Home Office

IDENTITY CARDS BRIEFING

An ID cards scheme will help the UK counter:

- IDENTITY THEFT - by giving people a secure means of protecting their identity - a growing crime which costs the economy at least £1.3bn pa
- ILLEGAL IMMIGRATION AND WORKING - by helping to strengthen immigration controls and combat illegal working
- MISUSE OF PUBLIC SERVICES - by helping ensure public services are used by those entitled to use them and improving the efficiency and effectiveness of service delivery
- ORGANISED CRIME AND TERRORISM - by disrupting the activities of organised criminals and terrorists by making the UK the most difficult place in the world for them to use false identities.

The Government will be introducing biometric passports from 2006 in any event. Around 70% of the cost of issuing ID cards alongside passports is attributable to the introduction of biometric passports. The scale of the problems which ID cards will help to tackle runs into billions of pounds, for example the annual cost of organised crime has been estimated at £20bn.

Why do we need ID cards?

Identity Theft

Improvements in technology have made all our lives easier. Transactions such as paying a bill which once took many minutes are now done in seconds over the telephone and the Internet. But these advances also bring risks. Criminals are recognising that our identities are just as valuable, if not more so, than our material possessions. A few items stolen from a rubbish bin such as utility bills and credit card statements can lead to huge financial losses as well as distress and inconvenience for victims in putting their records straight. On average victims can spend 60 hours restoring their records. An ID cards scheme – as the legislation says – is first and foremost for the benefit of citizens, giving them a means to protect their identity and to be able to prove it in a secure and straightforward manner.

<u>Immigration and Travel</u>

We also gain enormous benefits from increased freedom of movement. As a trading nation we need to ensure that our business travellers can travel the globe with the minimum of inconvenience. The more trust that other countries have in our travel documents, the fewer restrictions there will be on UK travellers. Our country also benefits from inward travel – from tourism to those coming to study or to make an economic contribution. Over 90 million people arrive at UK ports every year. A secure way of identifying people staying for some time will ensure that our borders remain open to new arrivals. People will have confidence that we know who is coming to the country, for what purpose and that when they are here they will abide by the terms and conditions of their entry.

<u>Public Services</u>

An ID cards scheme will give people assurance that those using public services are entitled to do so and are not abusing the system. It will also make access to public services for those who are entitled to them more straightforward and secure. Expectations about the quality of public services are increasing, yet citizens are inconvenienced by having to re-identify themselves to public services on different occasions. This also wastes public resources. The range of services that can be offered on-line can be limited without a definitive, highly secure and reliable means of proving identity.

<u>Terrorism and Organised Crime</u>

Just as people will gain an individual benefit from registering with the ID cards scheme, as more people are enrolled society as a whole benefits. It will be better protected from the activities of those who use false identities – from people who hide their criminal past to avoid restrictions on working with children through to organised criminals and those who support terrorist activities. We know how important false identities are to these criminals through the frequency with which they use them.

Public support for ID cards has remained consistently high across all sectors of society and surveys show that if we are to have a scheme, the preference would be for a compulsory scheme. Even without compulsion there will be significant benefits. The scheme will provide the public with a quick and reliable way to establish their identity in routine transactions. We recognise there are concerns about civil liberties. The Bill ensures that there are safeguards about how information can be used. But the Government also believes that in the modern age the civil liberties of the majority

are best protected by doing what we can to keep people safe. An ID cards scheme can be an important weapon in the battle against crime and terrorism.

Why now?

Now is the right time to introduce an ID cards scheme because of advances in technology. An ID cards scheme is more than just issuing pieces of plastic. It is about recording on a central database basic personal information such as name, address and date of birth securely. This data is then linked to biometric information – such as facial image, fingerprints and iris patterns – which is unique to that individual. The card is convenient for the citizen as it provides a simple means to check a person against their record on the database. But the security which the scheme offers in protecting a person's identity from theft and preventing criminals from creating multiple identities rests more on the database and its use of biometric technology, than the card.

These technological advances are now being adopted across the world to improve the security of travel documents and border controls:

(i)   following the 9/11 attacks, the US toughened its immigration laws and introduced fingerprint biometric visas for those visiting the US who required a visa. Countries such as the UK which are part of the US visa waiver scheme must comply with new International Civil Aviation Organisation (ICAO) standards and begin issuing biometric passports incorporating a facial image to remain in the scheme. The US also extended its fingerprint checks at major ports (the US-VISIT system) to visa waiver countries from the end of 2004;

(ii)   the European Union has gone further and mandated both fingerprint and facial biometrics for Member States' passports within the Schengen area. The UK supports this move. The Government does not want British citizens to have 'second class' passports and will also be moving to incorporate fingerprint as well as facial image data in passports in the future to keep in step with our European partners;

(iii)   the EU is also moving towards the introduction of fingerprint and facial biometrics for residence permits and visas issued to Third Country Nationals (foreign nationals who are not citizens of countries within the European Economic Area) from 2008. The UK fully supports this move and is on track to implement it as part of the Government's 5 year strategy for immigration and asylum.

Irrespective of any move to ID cards, the Government is having to respond to these advances through changes to the passport regime. It has chosen to take a lead rather than be driven by external events and will be using these technological developments as part of a comprehensive programme to improve border security, facilitate managed migration and enhance the delivery of public services. We will build on our internationally acknowledged expertise in organisations such as ICAO which sets standards for travel documents and in EU technical committees working on standards for visas and residence permits.

- We have already piloted biometric visas and introduced fingerprint biometric Application Registration Cards for asylum seekers.
- During the UK Presidency of the EU, we shall be working with other Member States on minimum standards for identity cards issued by the countries of the European Union.
- We will also be introducing electronic border controls. Combined with biometric identifiers this will give our citizens more secure checks at ports and give us the basis for establishing who is travelling in and out of the country.
- We have begun investing in improvements to passport security for British citizens as well as in the documents issued to foreign nationals.

Given that we will be introducing biometric identifiers for the 80% of our citizens who are passport holders and also for foreign nationals, we believe we can - for slightly more investment - yield much wider benefits for individuals and society.

The core components of the scheme

The ID cards scheme comprises four key components:

(i)   an enrolment service which registers people's identity to a high degree of assurance. Biometric passports issued to EU standards will require people to have their application dealt with and their facial image and fingerprint biometrics recorded in person at a network of centres in any event. The additional iris pattern data required for an ID card will make the scheme as secure as possible and ensure that as many people as possible will be able to register biometric information to safeguard their identity. As well as local centres there will also be mobile centres for sparsely populated areas;

(ii)   the National Identity Register which will be a new, highly secure database holding basic personal information. This will be compiled from scratch and an individual's information will not be recorded on the database before it has been checked by the enrolment service;

(iii)   ID cards themselves which can be issued as stand-alone documents or alongside 'designated documents' such as passports. Documents such as residence permits issued to foreign nationals would also act as ID cards and work with the verification service (see below) in the same way as cards issued to British citizens;

(iv)   a verification service which provides people with a secure and convenient way to prove their identity in a variety of situations such as opening a bank account or registering with a GP. The verification service is the link between a person's card and his or her record on the Register. The card on its own will be of limited use. It is the ability to check the card against its record on the Register which will make the scheme secure. It might be possible to produce a good looking forgery of a card but this will be useless without a matching record on the Register. The verification service will work on a number of different levels to suit particular business needs. For example, it may just confirm that a card is valid, in other circumstances it might provide additional information, for example the details of any restrictions on a foreign national's eligibility to work.

The ID cards scheme will be delivered by a new agency which will incorporate the functions of the UK Passport Service. It will work very closely with the Home Office Immigration and Nationality Directorate to ensure that the scheme has universal coverage for both British citizens and foreign nationals.

Why will ID cards be more secure than existing forms of ID?

The ID cards scheme will be more secure in three ways:

(i)   people will apply in person. We will check that the personal details such as name and date of birth which people provide with their application match information held in other databases such as the driving licence system and National Insurance records. This will make it harder for one person to impersonate another when applying for an ID card;

(ii)   we will record biometric information when the person applies. Biometric information – such as fingerprints and iris patterns - is unique to each

individual. Recording this information takes just a few minutes and is just like having your photograph taken. Recording biometric information will mean that the scheme will be able to detect people who try to establish more than one identity and who use multiple identities to hide criminal activities;

(iii)   identifying forged identity documents at present relies on the skill of the person checking the documents. The ID cards scheme will allow cards to be checked electronically against the record in the National Identity Register. This will provide a highly secure and reliable means for public and private sector organisations to check identity.

Although the scheme will require applications in person, it will be possible to book appointments in advance. The process of recording biometrics is quick and not intrusive for example no lights are shone in people's eyes, no ink is used to record fingerprints. Surveys have shown that people who have experienced the process find it convenient and understand the benefits of having the information recorded.

Costs

The steps needed to improve passport security will incur costs. The first generation of biometric passports will incorporate a chip in the passport book which will store the facial image (biometric) of the holder. Issuing these passports will require:

(i)   first time applicants to attend in person which will require a large expansion in the UK Passport Service's local centres;

(ii)   recording and matching facial image biometric information on the passport database;

(iii)   the production of more sophisticated passport books.

The first generation of biometric passports will be issued from 2006. The use of facial biometrics will make a more secure link between the passport and its holder. However this will not guard against people registering more than once. For this we will require a second generation biometric passport incorporating fingerprint biometrics which can be used to detect multiple attempts to register far more reliably than facial biometrics.

Even if we were not proceeding with ID cards being issued alongside passports, we would in any event be following EU standards to implement these second generation biometric passports which would require:

(i)   personal visits by all applicants;

(ii)   investment in equipment and staff time to record fingerprint biometrics and an even more sophisticated database to hold them.

These second generation biometric passports would be issued from 2008 in the absence of ID cards.

Given that we will be making these improvements to passport security in any event, we have decided to take advantage of the opportunity afforded by a more rigorous passport issuing process to issue ID cards alongside passports in 2008. The best estimate of the current unit cost of issuing a biometric passport plus a biometric ID card as a package lasting 10 years is £93. Around 70% of the cost of a combined package is attributable to the introduction of biometric passports. The additional costs include the more sophisticated database required for ID cards (the National Identity Register) and the cost of producing and distributing the cards themselves. The actual fees to be paid will depend on future decisions on who would receive concessions on card fees, what the level of concessions might be and how these would be funded.

Benefits

The benefits of the scheme can be grouped into four broad categories:

(i)   Reduced identity fraud:
- The scheme will provide individuals with the means to protect their identities by associating their personal details with biometric information unique to them.
- It will also allow organisations to make more rigorous checks on the identities of their customers to reduce their exposure to fraud.

(ii)   Less illegal migration and illegal working; and better community relations as a result:
- The scheme will provide a straightforward way to verify the immigration status of all residents aged 16 and over.
- It will help the vast majority of legitimate employers to comply with the law on illegal working.
- It will make enforcement proceedings against unscrupulous employers more straightforward.

- It will help public services determine eligibility for services and ensure that they are not abused by people who are not entitled to use them.

(iii) More efficient and effective delivery of public services:
- The scheme will support the more effective administration of social security benefits and help to reduce identity related benefit fraud which currently costs around £50m pa.
- It will improve eligibility checks for free non-emergency NHS treatment.
- It will provide a more streamlined service for allocating National Insurance numbers to adults.
- It will speed up and improve the accuracy of Criminal Records Bureau checks, helping to protect the most vulnerable in society.
- It could provide the infrastructure for a one-stop shop for people to notify changes of personal details such as address. For e-Government services alone it is estimated that by the time ID cards are widely held, there could be as many as 39 million re-registrations from businesses and citizens.
- It will make sure that public services are only used by those who are entitled to use them.

(iv) An enhancement to the UK's capability to counter terrorism and serious and organised crime:
- The scheme will help to disrupt the activities of those who facilitate terrorism and organised crime by using multiple identities.
- It will help enforce money laundering regulations to identify and recover the proceeds of crime.
- In cases of serious crime or threats to national security, it will provide the capability for law enforcement and intelligence and security agencies to be provided with information on when a person's record on the National Identity Register has been checked or amended to support their investigations. These powers will be subject to independent oversight.
- It will allow for more efficient use of police resources by reducing administrative burdens in routine police checks.
- It will allow the police to check fingerprint biometric information at scenes of crime where no match was found against their own records, helping to bring more offenders to justice.

Protecting privacy

The ID cards scheme will protect people's privacy.

- There are strict limits on the information which can be held on the Register, for example holding criminal records is not allowed.
- The presumption is that identity checks take place with the consent of the card-holder unless specified in powers set out in the Bill.
- It will not be compulsory to carry a card at all times and there are no police powers to require a person to produce a card.
- There are tough criminal sanctions for those who abuse the scheme such as a 10 year penalty for tampering with the National Identity Register – double the penalty which usually applies under the Computer Misuse Act.
- There will be an independent National Identity Scheme Commissioner to oversee the scheme including how ID cards are used by public and private sector organisations.

Identity Cards legislation

The Identity Cards Bill provides a statutory basis for spending public money on setting up the scheme and charging the fees required to recover the costs of enrolment services, issuing and maintaining cards and providing verification services. The Bill is an enabling measure, it is not a detailed blueprint for the scheme. It sets out a legal framework in primary legislation within which the scheme will operate without being overly-prescriptive about the detail.

Once Parliament has approved the primary legislation, procurement of the key components of the scheme will commence. These will build on existing plans to issue more secure passports, residence permits and visas incorporating biometric information. As the details of the scheme are finalised during the procurement process, Parliament will have the opportunity to debate and agree the details which will be enshrined in secondary legislation. For example, the information which people will provide with their application will be prescribed under the Identity Cards legislation as will how organisations will be accredited to check people's identities.

One of the most important pieces of secondary legislation will be the fees which may be charged under the scheme. The Bill provides powers to set fees for a wide number of the scheme's functions – not only the issuing of cards but also charges to organisations making use of the identity verification services. The powers also allow for fees to reflect circumstances so that concessionary fees could be offered. The final decisions on fee structures and the level of fees will be made by Parliament.

In the main, people will be required to register with the scheme as they renew or apply for designated documents such as passports. We set out in November 2003

that if the conditions were right, this first stage of registration linked to the issuing of designated documents could be followed by a move to a compulsory scheme. A compulsory scheme would be one where it would be compulsory to register and be issued with an ID card - though not to carry one – and to produce a card to access public services in ways defined by those services. In the case of those services for which the devolved administrations have responsibility, decisions on the production of a card to access those services would be a matter for them.

The move to compulsion would require full debate and a vote in both Houses of Parliament. We would only take this step after a rigorous evaluation of the first stage, when we were confident that everything was in place to enable the scheme to work successfully, that its benefits outweighed any costs and risks and that it was fully affordable within future agreed spending plans. In particular we would want to be confident that:

- rollout during the first phase had already delivered significant coverage of the population;
- there was clear public acceptance for the principle of a compulsory scheme which would be used to access free public services. This would already have included a scheme of charges based on cost recovery and subsidy for those on low incomes;
- use of the scheme for access to free public services would not prevent people without cards from accessing emergency services, and those on low incomes and other vulnerable groups would not be disadvantaged;
- the scheme would make a further significant difference to tackling fraudulent access to free public services, and to tackling illegal working at an acceptable compliance cost to business;
- the technology was working and public services had implemented the technology and business changes necessary to take full advantage of the scheme.

Home Office
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