



ForgeRock®

The Role of Digital Identity in Driving Value for the Pensions Industry

Digital identity is central to delivering successful digital transformation programmes. It underpins how customers interact with your company from the perspective of ease of use, security and privacy.

ForgeRock has worked closely with Origo on the Pensions Dashboard prototype project and has gained invaluable experience from developing the Open Banking Reference Implementation. ForgeRock is also used by several of the CMA9 banks and other well-known, FCA regulated, companies in support of their Open Banking and PSD2 programmes.

The case for digitally engaging with customers is clear. Bain's January 2020 report "How Connected Devices are Changing Insurance" shares research insights that **connected customers interact with their insurance provider 5 times more often per year than other customers. Not surprisingly, these connected customers have the highest NPS and lowest churn rates.**

What is changing is the type of digital engagement and the speed of execution. In their December 2019 podcast, "Strategy at the speed of digital", McKinsey argues that **"to succeed in the digital age, companies need to significantly raise their metabolic rate...the path to success tends to be innovating truly new offerings, not just applying digital lipstick on your existing offerings."**

The Opportunity Presented by The Pensions Dashboard

Whilst the innovation relating to the Pensions Dashboard is still in its early stages, it points to the emergence of truly new offerings. These are supported by an ecosystem where customers share their data with high levels of security and privacy controls. Similar ecosystems are being observed in retail banking, driven by regulatory changes resulting in open APIs. Digital identity is central to enabling these initiatives by managing access and consent whilst delivering great customer experiences.

In parallel with these changes, innovation is also being driven by competitive pressure, from both existing providers and new entrants that disrupt the industry by significantly improving customers' experiences of existing products and providing innovative new digital offerings.

ForgeRock enables companies to meet the high bar that is now the new standard for customer experience and create the foundation to take advantage of the opportunities provided by these new ecosystems.

The Importance of Acting Now

From the same podcast, McKinsey's view is that **"once disruption starts, profit aggregation by two or three companies accelerates remarkably"**. In the past, being a fast follower was acceptable but given the adoption of agile development practices, companies that are first movers can be on release 10 of their product (e.g. an app) within 6 months of launch. This gives first movers not only a market advantage but also the benefit of being the first to lock in strategic partnerships.

ForgeRock expects the industry will start to see commercial value from the Pensions Dashboard as early as 2021, therefore the work to create the right foundation should start now.

The Role of Identity in Driving Value by Accelerating Digital Transformation

Digital Identity plays a crucial role in helping companies accelerate their digital transformation in 3 critical areas:



Seamless Customer Experiences

- > Access to pensions data must be secured. A one-size fits all approach to every interaction and transaction will deliver a very poor user experience and potentially impede adoption. By applying security, or friction, based on context and signals, the customer journey can be made as easy as possible unless there's a trigger to do otherwise.

- > In an ecosystem which will be designed for sharing pensions data, it will be crucial to only ask for data when it's required, to give customers complete transparency over what data is held, how their data is used and the controls to easily edit settings and delete data. ForgeRock will allow customers to verify their credentials and manage their privacy settings in one place and behind the scenes, the solution will interact with all the pension providers, advisers and any other approved entities.
- > ForgeRock will make it easy for customers to remain in digital channels, e.g. starting on the web and securely migrating to a messaging service, or vice versa, to complete their journey. Of course, there is also a significant cost saving opportunity in deflecting call centre activity to online channels.
- > Mapping out a customer's relationships with their connected devices and other people, professionals or family members, will mean that not only is the customer known at every interaction point but the significance of their ecosystem is also understood, secure and personalised.



Risk Mitigation

- > ForgeRock can share invaluable experience gained from developing the Open Banking Reference Implementation which underpins a new ecosystem for sharing customer data securely and with consent. ForgeRock has enabled several CMA9 and other well-known FCA regulated companies to secure access to their APIs and manage customer interactions.
- > Concerns over fraud will understandably be high. ForgeRock's approach to using context and signals to determine the level of security that is applied to every interaction and transaction will result in reduced breaches, data loss, fraudulent activity and by result, the negative press associated with such issues.



Cost Reduction

- > Digital identity is not just about the pensions dashboard - the same platform can be used to manage all customer interactions with your company.
- > We've focused on customers but of course, the same discipline can be applied to colleague and partner interactions.
- > A single, unified digital identity solution can address customers, colleagues, partners and things which will significantly reduce the total cost of managing identities in addition to driving simplicity.
- > ML and AI can be applied to remove manual tasks, improve efficiency and increase staff engagement by focusing on more rewarding/productive activities which in return will help to increase employee retention.

Enabling the Pensions Dashboard

Building on the foundation of these 3 central themes, the ForgeRock platform simplifies the complexity of dealing with multiple high assurance level identity providers, such as GOV.UK Verify for citizens and Unipass for Advisers, that meet government requirements for accessing pensions data.

Once the assured identity of the user has been established the citizen is able to use the capability of the ForgeRock platform to ensure consent-based, fine-grained and revocable access to their pensions data. This can be managed centrally without needing to interact with multiple providers and multiple credentials.

How Well Does Your Company Score?

Digital identity platforms should be able to address all aspects of the 3 themes raised in this document at speed and with significant cost efficiencies.

Reflecting on the observations from Bain and McKinsey, is your company currently able to deliver **truly new digital offerings** and be a first mover rather than a fast follower?

Does your company **apply appropriate friction to the customer journey based on context and signals**, and can your customers **easily manage all aspects of their consent** from one place?

With the Pensions Dashboard Alpha project expected to start in the next few months, **does your company have a strategy to be a first mover?**

At ForgeRock, we would welcome the opportunity to talk with you about how digital identity can help answer these and other questions.



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About ForgeRock

ForgeRock®, the leader in digital identity, delivers modern and comprehensive Identity and Access Management solutions for consumers, employees and things to simply and safely access the connected world. Using ForgeRock, more than a thousand global customer organizations orchestrate, manage, and secure the complete lifecycle of identities from dynamic access controls, governance, APIs, and storing authoritative data – consumable in any cloud or hybrid environment. The company is privately held, and headquartered in San Francisco, California, with offices around the world.

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