

# Executive summary

1 The Government wishes to consult on whether it should introduce an entitlement card scheme. A universal entitlement card scheme would:

(i) provide people who are lawfully resident in the UK with a means of confirming their identity to a high degree of assurance;

(ii) establish for official purposes a person's identity so that there is one definitive record of an identity which all Government departments can use if they wish;

(iii) help people gain entitlement to products and services provided by both the public and private sectors, particularly those who might find it difficult to so do at present;

(iv) help public and private sector organisations to validate a person's identity, entitlement to products and services and eligibility to work in the UK. The consultation will help the Government to weigh up the overall costs and benefits of introducing entitlement cards.

2. The Government does not wish to consult on the introduction of a compulsory scheme, by which it means a card which everyone would have and be required to carry at all times.

## **Potential Uses of a Card**

3. By giving a clear indication that the holder of an entitlement card is lawfully resident in the UK, a card scheme could be a powerful weapon in combating illegal immigration. The perception that once people manage to enter the country illegally they can work and obtain benefits and public services with impunity adds to the 'pull factor' which draws people into organised networks of people trafficking. A universal entitlement card scheme would give greater credibility to legal migration routes into the country. It would reduce the burden on legitimate employers who already check the immigration status of their employees by giving them a single, easily understood card to check. It would also help to prosecute unscrupulous employers who employ illegal workers for less than the minimum wage and undercut legitimate companies.

4. The potential benefits of an entitlement card scheme go much wider than an immigration control measure. It could provide a more efficient basis for administering public services by avoiding the need for people to provide the same personal information time and again to a range of public services. There would also be savings for service providers as there would be a single definitive source of information about people's identity and possibly a unique personal number for everyone registered on the system.

5. A card scheme could help prevent people becoming victims of identity theft and identity fraud, for example preventing parents suffering the distress caused when a criminal assumes the identity of their deceased child. A card could allow people to travel around Europe without the need to carry a passport book and might be useful to young people to help prove their age when purchasing age-restricted goods and services.

6. The arguments for and against entitlement or identity cards have been made many times since the wartime scheme was abolished in 1952. The benefits of improving the provision of public services and reducing illegal immigration and identity fraud need to be considered alongside the arguments against a scheme. People might be concerned that a card scheme might allow the Government to link together all of the information it held on individuals. If a card scheme was not secure, it could itself become the source of increased levels of fraud if cards could be forged. The Government recognises that there are strongly held views on both sides of the argument and wishes to see these explored fully during the consultation period.

7. One of the arguments most often quoted against a card scheme is that the benefits would take many years to realise because of the time it would take for cards to be held widely. Because of the pressing need to tackle the increased threat of identity fraud which is estimated to cost the country at least £1.3 billion each year, the Government would also like to consult on a number of measures which could be implemented in advance of an entitlement card scheme or instead of one, if it was decided not to proceed after this consultation exercise. The Government is publishing a separate report on the extent of identity fraud and suggested ways of combating it which provides more detail than can be covered in this paper but the main points are summarised in Chapter 4.

### **How a card scheme might work in practice**

8. The Government expects that there will be a vigorous debate on the general pros and cons of an entitlement card scheme. However it thinks that there will be a more informed debate if people also have an idea about how a scheme might work in practice. This paper therefore sets out a suggested scheme in which the photocard driving licence and the recently announced passport card would both be equally acceptable forms of entitlement card. It is not possible to combine the exact format of both cards into one because of the specific requirements of

the respective EU and international standards with which each card must comply. However, as the format of the UK passport card is yet to be decided, it will be designed to accord as close as possible with the format and layout of a photocard driving licence. Both will therefore fulfil the functions of an entitlement card. Not all the population can qualify for a driving licence or a passport. These people would be offered a card at a lower cost than a passport or a driving licence in the form of a non-driving licence/entitlement card. Such cards are commonly used as forms of photo-id in the United States by people who cannot drive. The card would look like a photocard driving licence minus the information on what vehicles the holder is entitled to drive. The use of driving licences and passport cards, suitably adapted, is only one way of delivering cards to the population using existing organisations. Chapter 5 and Annex 4 detail how such a scheme might work if it were decided to proceed. But Chapter 5 is illustrative rather than prescriptive and the figures for costs, charges and timetable cannot be more than broad estimates at this stage.

9. In order to ensure that a card scheme would provide a greater level of protection against identity fraud, it is proposed that the checks currently undertaken for driving licence and passport applications should be strengthened. One of the most difficult parts of a person's identity to counterfeit is their historical background which can only be built up over time for example as they pass their driving test, apply for a passport and open bank accounts. The method of issuing entitlement cards would make greater use of checks on this type of information.

10. Another option which the Government would like to explore is the recording of biometric information as part of a card scheme. This would take the form of recording a fingerprint scan or the image of a person's iris (the coloured ring around the eye) as well as a digital photograph which is already taken for passports and driving licences. There would be strict controls on how this information was used. If it proved feasible and cost-effective, recording this information would greatly reduce the ability of fraudsters to create multiple false identities and provide a powerful way for people to prevent their own identities from being stolen. However it is also important that the introduction of this technology should be acceptable to the general public and the Government would like to use this consultation exercise to seek people's views. This means whether it would be acceptable **in principle** for this information to be recorded and also whether it would be acceptable **in practice** as people would need to go somewhere where the appropriate recording equipment was installed when they applied for a card.

11. The Government would ensure that a scheme complied with the requirements of the Data Protection Act 1998 by setting out the purposes of the central register on which a card scheme would be based in legislation and drawing up regulations for the use of any unique personal number which might be given to every person who registered. Under the suggested scheme set out in this paper, the central register would **not** become the depository for a wide range

of information held by different Government Departments or Agencies about individuals. The Government is clear that protection against intrusion or unauthorised access to personal information is crucial if any such scheme were to work.

12. An entitlement card would probably be issued in the form of a smartcard which incorporated a simple memory chip. This would allow other organisations to make more use of the card which in turn would help it become more useful to card-holders. There would be safeguards to ensure that information which might be held on the chip from one service provider was not made available to other service providers in an unauthorised manner.

### **Cost estimates**

13. The cost of a scheme would depend on whether biometric information was recorded and what type of card would be issued. The more sophisticated the smartcard used, the more often a card might have to be re-issued which would increase the scheme's costs. Over a three year period of developing the systems and a ten year period during which the cards would be valid, the total cost of a scheme would be around £1.5 billion. This figure is based on broad estimates of delivering large scale IT and distribution systems. The figure is subject to a number of caveats and should be treated with some caution. These costs do not take into account any savings to the Government in terms of more efficient administration of services and reductions in fraud. Neither do they take into account any additional revenue paid to the Government by partners who might wish to use the card to help administer their services. It is only after this consultation exercise that the Government will be able to make an estimation of the savings to Government – as it needs to know what services people would like to see linked to a card and also whether and how other organisations would want to make use of it.

14. Even if the net costs of a scheme were as high as £1.5 billion, these could be recouped by increasing passport and driving licence fees and by charging a fee for the non-driving licence/entitlement card. The fee for the non-driving licence/entitlement card would be lower than the current passport and driving licence fees (which are £30 and £29 respectively). The level of the fee increase would also depend on whether the card was a smartcard and how sophisticated the chip on the card would be. If a 10-year non-driving licence/entitlement card cost £15, passport and driving licence fees would have to rise by around £10-£14 depending on the sophistication of the card. If a 10-year non-driving licence/entitlement card cost £5 – which might be more affordable for less affluent groups in the population – this would mean a rise in passport and driving licence fees of around £14-£18, again depending on the sophistication of the card. For a further fee increase of £1, non-driving licence/entitlement cards could be made available free of charge to the 10 million least affluent members of society. The Government is also investigating the feasibility of paying by

instalments for some types of entitlement card. The caveats which apply to the cost estimate for a scheme, similarly apply to how the costs might be recovered through fees.

15. The Government wants to see a full and informed debate on whether a scheme should be introduced. The publication of this paper marks the beginning of that process. By allowing 6 months for comments, the Government hopes that people and interested organisations will have time to consider the issues in depth. The Government is grateful for the contributions and suggestions which it has received since it announced it intended to publish this paper. In the months ahead, it will continue the dialogue it has started with various groups and broaden the range of organisations it has met to discuss the issues raised in this consultation paper.