An open world where identity is the key to access

EU digital ID scheme for online transactions across Europe: Feedback by Onfido Ltd.

We agree that there are shortcomings in the current eIDAS framework that need to be addressed. These shortcomings feed into wider problems that we are experiencing in the European digital identity verification market. These include:
- eIDAS supports a limited amount of trust services and use-cases
- eIDAS does not establish certifiable standards for all digital identity providers
- There is a lack of adoption and harmonisation across Member States and verticals
- Due to lack of adoption, barriers to entry have emerged in specific verticals and Member States, hindering innovation

We believe it is extremely important to ensure that a new eIDAS Regulation puts in place a comprehensive, robust, standardised / certifiable, highly adopted framework that addresses these shortcomings. Before discussing our position on the suggested policy options, we want to provide you with background information on the improvements that we believe are essential.

- eIDAS should support all use-cases of digital identity
The current eIDAS framework is restricted to specific use-cases and is not a good fit for many solutions providing digital identity verification, particularly in the private sector. We believe the Commission should create a comprehensive framework for digital identity verification, not restricted to specific components and sectors.

- eIDAS does not establish certifiable standards for all digital identity providers
The lack of standards for digital identity providers means that providers are able to use unsafe solutions in some Member States, while safe solutions are not accepted in others. We believe it is essential that any European legislation on digital identity should set standards for digital identity verification providers to ensure everyone operates above a minimum bar.

- There is a lack of harmonisation across Member States and verticals
The patchwork of regulations that exists across Member States causes a high level of uncertainty for businesses and effectively blocks consumers in some Member States from using safe and user-friendly digital identity verification solutions in others. The eIDAS framework should address the regulatory fragmentation that exists by providing for mutual recognition and requiring Member States and national regulators to accept solutions that are considered safe in others to ensure continuity for businesses and consumers alike.

3 Finsbury Avenue, London EC2M 2PA,
United Kingdom | Reg, no. (England & Wales): 0747952440

www.onfido.com
info@onfido.com

1

- **There are barriers to entry in specific verticals and Member States, meaning innovative solutions are currently excluded as they don't comply with regulations**

With most businesses unable to certify under eIDAS, innovative digital identity verification solutions are prohibited from entering some markets. Restrictive and technology-specific regulations in some countries (especially in the financial services vertical) are harming competition by prohibiting new, innovative solutions from entering markets. It is therefore necessary to put in place a framework that is proportionate to the risks presented, ensuring solutions can remain user-friendly.

Some of these shortcomings are addressed by the Commission and would be resolved by a combination of all policy options mentioned in the roadmap. However, issues such as regulatory fragmentation, a lack of standardisation and insufficient consideration of innovative solutions, remain unaddressed by a voluntary framework. There is little incentive for private providers to notify under a voluntary eIDAS mechanism, and the Commission is missing out on an opportunity to regulate a market that is highly fragmented and in need of harmonised rules.

Interoperability can only be achieved by setting joint standards and harmonisation. If we compare digital identity to a currency, the issues that would arise from establishing a voluntary mechanism - while leaving the rest of the market unregulated - become even more evident. For the above reasons, we call upon the Commission to create a comprehensive, standardised, harmonised and mandatory regulation for digital identity providers that goes beyond the eIDAS framework and will provide businesses and consumers with the clarity that they need.

In light of the above, **we would suggest embracing option 4** (an EU-wide digital identity scheme), **but also extending the eIDAS scheme to cover** the provision of attributes, credentials and attestations (**as mentioned in option 3**).

We appreciate the Commission's initiative for ensuring trusted digital identities for all Europeans and happily remain available for any and all future consultations around this topic.

 onfido