

## The Age of Identity

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James Baldwin, the author, wrote that identity "is the garment with which one covers the nakedness of the self: in which case, it is best that the garment be loose..."

Today, that garment of personal identity is integral to the working of modern markets. We live in the age of identity. Like the air we breathe, we often take it for granted, but the way that our personal identity is established and our personal information is used is essential to services from insurance and energy to broadband and health.

The age of identity is characterised by the power and potential of digital rather than analog models of organisation. It is the shift from an impersonal to a personal world.

What I want to do tonight is to share some of the emerging issues thrown up by our work at the National Consumer Council (NCC) on identity.

In our book to be published later this Summer by the Policy Press, we focus on the experience of what we call the 'glass consumer'.

After all, our lives are increasingly an open book as we are monitored and scrutinised through our personal information. As others know so much about us, we are "glass consumers" (living, if you like, in a society of "little brothers").

In this context, identity management as a catch-all phrase is stretched to the limits. Here in the UK, it takes in everything: from the proposed identity cards; the roll out of chip and pin; the push to tackle fraud, crime and terrorism; the debate on the control of immigration; new business models based today on the internet and tomorrow on the promise of ubiquitous computing; to public service reform and personalisation.

But what underpins all these issues is the renegotiation of individual rights and responsibilities for a new world.

This is one reason why the concept of identity management is inadequate. The law talks of us not as citizens but as 'data subjects'. But if personal identity and privacy are reduced to a language of something to be 'managed', then we will find few lasting solutions to these emblematic issues of a new age of identity. The focus tends to be on management by companies (or public services) rather than people managing their own identities.

Instead, we need to open up the language to talk of identity governance, identity assurance and identity risk.

And to talk about identity self-management.

So what is identity?

In simple terms, identity can be evidenced by what you are (e.g. DNA, biometric data), what you carry (e.g. ID card, RFID tag-embedded loyalty card), what you belong to (e.g. charity membership number or your passport as a citizen of a nation state) or what you know (e.g. pins, passwords etc).

In this sense, identity is something that can reduce the complexity of our true character to something in the nature of tokens.

Traditionally, the generation of such tokens – like the Divvi number for old co-operators – was a single transactional model. Today, the challenge is integration – and managing secure multiple user identities across multiple applications and transactions.

I will take three practical examples of issues that arise from a consumer perspective from identity management. Each example has a moral attached to it.

**1. RFID:** As an identity and tracking technology, it has come to prominence as the most likely successor to bar codes and a cornerstone of ubiquitous computing. An example - at the Baja Beach nightclub in Barcelona and the Bar Soba in Glasgow, people can have chips (a "Veri-chip") implanted so they can pay for drinks without credit cards.

There are many important privacy enhancing technologies that are likely to be a boon to consumers' lives in future. But RFID poses serious challenges to consumer privacy, security and dignity yet roll-out began without organisations paying enough attention to these issues.

To give the example of the Oystercard, when these cards are used, consumers' personalised journey details are logged on a computer and kept for two months. No such database existed in the past and few Londoners know of it. And as the card is rolled out across the network, what choice do consumers have in relation to this?

It may be that consumers are increasingly willing to trade anonymity in favour of access. Equally, as the take-up of the preference services shows, consumers dislike nuisance and any service that becomes a disservice.

At the NCC, we have, with some success, called on (privacy and data protection) regulators to issue guidance on RFID but its history illustrates what I call the 'vacuum' approach of managing technology and service innovation – talk to no-one, least of all your consumers.

The moral is: you have to earn trust, not assume it.

An example is Microsoft and Digital Rights Management (DRM) systems. Whether or not they like what the technology offers, there are enough consumers out there uncertain that they want to be locked into a proprietary solution. It is not that they don't like DRM necessarily. They don't trust what Microsoft will do in five or ten years time.

This is not just about trust, but also a wider value added. Identity management in the mass market has to translate some element of its vision into something tangible to consumers.

**2. Chip and Pin:** This is being rolled out (in plastic cards) as we speak. The industry has argued that it will cut fraud losses. It also allows financial services institutions to pass on liability to retailers for fraud, if fraud could have been prevented by the retailer using a pin-reader.

Although chip and pin is likely to reduce *some* fraud due to copied, cloned cards (as chip and pin cards are more difficult to copy), NCC has reservations about how it is being implemented.

In particular, we are not convinced that enough attention was paid before launching these cards to the needs of some people with disabilities. People with disabilities who have difficulty using chip and pin cards actually can request a chip and signature card (and so continue to sign for goods as before) but the industry has not been providing enough or accurate information on this. Mystery shopping by the disability charity RNIB last year found that only one in five banks were giving out correct information on the availability of chip and signature cards.

Similarly, the Disabled Drivers' Association has pointed to the difficulties experienced by some of their members when attempting to pay for petrol at service stations with

chip and pin cards. Before, retail assistants would bring signature slips to cars if customers had difficulties leaving their vehicles. Cordless keypads do exist but they are considered unsafe on station forecourts. Petrol stations have been told to accept a signature from disabled drivers who are unable to leave their cars, but recognition of this problem came late.

The moral is: Assume diversity.

If your project is not identity management but identikit management, you will trip yourself up.

### **3. NHS Electronic health services**

The multi-billion pound programme for NHS IT has the potential to transform the way that we experience health services as patients. Core to this will be the new electronic health record, allowing us access to our information and a range of related services, including online booking.

NCC's work has looked at how equipped consumers are to deal with this new world. We researched what the World Health Organisation calls health literacy. This "represents the cognitive and social skills which determine the motivation and ability of individuals to gain access to, understand and use information in ways which are health enhancing."

What we found was that electronic services do offer a real opportunity to help people manage and take control of their own health. But also that we have a lot of work to do to build the capacity of people to use these opportunities.

Even today, around seven out of eight low-income consumers do not or cannot read and understand the information leaflets that come with pills and medicine.

Those with low health literacy have worse health outcomes. 36% of patients with inadequate health literacy, had eye disease compared to 19% of patients with adequate health literacy.

Only 20% of patients with inadequate health literacy had good blood sugar control, compared to 33% of those with better health literacy.

The moral is: when you invest in new services, you should invest in the capacity of consumers to use them.

NCC's agenda for action on health literacy has now been taken up as part of the November 2004 White Paper on public health.

But it has wider resonance across public services. We have taken no more than the first baby steps in terms of using geo-demographic and related information to improve and personalise public services. Handled correctly, consent-driven data sharing is where e-government will go next.

## **A New Policy Agenda**

According to Datamonitor, the total market for identity management products and services is set to grow from 2003 revenues of \$4.3bn to reach \$6.2bn by 2007. These three examples from it are hopeful. They will bring opportunities for better and more personalised services.

This points to a new policy agenda on the fair use of data.

Markets will not thrive if information practices are poor. What I call rogue data is bad news for consumers and it is bad news for business.

It is true that research consistently shows that consumers have little knowledge about how their information is collected and used (or misused). They also know little about their data protection rights and do little to uphold them. But fair data handling is a hygiene factor. Get it wrong, and you will open the door to protest and concern. Get it right, and what you will hear is silence.

But, although data protection law in the past 30 years has been the way in which we have dealt with information risks, it has real limitations, particularly as it has operated reactively.

The Data Protection Directive should be reviewed and the Data Protection Act simplified. International standards also should be developed by the International Standards Organisation, to help improve data handling practices across the globe.

National regulators play a key role as champions of fair information practices but they are often under-resourced and have insufficient powers.

NCC will recommend that the UK's Information Commission is given more resources and new powers (to carry out unannounced inspections, secure injunctions and to impose higher penalties).

## **Conclusion**

The age of identity is defined by identity politics of people organising around individual circumstances – of race, gender, age or physical disability – but also of privacy and our experience as consumers. These are the issues of our time. They are also contested issues.

Let me leave you with two paradoxes that, however they are resolved, I believe will define the new landscape of rights and responsibilities that will emerge.

The first paradox is that the less privacy we have as individuals, the more as a society, we will be concerned to recreate it.

William Gibson, the author who coined the term cyberspace, argues that “Driven by the acceleration of computing power and the simultaneous development of surveillance systems and tracking technologies, we are approaching a theoretical state of absolute information transparency...It is becoming unprecedentedly difficult for anyone, anyone at all, to keep a secret.”

But the paradox is that we can't discard a concern for privacy. Evolution has determined it to be part of the human condition. The pioneering work of Stephen Margulis, for example, points to the role of privacy in our psychological make-up, and its centrality to personal development and stable interpersonal relationships.

Alan Westin over thirty years ago argued that privacy is the claim of an individual to determine what information about her or himself should be known to others. The less privacy we have, the more important the settlement of such a claim becomes.

The second paradox is that every act of inclusion is also an act of exclusion.

Identity management opens up new services and can promote competition. But it also promotes selection and acts as a gate-keeper – whether in terms of access to goods, services or countries.

A particular concern for the NCC is how tools of identity management can reinforce social exclusion. This is not just the story of lackadaisical banks, hiding behind money laundering regulations to fend off the poorest consumers from getting a bank account.

It is about market exclusion and the complex ways in which social sorting can remove rather than add rungs to the ladder of social mobility.

After all, the poor pay more ...or get less for a range of services, according to NCC's research with vulnerable consumers up and down the country.

So more than ever before, our personal information defines who we are.

It defines who others think we are.

It defines our opportunities in life.

So whatever your role is in this, if you consider the consumer interest, you are part of the future.

If you fail to look through the eyes of people whose identity you want to manage, you build in your own obscelence.