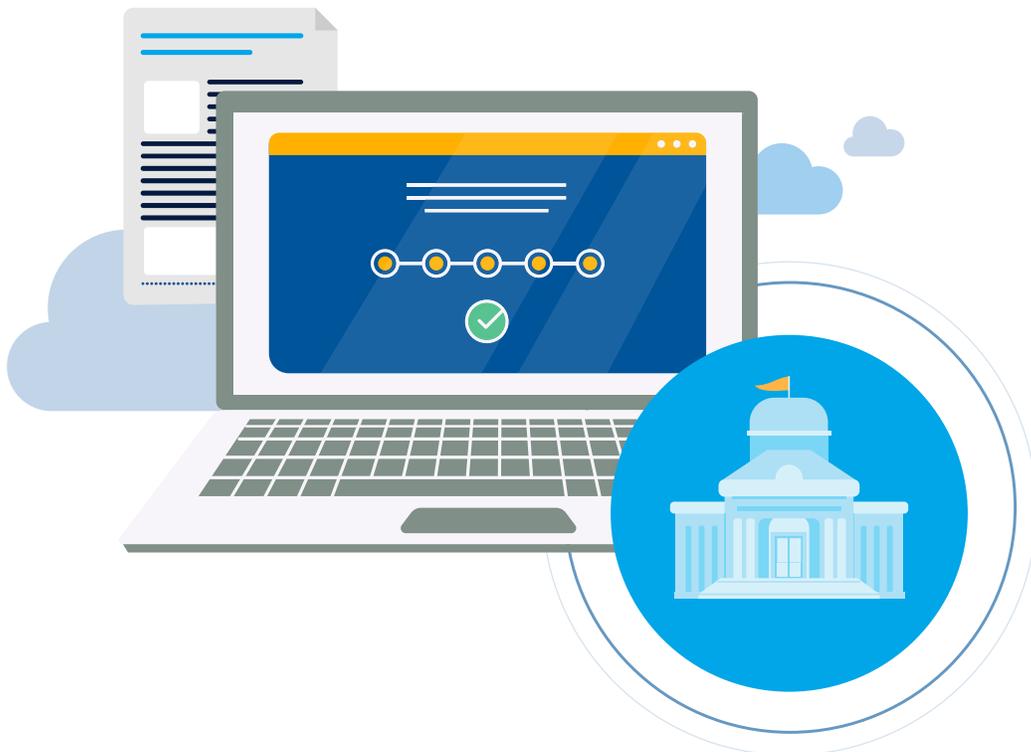
Part Two

Government: Consumers Want More Public Sector Services to Be Delivered Online

Governments have a huge role to play in the digital identity landscape. Indeed, a key reason for the deployment of digital identity solutions is to improve citizens' access to online government services.

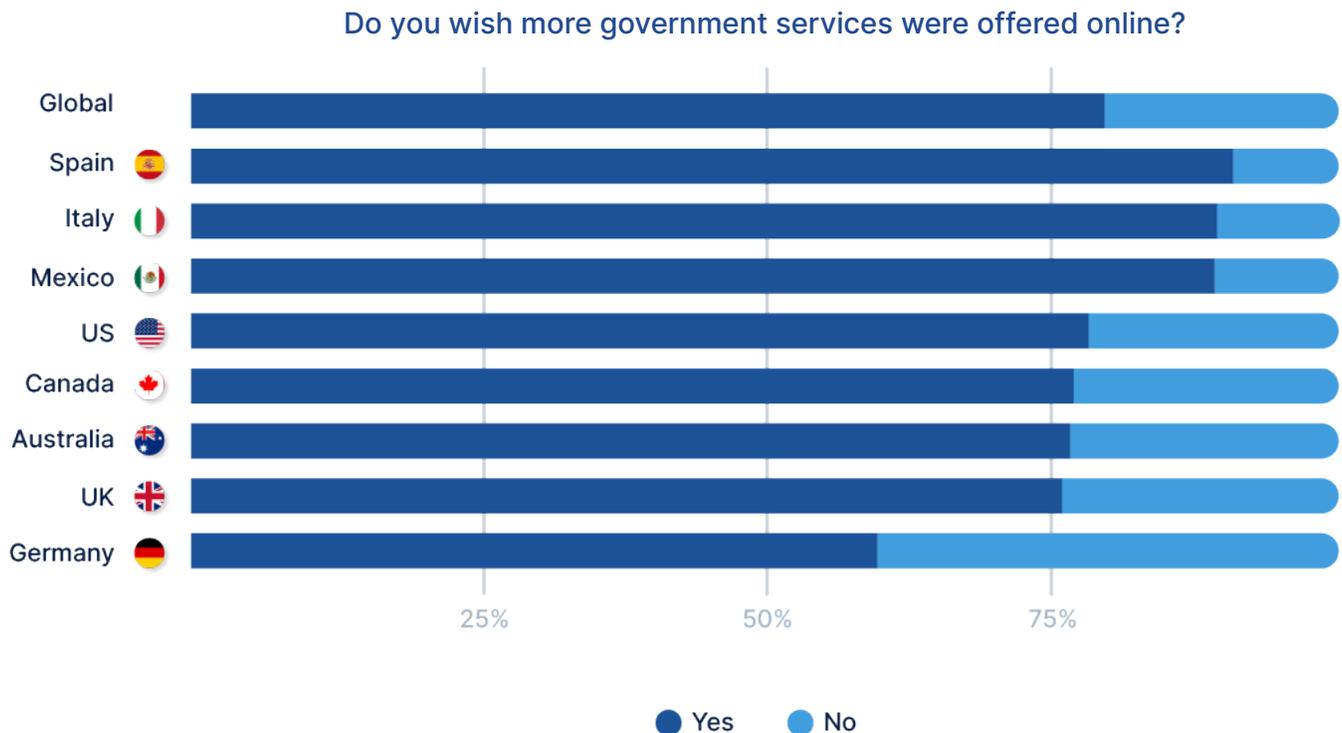
Governments are playing a leading role in this area. myGovID in Australia and OneLogin in the UK are just some of the examples of the many government programs aiming to provide citizens with digital identity solutions.

To understand how governments can successfully deliver digital identity solutions, we asked the respondents which government services they want to see online and if accessing digital government services is currently easy.



7. 80% of Global Consumers Want Governments to Offer More Services Online

Many governments globally are running or trialling digital identity services as part of their digital transformation programs. This has been accelerated by COVID in many regions. The next three questions seek to understand if there is more opportunity for governments to extend their services online and what those services should be.



Key data points

- Across the globe, **80%** of people want more government services to be online.
- The country that wants online government services the least is Germany, but **60%** still want more government services.

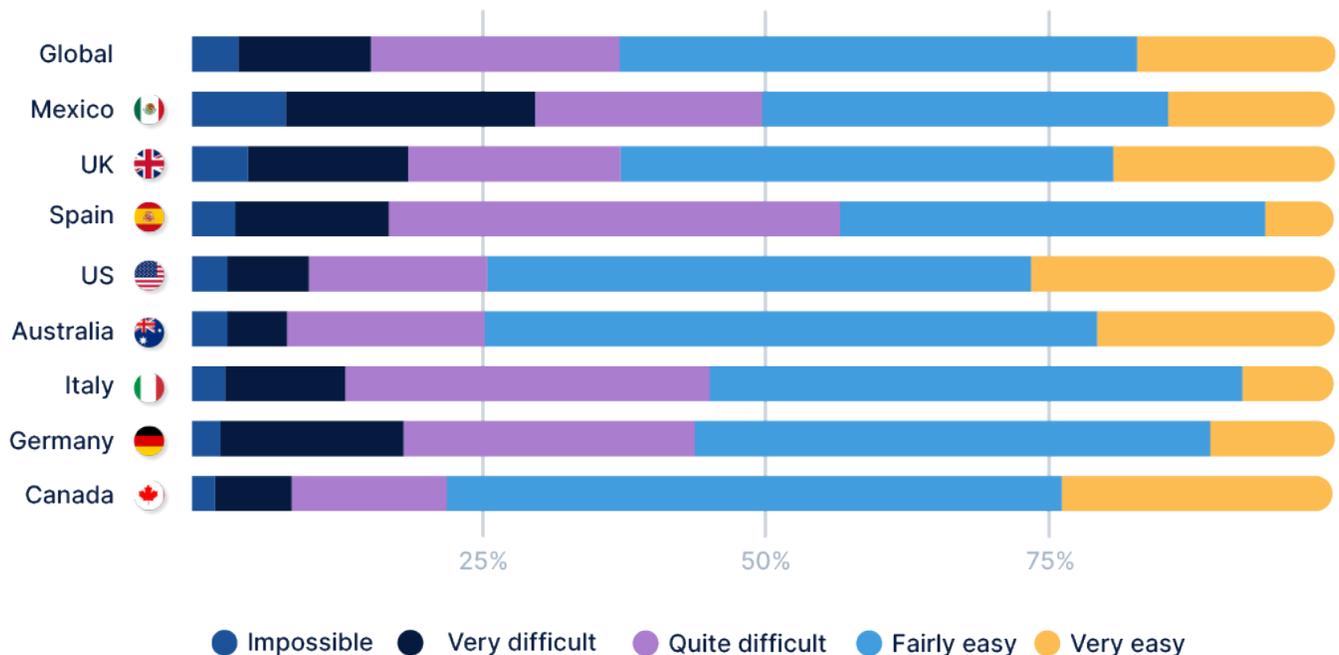
Takeaways

- Governments still have more to do in meeting consumer demand for online services.
- Digital transformation programs that have been accelerated by COVID need to continue momentum in order to meet citizen expectations.

8. 37% of Global Consumers Said it Was Difficult to Enrol For an Online Government Service

The COVID pandemic created a dramatic global increase in demand for digital government services. Do consumers find it easy to enrol for those online government services?

How easy was it to complete an online application for a government service?



Key data points

- Only **17%** of the global public find accessing government services online “very easy”.
- A similar percentage of people (**16%**) described online government services as either “impossible” or “very difficult”.

Takeaways

- Governments still have work to do on making digital services user-friendly, accessible and inclusive.
- Public sector agencies must ensure that no citizen is left behind, regardless of technical, physical, or cognitive ability.
- CX and UX focus is needed to help improve digital government services.

9. People Want Governments to Offer Driver's License and Passport Renewals Online

Which government services do consumers want to see online? A long list of options was offered, from national park bookings to online divorce. Yet the most popular choices were nearly all identity related.

Which government services would you use online?



Key data points

- **55%** of people globally want to be able to renew their driver's licenses online.
- **48%** of the global public want to be able to renew their passport online.

Takeaways

- There is clear demand from citizens for identity-related government services.
- In many countries without identity programs, citizens rely on driver's licenses and passports as their ID. By making these services easier to access online, governments can reduce complexity and improve efficiency.

Part Three

Banking: Consumers Welcome Identity Verification for Online Banking Transactions

As we've seen, the public trusts banks over other institutions to provide digital identity services. As people rely on their bank to safeguard their finances, this level of trust extends naturally to digital identity.

Yet, this trust is earned. Our data shows people want to be reminded that their assets are safeguarded when carrying out secure activities remotely, such as making payments.

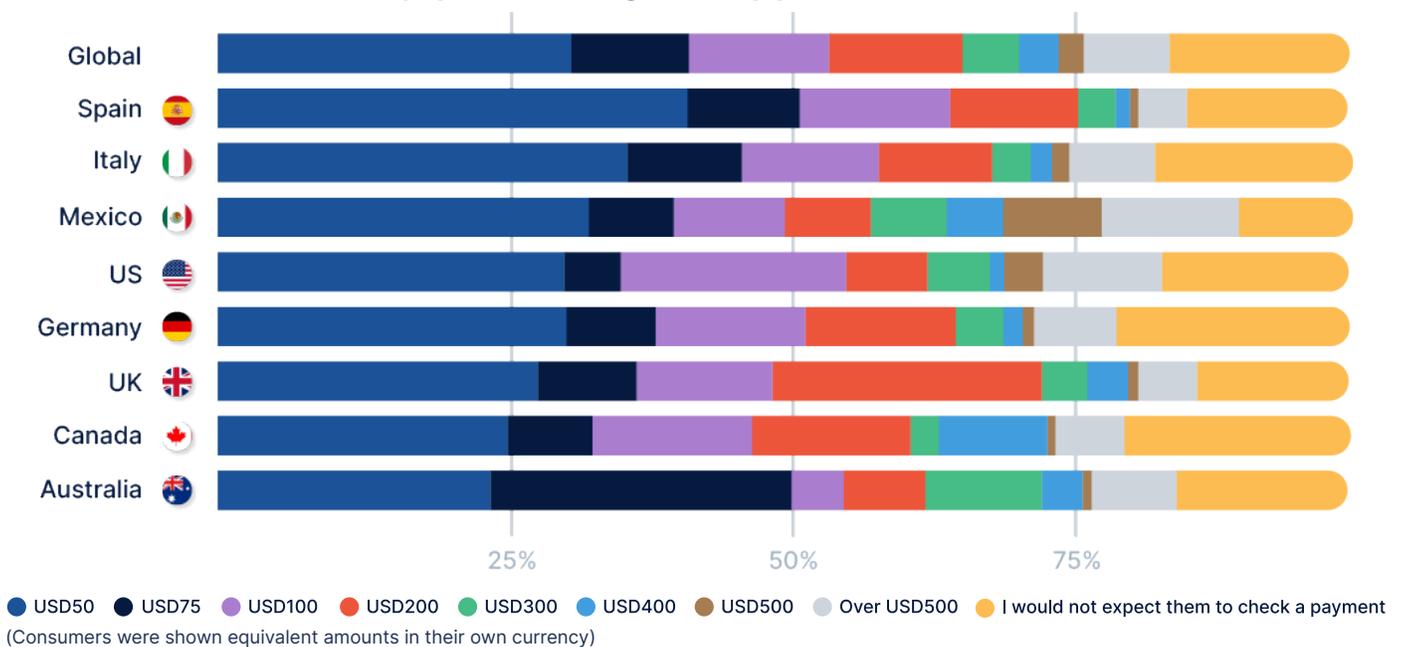
Organizations need to deliver the right level of reassurance to customers, striking the right balance of security and usability with appropriate authentication.



10. 84% of Global Consumers Expect Online Payments to Be Verified at a Certain Threshold

Financial services providers, like many other organizations, have to balance security with usability. Only then can they deliver the correct amount of reassurance and protection without impacting on user experience. So to what extent do consumers expect their bank or other provider to verify their identity when they are making a transaction or accessing their accounts?

At what point would you expect a payment provider to check that an online payment is being made by you and is not fraudulent?



Key data points

- **31%** of consumers expect to authenticate their identity when making payments of \$40 and above.
- **12%** of consumers expect to authenticate their identity when making payments of \$100 and above.
- Only **16%** of people never expect to verify their identity when making payments, regardless of the amount.

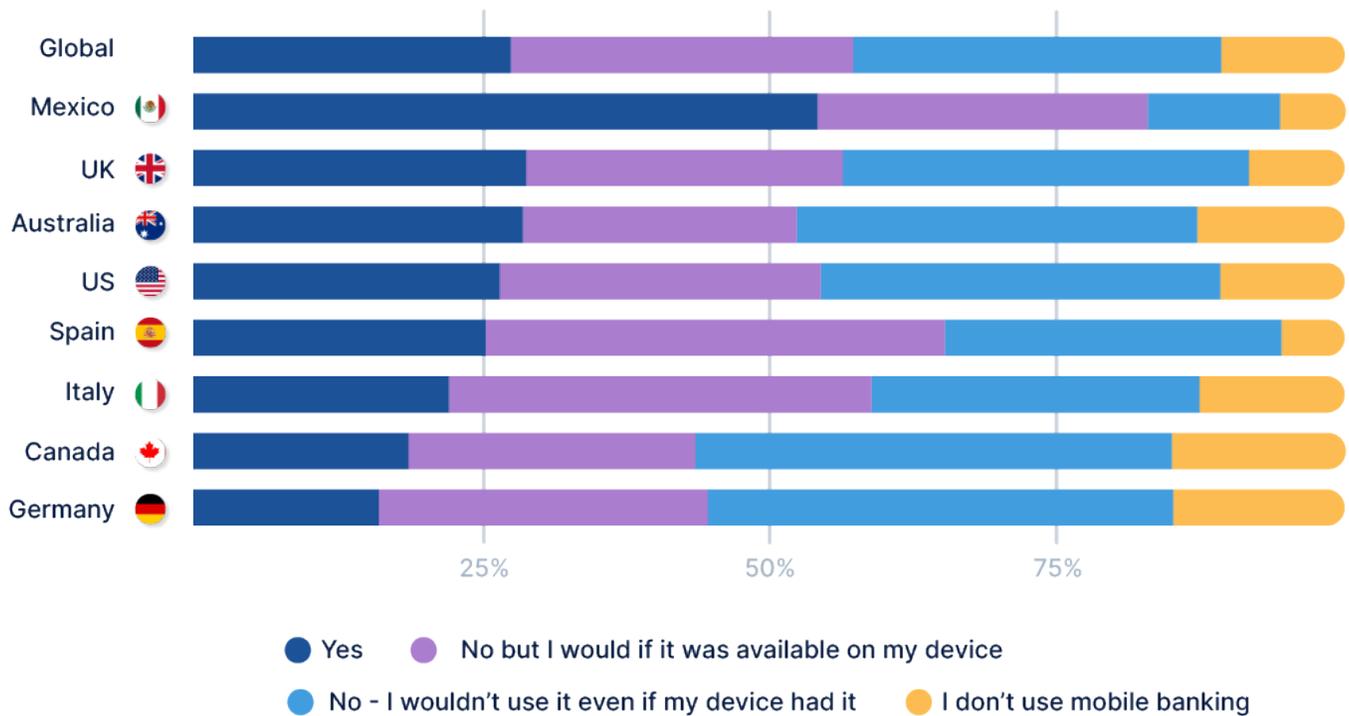
Takeaways

- Consumers want the reassurance of identity verification when carrying out secure online transactions, like making payments.
- That said, identity authentication must be quick, convenient and accessible. An arduous authentication process could lead to abandonment and frustration.
- The ceremony of secure, seamless authentication should be extended to digital identity services to assure people feel their assets are protected.

11. 64% of Global Consumers Using Mobile Banking Either Already Use or Would Use Face Authentication to Access Their Accounts

Having ascertained that consumers welcome the reassurance of having transactions verified, how can banks and other institutions complete that authentication in a way that doesn't inconvenience the customer? To what extent are consumers already using face authentication to access their accounts?

Do you use Face ID or other face verification to access your mobile banking app?



Key data points

- **28%** of people globally already use face verification to access their mobile banking.
- **30%** of people don't use face verification to access their mobile banking but would if it was available to them.

Takeaways

- Consumers like the convenience of using face authentication to log into their secure mobile banking app.
- Digital identity services should use face biometric authentication as a secure, user-friendly way of enabling access. This will help to ensure uptake and ongoing usage of digital identity services.

Part Four

Consumers Need Simple Online Identity Verification and Authentication

To be successful, digital identity services need to offer simple enrolment to maximize uptake and easy ongoing authentication to maximize usage. This requires remote identity verification and authentication.

Without secure identity verification technology and processes, digital identity solutions could become susceptible to online fraud and other types of cybercrime. This would undermine the value of such services and make them unattractive to consumers.

Governments, banks and other organizations must ensure that digital identity services are secure yet also simple and convenient to use.

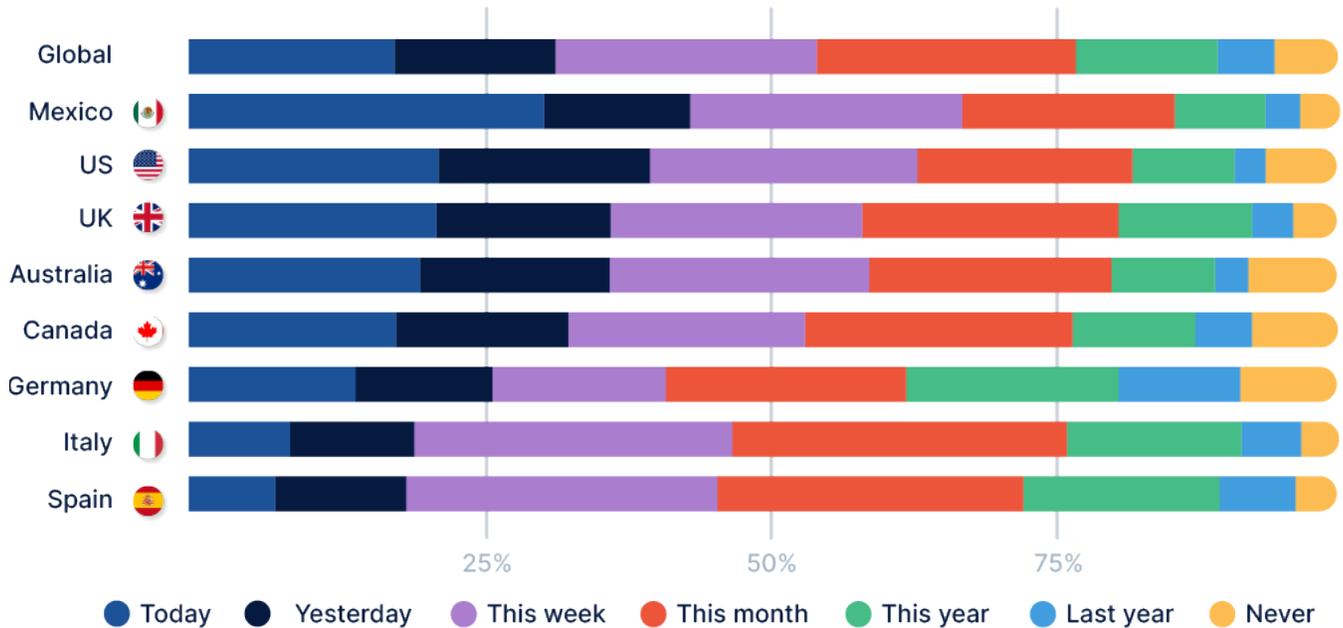
In this section of the survey, we focus on consumer attitudes to online authentication and which methods work best for them.



12. 32% of Global Consumers Have Had to Request a Password Reminder in the Last 24 Hours

The next two questions focus on the reasons for organizations to move beyond passwords as a means of online authentication. Passwords are no longer fit for purpose - they are not secure and can cause user friction, which leads to frustration and reduced completion rates.

When did you most recently have to request a password reminder online?



Key data points

- **55%** of people have needed to request a password reminder in the past week.
- **24%** of people have had to request a password reminder in the past 24 hours.
- Only **6%** of people claim to have never required a password reminder.

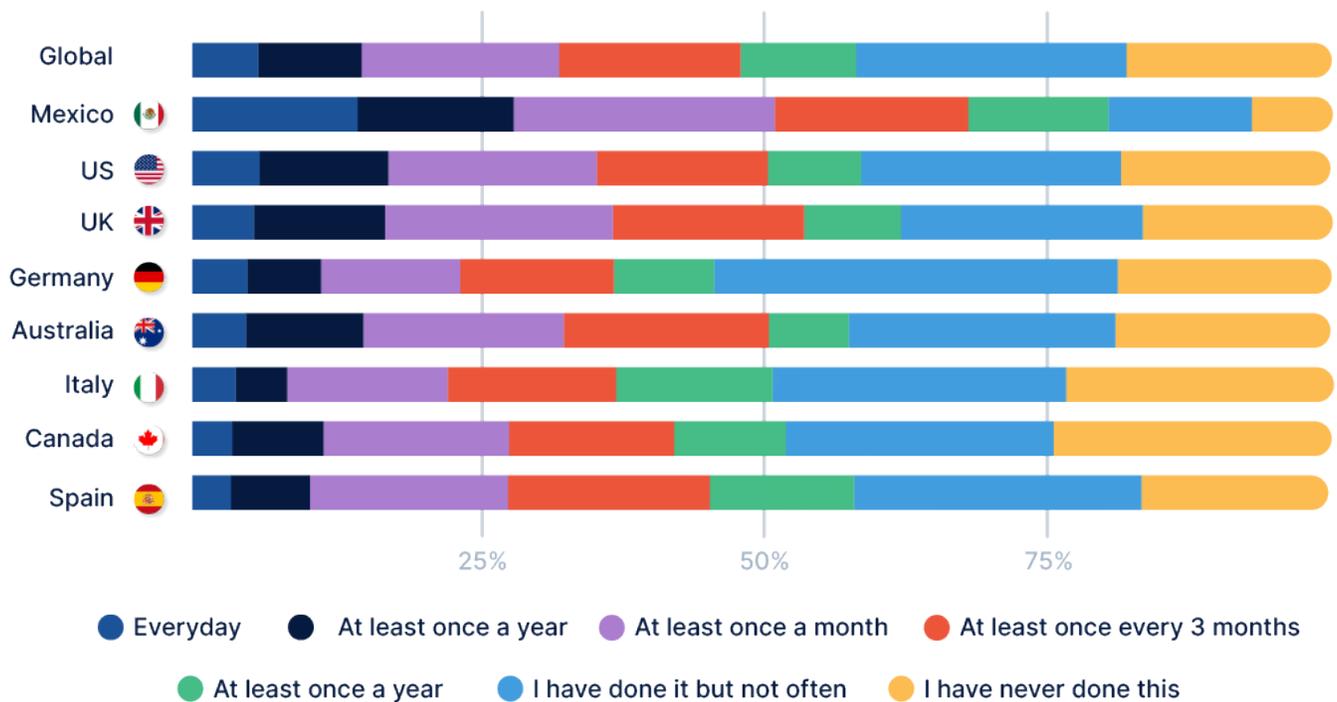
Takeaways

- Digital services that use passwords as a form of authentication are at risk of providing a poor user experience.
- A poor user experience will impact an organization's online completion rates, accessibility and commercial revenues.
- Organizations must think beyond the password to simplify user access to digital services.

13. 32% of Global Consumers Abandon a Transaction at Least Once a Month Due to Password Frustration

How significant is the impact of password frustration on an organization, either in completion rates or on revenues? This question focuses on the number of times that organizations lose customers, money or completions because of forgotten passwords.

How often do you abandon a purchase or other process online because you couldn't remember your password and retrieving it took too long?



Key data points

- **32%** of people abandon a transaction once a month due to password frustration.
- **15%** of people give up on a transaction once a week due to password frustration.
- Only **18%** of global consumers have never abandoned a transaction due to password frustration.

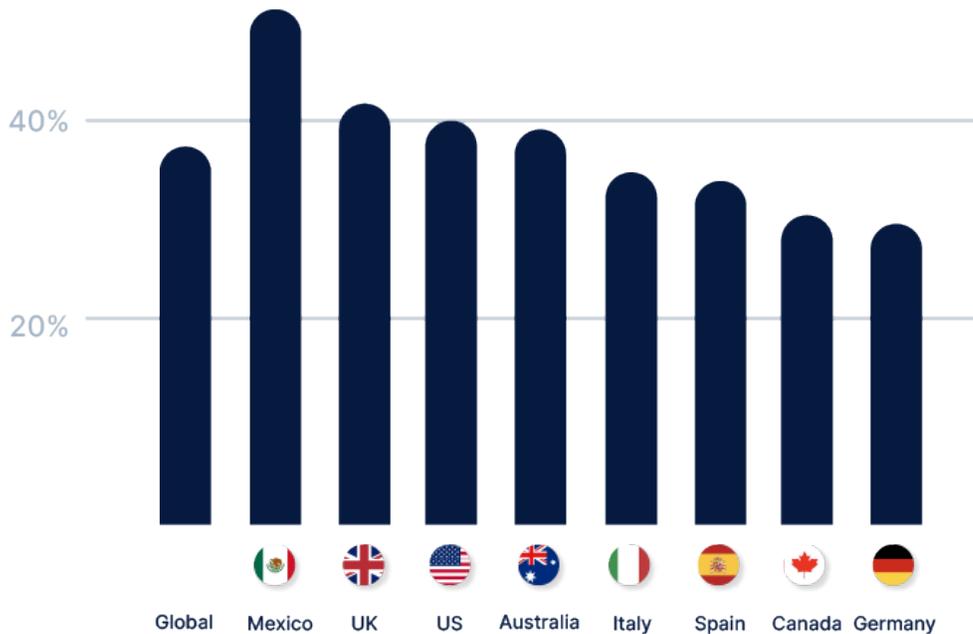
Takeaways

- Organizations are losing completed transactions, revenues and potentially customers because of passwords.
- By replacing passwords with more convenient authentication solutions, organizations can reduce drop-out rates.

14. 38% of Global Consumers Have Used Face Biometrics Online at Least Once

Face biometric authentication has become a fast, convenient alternative to passwords and other clunkier forms of authentication. There is a common misconception, however, that face biometrics is still 'new' or 'advanced'. This question set out to understand consumer familiarity with face verification and authentication.

I have used face biometrics at least once in my life.



Key data points

- The use of biometric face verification is highest in UK and Mexico. **51%** and **41%** respectively have used it at least once.

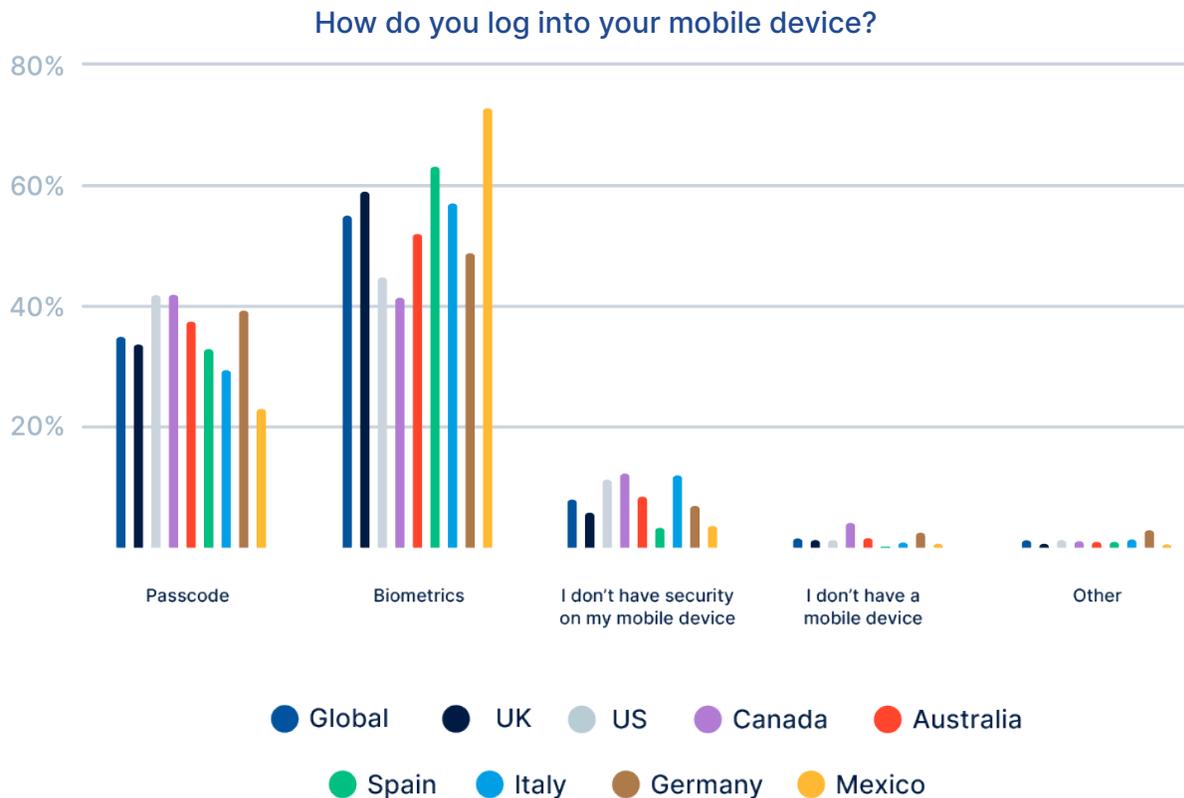


Takeaways

- Face biometrics offers a secure, convenient means of verifying and authenticating online user identity.
- The rapid growth of face biometrics as an online authentication tool means that consumers are now increasingly familiar with it. It is no longer a 'high tech' idea but a convenient option for accessing digital services securely.

15. 55% of Global Consumers Use Biometrics to Login to Their Mobile Devices

To further evaluate the global ubiquity of biometrics as an authentication tool, the next questions look at how biometrics are being used and for which purposes.



Key data points

- The majority of people (**55%**) use some kind of biometric verification to log into their mobile devices.
- **33%** use their fingerprint to log in to their mobile device.
- **22%** use their face to log in to their mobile device.

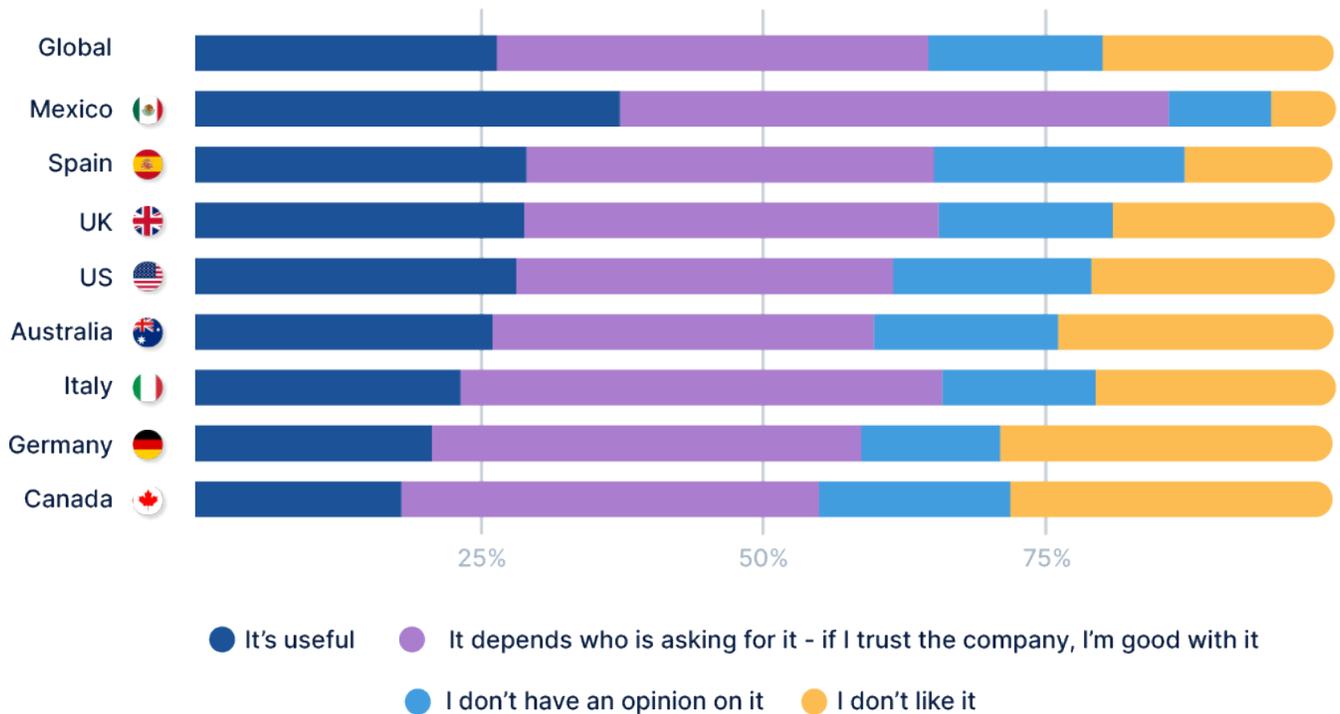
Takeaways

- It has been suggested that the average person unlocks their mobile device 150 times a day.
- This means that face and finger biometrics are being used billions of times of day to enable consumers to access a vast number of services, from communicating with friends to banking and shopping.
- Such highly frequent use of biometrics demonstrates that consumers like biometrics and value its convenience over other options.

16. 80% of Global Consumers Either Like Online Face Verification or Don't Have an Opinion

There is sometimes a misconception that consumers don't like online face biometrics, mainly because it often gets confused with biometrics for surveillance. When used online as an option for accessing secure services, face verification is extremely popular, as this data demonstrates.

Which of the following best describes your attitude to using face verification when you need to prove who you are online?



Key data points

- 27% of people find face verification useful, regardless of who's asking for it.
- 38% of people find face verification useful, given they trust the organization asking for it.
- 15% of people have no opinion on face verification.

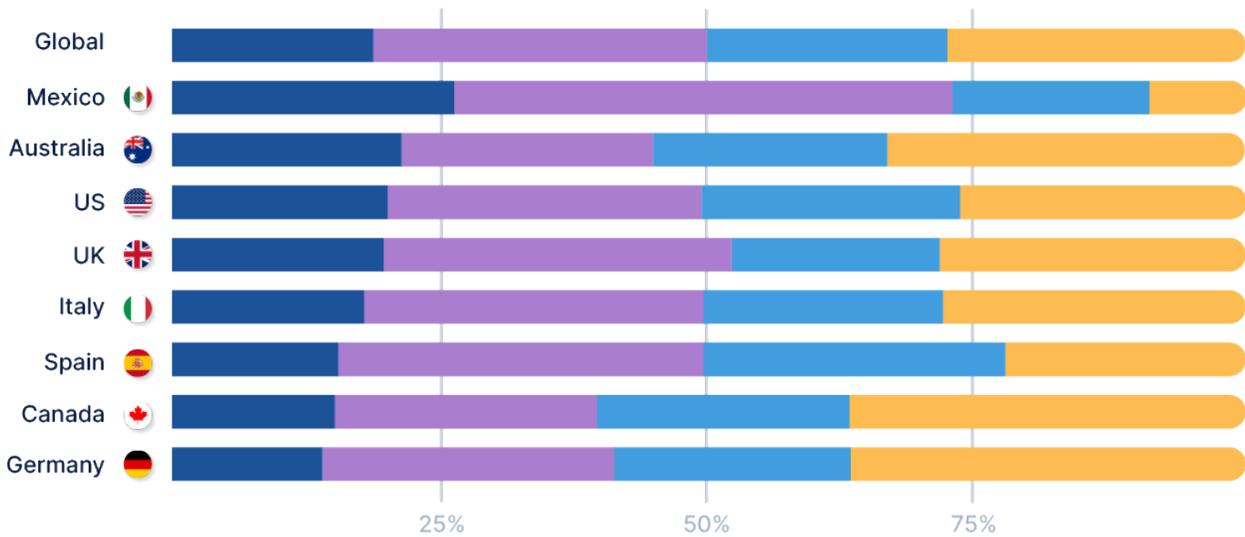
Takeaways

- Organizations that the public trusts, such as their bank or state/national government, are well positioned to offer face biometrics as a simple, secure, convenient tool for online authentication.

17. 72% of Global Consumers Would Prefer to Use Face Verification for Secure Transactions

Despite not being secure, passwords have become synonymous with online security and it will take time for the late majority to move away from them. This final question looks at when consumers would already be willing to use online face verification over passwords.

In which online situations would you use face verification rather than passwords?



- In every situation - I hate having to remember passwords
- For my online banking or other secure transactions
- For any online situation where my identity could be stolen
- I would never use face verification



Key data points

- **19%** of consumers want to use face verification over passwords for every circumstance.
- **31%** of people want to use face verification for online banking and other secure transactions.
- **22%** of people want to use face verification wherever there is a risk of identity theft.



Takeaways

- There is already significant global consumer demand for online face verification to replace passwords for secure transactions.
- Organizations should offer online face verification and authentication to citizens and customers, safe in the knowledge that the majority will adopt the biometric option for its security and convenience.

Conclusion

The opportune time is now for organizations, such as governments and financial institutions, to develop and extend their digital identity services. This could mean designing digital ID services that can be used by consumers and organizations across multiple properties. Alternatively, it could mean delivering world-class access to their own digital services through verification and authentication. In either case, the benefits to the consumer are in maximizing data privacy and protecting against identity theft.

1. People fear the dangers that digital identity services promise to protect, such as identity theft.
2. Public understanding of digital identity is disparate. Education on the workings and benefits of digital identity services will likely be needed to ensure wide-scale uptake of those services.

3. There's a clear demand for single, secure digital identity services. Once people understand what they are, they want one.
4. The public wants easy access to online government services, particularly those regarding matters of identity. Yet they currently find it difficult to enrol for digital government services. More usability, accessibility and inclusivity are needed.
5. Digital identity services require identity verification technology – both in terms of security and user experience. Passwords are not the answer.
6. Password frustration drives people to abandon transactions. This suggests that this type of identity verification is unfit for digital identity services.
7. Consumers prefer using face biometric authentication for accessing digital services.
8. Face verification and authentication are already ubiquitous. Consumers are using it for accessing mobile devices, mobile banking and other secure activities.

Why Choose iProov for Face Verification and Authentication?



1 Over 98% Completion Rates

- Lowers CPA with market-leading completion rates
- 93% of people said it was easier to use than expected

“Our customers see huge value from the iProov solution because it does give them high pass rates that they’re looking for.”
Jack Bidgood, Co-founder and MD, Thirdfort

2 Detects Deepfake Attacks

- Detects imposter, presentation and digitally injected attacks, including deepfakes
- Genuine Presence Assurance[®] assures user is: The right person, a real person, authenticating right now

3 Chosen to Authenticate Entire Nations

- Built for maximum inclusivity
- No complex instructions
- Device and platform agnostic

4 Market-Leading Flexibility

- Different levels of authentication for different use cases
- Authentication modes switched quickly and easily

5 Trusted by Global Leaders

- Trusted by governments and banks globally (NHS, US Department of Homeland Security, ING, Rabobank)
- Partnered with IDVs and System Integrators worldwide

6 Tested to Highest Standards

- GDPR compliant & eIDAS certified
- Certified to ISO/IEC 207001 and conformant to ISO/IEC 30107-3:2017, via iBeta
- Certified SOC 2 Type II

| Next Steps

For a demo: to see how iProov can deliver face biometric verification and authentication for digital identity services, please e-mail contact@iproov.com and we will contact you to arrange a demo.

For more information: visit our website at www.iproov.com to find out more about how we use face verification to help organizations to complete secure processes online.

| Methodology

This report is based on research carried out by an independent agency on behalf of iProov in April-May 2022. Eight countries were included in the

research (the US, Canada, Mexico, Germany, Italy, Spain, the UK and Australia) with 2,000 consumers surveyed in each country.



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