

VERIFICATION SOFTWARE IN FOCUS

IDfy provides an alternative process for verifying the identity of clients and other parties.



PETER MORAN

Which practitioners would find this technology useful?

Lawyers needing to verify their clients' identity, in particular property, mortgage and conveyancing lawyers, and anyone needing to comply with anti-money laundering (AML) requirements. In terms of e-conveyancing in Victoria, the IDfy process satisfies VOI obligations.

How does it work?

An email link is sent to the client to download the app free on their iPhone or Android phone. The app prompts them to attach or take photos of their identification documents (eg a passport and driver's licence). The client is asked to verify the documents with an e-signature. This also provides a sample signature for the file. Once the client has completed this process, the lawyer/paralegal is notified and a copy of the uploaded information can be reviewed. Lawyers may wish to check this against other sources. From there, the lawyer/paralegal video calls the client, via the app, on their mobile and can ask any other identifying questions but must take a photo before ending the call. The lawyer/paralegal confirms all photos match and provides their own e-signed declaration. The client can then delete the app. Infotrack, using multi-factor authentication, provides the final VOI report to the lawyer/paralegal containing identity information, declarations, photos, signatures and relevant metadata. This report can then be placed on the law firm's file as a record of its "reasonable efforts" to verify the client's identity.

Benefits

Provided clients are comfortable with standard smart phone functions, the IDfy process is less time consuming for them than personally attending the lawyer's office or an Australia Post branch. The process can be less time consuming for the law firm and provides a comprehensive report without any need for file noting or other record keeping. The firm does not need its own VOI forms or templates. Finally, the

process is about a quarter of the cost of the in-person Australia Post process.

Risks

A fundamental risk is that sensitive client data is being converted into an electronic form and is thereafter at risk of being electronically breached. Clients should be advised of this risk before agreeing to the process. As far as the law firm is concerned, the information is no different to other sensitive data held electronically on the law firm's servers and should be subject to the firm's usual cybersecurity measures. In particular, as the information is contained in a single pdf, the firm should be careful with circulating the VOI report outside the firm and definitely not as an attachment via email unless it has been encrypted or password protected. A further security risk is the native data that is collected by Infotrack. Infotrack has confirmed that the data is hosted in Sydney, not offshore, and is subject to stringent security measures. However, aggregators of such important data may be targets for malicious attacks. Practitioners should make their own inquiries of Infotrack and, as with all technology service providers, seek appropriate contractual protections and indemnifications in the terms and conditions.

A final risk is fraud. As original documents are never viewed in person, it is easier for a person to provide fraudulent documentation such as by electronically inserting their photo on another's ID. Such a risk has always also existed for hard copy ID material but, with the wider proliferation of photo editing software, practitioners should be alert to suspicious looking photos or documents.

Costs

Each IDfy report costs \$10.90 and can be charged back to the client as a disbursement. If the firm's practice management system has the capacity to link into Infotrack's broader invoicing systems, the disbursements can be automatically added to the firm's accounting system as a disbursement.

Downsides

The app is likely to be more trouble than it is worth with clients who are less comfortable with using smart phones. Likewise, non-English speakers may find following the written instructions challenging. ■

Peter Moran is a principal at Peer Legal and founder of the Steward Guide, an online technology guide for lawyers (www.stewardguide.com.au).

What is IDfy?
Verification of Identity (VOI) software

What type of technology?
Mobile app

Vendor
Infotrack

Country of origin
Australia

Similar tech products
WebVOI, also by Infotrack.
IDSecure by GlobalX
Property VOI by Australia Post
ZIP ID mobile verification app

Non-tech alternatives
In person interview with the practitioner.
Australia Post branch in person.
ZIP ID's "we come to you" face to face interview process.

More information
<https://www.infotrack.com.au/products/innovative-technology/idfy-voi>
<https://www.infotrack.com.au/blog/does-remote-voi-pass-the-reasonable-steps/?hilit=IDfy+security>