



Australian Banking  
Association

## SUBMISSION REGARDING THE IDENTITY VERIFICATION SERVICES BILL 2023

to

Senate Legal and Constitutional Affairs Legislation Committee

29 September 2023



## ABA Submission

The Australian Banking Association (**ABA**) welcomes the opportunity to provide a submission to the Senate Legal and Constitutional Affairs Legislation Committee enquiry into the *Identity Verification Services Bill 2023* and the associated *Identity Verification Services (Consequential Amendments) Bill 2023* (collectively, **the Bills**).

The ABA endorses the objective of the Bills which will allow streamlined access to the Document Verification Service (**DVS**) and Face Verification Service (**FVS**) through secure and privacy compliant mechanisms and will support higher standards for identity verification while reducing cyber security risk.

The ABA proposes no amendments to the Bills but notes that although the Bills provide the necessary legal framework for access to the DVS and FVS, important additional steps will need to be undertaken to ensure that the anticipated benefits of the Bill are realised. These include:

- ensuring that the exposure draft of the *Digital Identity Bill 2023* and, in particular, the Identity Proofing Levels specified in the Trusted Digital Identity Framework, include a FVS 'match' as an appropriate criterion for 'strong' identity verification.
- reviewing other legislation that requires identity verification and determining where 'strong' identity verification supported by an FVS 'match' is the appropriate standard.
- ensuring that any changes to the AML/CTF Act as a result of the current reform consultation align with the appropriate use of the FVS.

The Bills appropriately provide for a breach reporting process to the OAIC that is intended to align with the notifiable data breach scheme under the Privacy Act. The ABA urges that, when operationalised, this breach reporting process should utilise existing breach reporting mechanisms rather than requiring a duplicative process.

The Bills provide for Rules to be made that may impose fees in connection to the DVS and FVS and/or for the processing of identity verification requests. It is appropriate that these fees be set on a cost recovery basis, however, the ABA urges that the fee structure be designed with the goal of encouraging widespread adoption of the DVS and FVS where appropriate. The existing fee structure for access to the DVS should also be modified to encourage a cost-effective mechanism for a push notification from the DVS to identify credentials that may have been compromised in a data breach.

The Bills will contribute to a significant uplift in the ability of government and industry sector organisations to appropriately identify individuals participating in key economic transactions while protecting the privacy of Australians. Secure and efficient identity verification is critical to enabling banks to minimise the risk of identity fraud and theft, protect individuals from scams and reduce cyber security risks.

The ABA supports the passage of the Bills and the prioritisation of the necessary work to give them operational effect.

**Policy Lead:** Nick Giurietto, Head of Future Policy,

## About the ABA

The Australian Banking Association advocates for a strong, competitive and innovative banking industry that delivers excellent and equitable outcomes for customers. We promote and encourage policies that improve banking services for all Australians, through advocacy, research, policy expertise and thought leadership