



Personal Data

Norwegian Mobile BankID

Reaching scale through
collaboration





The GSMA represents the interests of mobile operators worldwide. Spanning more than 220 countries, the GSMA unites nearly 800 of the world's mobile operators with more than 230 companies in the broader mobile ecosystem, including handset makers, software companies, equipment providers and Internet companies, as well as organisations in industry sectors such as financial services, healthcare, media, transport and utilities. The GSMA also produces industry-leading events such as the Mobile World Congress and Mobile Asia Expo.

For more information, please visit the GSMA corporate website at www.gsma.com

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Preface

Norway Mobile BankID – a tale of co-operation

Norway is an exciting country for many reasons. It is of great natural beauty and full of sea-faring Viking heritage. It is one of the small, advanced Nordic countries that rank among the top in almost all indicators of social advancement. This applies to internet and mobile usage also. Especially Norwegian operators and banks are among the most advanced in the world. It is a country which has gone completely cashless already today. You can confidently visit Norway without any local currency in your wallet as everything works with a payment card. By looking into Norway we get a glimpse of how future convergence in telecoms and banking could happen.

Norway is the first market where a high-security Mobile ID digital signature solution is scaling into the mass-market. This success of Mobile BankID has been driven by the early co-operation between Telenor and Den Norske Bank. All other operators and banks have since joined into the scheme and currently user-volumes are in a period of fast growth.

The break-through in Mobile BankID is the compromise – or in fact, the lack of compromise – between convenience, security and user control. All these things can be achieved at the same time. This case-study will show that the users like it. It also outlines how both operators and banks

will benefit from this ability to co-operate with each other. It will help them secure competitive advantages in the face of increasing global competition in mobile banking and commerce. It will probably be one of the things that keeps Norway on the cutting edge of development in these areas.

I would like to thank Alix Murphy from GSMA for the research and writing effort in this case study. Additionally, I would like to extend special thanks for all the quoted people in this case study. Without their effort Norwegian Mobile BankID wouldn't be the success it is proving to be. Without their support we would not have been able to tell its story for others.

In telling this Norwegian tale of co-operation, we hope that other operators and banks will also find mutually beneficial models of co-operation in Mobile based authentication and payment approval. This would be in the interest of both industries. Even more, it would help consumers to use their digital services with the convenience and user-control they expect without compromising security. That is an exciting prospect indeed.

London 10.2.2014

Janne Jutila

Director, Operator Support

GSMA Personal Data Programme

Introduction

“The Mobile Bank ID story is not about the technology. This story is about getting two industries to work together to bring about mutual benefits for all of our customers.”

Nils Inge Brurberg, Head of BankID Norway

In 2009, a unique partnership between DNB Bank, a leading Norwegian bank and Telenor, the country's largest mobile network operator, brought about the launch of Mobile BankID, a personal electronic identification credential which enables secure transaction authentication and legally binding signature across a wide range of online services through the user's mobile phone.

Using secure PKI technology and storing bank-generated certificates on the SIM card, Mobile BankID enabled users to login and conduct transactions without the need for a traditional code calculator, using only their mobile phone and a secure PIN code of their choice.

Today, with over 350,000 users (100,000 of whom joined in just the past 4 months), Mobile BankID is swiftly becoming the most actively used secure authentication service in Norway. Uptake of Mobile BankID has increased rapidly with a rate of almost 10% in January 2014 alone, reaching 350,000 users by February 2014.

As demand for the service increased among businesses and enterprises, Norway's other mobile network operators recognised that

Mobile BankID was swiftly becoming a core service offering. Towards the end of 2012, Telenor was gaining customers from the other mobile network operators in Norway due to the popularity of Mobile BankID among Telenor customers. Strong customer demand for Mobile BankID eventually led a second Operator, Tele2, to join the scheme in June 2013, shifting the market rapidly and causing 23 additional banks to also come on board. Within just a few months after this point, all five of Norway's mobile operators had signed on to offer Mobile BankID to their customers, leading to full market coverage.

In June 2013, the GSMA and Telenor together commissioned consumer research¹ on the usage of Mobile BankID in Norway with the aim of understanding the existing consumer experience, and to share lessons with the broader industry on the key commercial drivers for success in an established mobile identity service. This case study details the findings of that research and tells the story behind this pioneering service which brought about sustainable collaboration between the mobile and banking sectors.

“When you are an operator, your internal mentality is always focused on finding ways to differentiate yourself from your competitors. Here in Norway, we learned that there are some things we cannot achieve without working together.”

Brage Bjontegaard, Senior Business Developer and Head of Mobile BankID, Telenor Norway

Mobile BankID garners very high levels of satisfaction, in tandem with frequent usage

82%

of customers
are satisfied with
Mobile BankID

79%

of customers use
Mobile BankID
at least once
a week

68%

say it makes their
life easier

1. Conducted during the months of June-October 2013, the research entailed a series of qualitative interviews with existing Mobile BankID users and surveyed a further 903 Telenor users on their use and satisfaction with the service.

What is Mobile Bank ID?

Mobile BankID is an evolution of an existing bank-offered service called BankID, a personal electronic identification credential which enables secure transaction authentication and legally binding signature across a wide range of online services.

Using certificate-based PKI technology, and issued under a coordinated infrastructure by Norway's banks, BankID is used by over 3 million Norwegians (75% of the adult population) for common transactions such as signing contracts, applying for a loan, placing

a bid for housing, purchasing airline tickets or filing one's tax returns. Bank ID used between 800,000 and 900,000 times daily.

BankID transformed Norway's digital economy when it was first released, enabling processes that typically took over a week to be completed in only a matter of hours. Consumers felt secure in using a simplified electronic identification process that enabled them to login and access secure accounts across multiple sectors and services.



In the physical world you identify yourself with your passport, driver's license or credit card. In the online world you can use your Bank ID to confirm who you are.

In the physical world you use a ballpoint pen when signing a contract. In the online world you can use your Bank ID to sign documents and messages electronically.

BankID is used by Norwegians all over the world for payments, accessing secure accounts and remote signing.



Using the same secure PKI technology, but generating and storing the security elements on the mobile phone's SIM card, Mobile BankID enabled users to login and conduct transactions without the need for a code calculator, using only their mobile phone and a secure PIN code of their choice.



BankID has the highest security

As a provider of secure digital ID and signature service on the Internet, we have a responsibility to take care of your safety and protect your personal data.

Ensure services are important for maintaining the trust you place in us, and we work diligently to create solutions that both meet your needs and work in your life.

University housing application



Paper-based process:

10-14 days

(wet signature, sent via postal service, processing time)



With BankID:

1-3 days

(online form, PKI-signing, processing time)

The History of Mobile BankID: Reaching Scale through Collaboration

Earlier versions of PKI-based authentication had been attempted before in Norway. In the late 1990s, Telenor developed a mobile authentication tool that integrated with Visa for use in payment confirmations. However, while the product appealed to many customers, only 13% made it through the entire registration process, which at the time required face to face registration.

This experience led Telenor to approach DNB bank one year later to develop a pilot. Recognising the future importance of PKI technology to their business, Telenor began pre-seeding the market with PKI functional SIM cards in 2000.

Meanwhile, also in the year 2000, a group of Norwegian banks came together to jointly

build the joint infrastructure for BankID, which was also to be based on PKI technology and built primarily for use on a PC platform. It was at this time that some within the banking industry started to contemplate a mobile platform, and the idea of Mobile BankID was born. (See interview with Bent Bentsen, opposite page)

“We were able to take advantage of the fact that Telenor had already enabled the market with PKI-functional SIM cards “

Nils Inge Brurberg, Head of BankID Norway

Interview with Bent Bentsen, Senior Advisor of Group Payments and Infrastructure at DNB Bank

Our two companies had a long history of working together. In 1999, DNB Bank and Telenor had established a strategic alliance through a joint venture called Doorstep, which aimed to develop and provide services to the market in the area of e-Business. With top management from both companies sitting on the Doorstep Board, the concept was based on a mutual cooperation agreement to examine possible models for the provision of joint services.

However, it was not until 2003 that a mobile version of Bank ID began to be discussed in this context.

We saw that Telenor was experimenting with their own PKI scheme for authentication at the time, which hadn't gained much traction up until that point due to the complex registration process and because there simply weren't enough use cases. So, we approached them to see if we could bring the two sectors together and to extend the technology infrastructure that Telenor had started to build.

The first agreed step was to conduct a feasibility study - via a project group established by the Banks with myself at DNB Bank in a project management role - for how to provide the best possible technical infrastructure for Mobile BankID. Telenor and Netcom, a second mobile operator, were invited to participate in the bank-led study, which we conducted over the course of one year, testing the different infrastructural components that could meet the strict security requirements of BankID. We also made sure to test the impact of the technology on user experience, as we knew that this would be an important factor in our decision to move forward.

The conclusions were very clear: the only available technology which met both our requirements for usability and included hardware with a sufficient level of security for the storage of cryptography and private keys (an absolute requirement for BankID) was the SIM card.

Ultimately, this study became the main decision-making tool used by both the banks and the Operators for entering negotiations on business agreements. Banks concluded that the only way they could provide the next evolution of BankID was through the telecoms infrastructure and through mobile technology using the SIM. They decided to enter negotiations with Telenor and Netcom.

The basic concept we agreed initially was that it would be a joint effort between the banks and the Operators, meaning that they would each be able to collect revenues from their respective customers. This was not a vendor-customer agreement but **a true partnership based on joint interest in moving the market.**

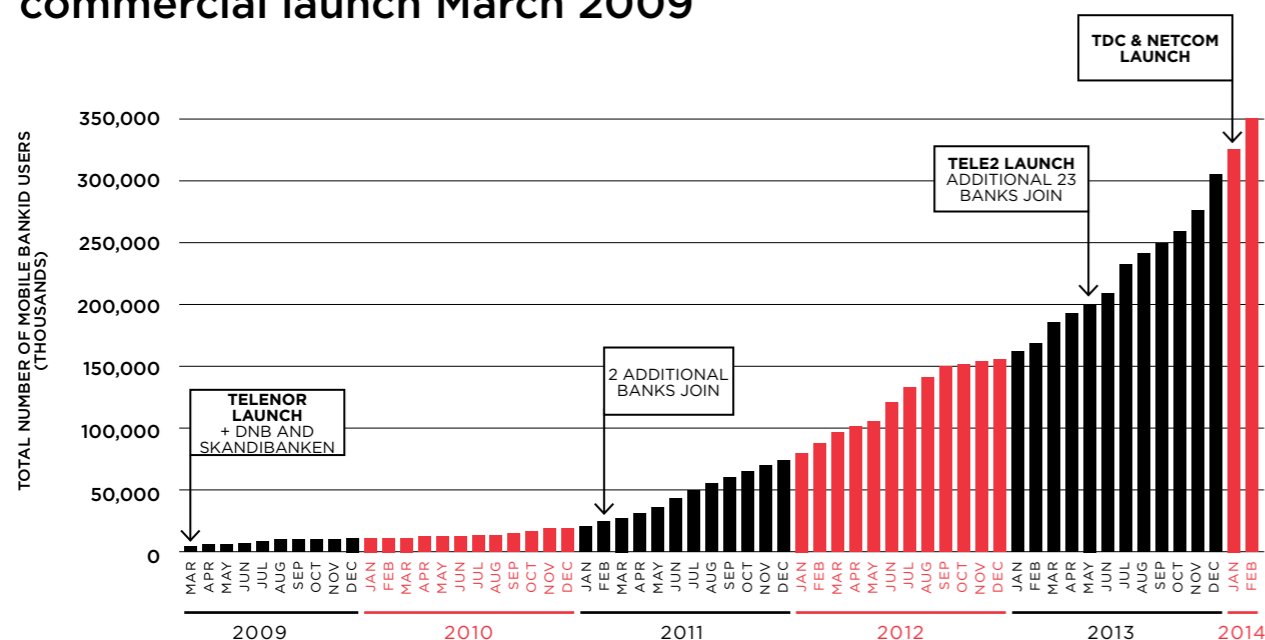
Uptake with regards to number of customers was pretty slow in the first three years. The main reason was that the two banks were not marketing it heavily - they wanted to gain experience on how customers found the usage, how it impacted customer service etc. Most of them were tracking the uptake closely. With only Telenor it meant that 50% of the market was still unreachable. But we decided to continue anyway in the belief that the other operators would join as time went by.

One of the main challenges we experienced is in the different viewpoints on successful return on investment between the two sectors: Operators often have requirements to have a profitable ROI within a few years; whereas banks often have a longer time-frame. For a long time, the banks felt as though we undertook most of the cost related to customer registration, generating and maintaining certificates as well as the customer care. However, we acknowledge that the MNOs also invest in this service in terms of network, SIM upgrades, and customer care. In terms of looking at the business model, I think we all acknowledge that there needs to be a sustainable model for everyone. Now that the banks have experienced the value proposition to their customers of Mobile BankID we are examining ways to ensure more equitable revenues to all parties.

Bent Bentsen joined DNB Bank in 2006 and has served on the Board of Directors at Mobey Forum for the past 8 years

In 2011 DNB and Skandiabanken were joined by two groups of banks: Sparebank1 Gruppen and Eika Alliansen, expanding the Mobile BankID service offering to a wider base of customers. At this point, Mobile BankID uptake rates, which had been relatively static up to this point, began to climb rapidly. The graph below shows this growth in user numbers on a bi-monthly basis.

Cumulative growth in Mobile BankID users since commercial launch March 2009



User uptake of the service has increased rapidly in the past 12 months. In the months since the other mobile operators joined the scheme, user uptake increased by 100,000 in just six months, reaching 350,000 by February 2014.

'Before, with BankID, you had to put a long number and 3 digit code in, but then they started to introduce that brick, it was like 'oh no, it's at home!' and you couldn't buy something, that's frustrating!'

New user of Mobile BankID, talking about the preceding system before Mobile BankID

History of Mobile BankID

- 2009** Bank ID on mobile launched by Telenor and DNB
- 2012** May: Passed 100,000 users
- 2013** June: Tele2 group launched. Passed 200,000 BankID for mobile users
- 2013** November: NetCom and TDC launched
- 2013** Dec: Passed 300,000 users
- 2014** Feb: Passed 350,000 users

All signs pointed to the widening popularity of the Mobile BankID service. Nevertheless, while other banks continued to watch developments closely, many were reluctant to join due to fact that the service was only offered by one mobile operator, and thus did not cover a wide enough portion of the population.



Key Success Factor: Reaching the Market Tipping Point

Despite this reluctance on the part of other Norwegian banks, Mobile BankID subscriber numbers were still rising fast. More importantly, Telenor subscriber numbers were growing as customers were churning over to Telenor from the other mobile operators, specifically due to the popularity of Mobile BankID.

According to interviews with existing Mobile BankID users, the convenience brought to their day-to-day activities was a key factor in their decision to take up the service.

Mobile BankID made a significant difference to the customer's life in being a replacement for secure tokens, pin calculators and card readers typically required by services such as banking and enterprises for employee access.

“People are so used to other devices – tablets etc – so it makes perfect sense to put this service into their hands rather than having to go around with paper cards.”

Customer, Mobile BankID

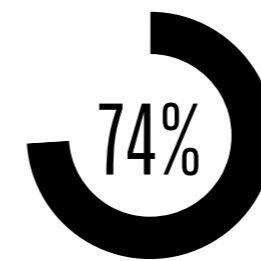
“BankID was superb in that you had all the information ready when you want to buy something or do a transaction without the paperwork. Now imagine that on your mobile. It's a life-saver.”

New user, Mobile BankID

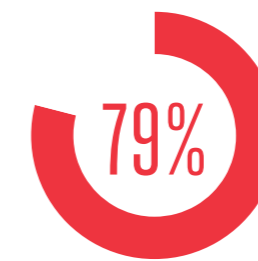
Satisfaction among Mobile BankID users was very high when ranked in terms of ease of use, consistency and a sense of additional benefits it brings to their “life on the go”.

Mobile BankID User Experience

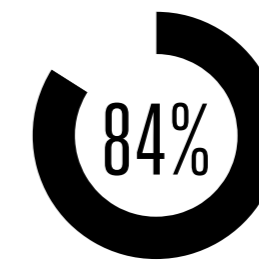
(% very/quite satisfied)



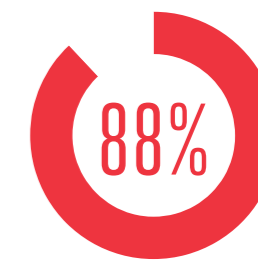
Registration



Consistency



Ease of use



Benefits

GSMA research findings on Telenor customer satisfaction with Mobile BankID

Offers significantly better security than my kodebrikke

42%

Offers significantly better control over my personal data than my kodebrikke

44%

Offers something significantly better than existing alternatives I am aware of

67%

Gives me the ability to use the service wherever I am (abroad)

71%

Enhances my experience of using the internet when looking to buy things I'm most interested in and/or using and accessing public/government services

72%

Offers significantly better convenience than my kodebrikke

79%

Gives me the ability to use the service wherever I am (locally- e.g. at work)

85%

High usage rates of Mobile BankID indicate a strong level of reliance on the service, with 84% having used the service in the last week, and up to 75% of users indicating a willingness to pay for the service based on the convenience and sense of security it brings them.

Key Success Factor: Customer Appeal = Service Provider Appeal

Businesses began to recognise the value in Mobile BankID not only in the convenience of its functionality, but also in the clear increase in usage and customer activity that the service encouraged.

According to the GSMA commissioned research, over 40% of the Mobile BankID users sampled state that they now feel more comfortable making payments online and spend on a wider range of sites when using Mobile BankID, while an additional 26% say they are more likely to spend larger amounts of money online.

Among the earliest service provider adopters of Mobile BankID outside of the banking sector were Norwegian Post (enabling customers to change their address, move post to a temporary location, etc.) and the Norwegian national pension service, an online portal where citizens can log in to calculate their pensions based on linked accounts from their private insurance company. A large driver for adoption was authenticating payments online (previously via BankID) in a simplified method.

As the first public services started to support Mobile BankID, penetration was stimulated further as the range of applications broadened. In particular, Norway's centralised government portal, where corporate and individual tax declarations are made, was also a key driver among businesses.

Although the majority of current customers use Mobile BankID primarily for logging on to internet banking (87%,) and to make payments via the internet or mobile (73%), uptake in other service areas continues to increase. An increasingly common use of Mobile BankID is establishing a new account with a service, such as an insurance company, or opening digital letters or receipts via a service called Digipost. As a result, greater adoption by service providers across a broad range of industries has, in turn, encouraged further uptake among users.

In this regard, service discovery has been an important outcome of the partnership between banks and mobile operators.

The average customer uses Mobile BankID 3.5 times per week, compared to the use of BankID at 2 times per week.

26% of Mobile BankID users say they are more likely to spend larger amounts of money online.

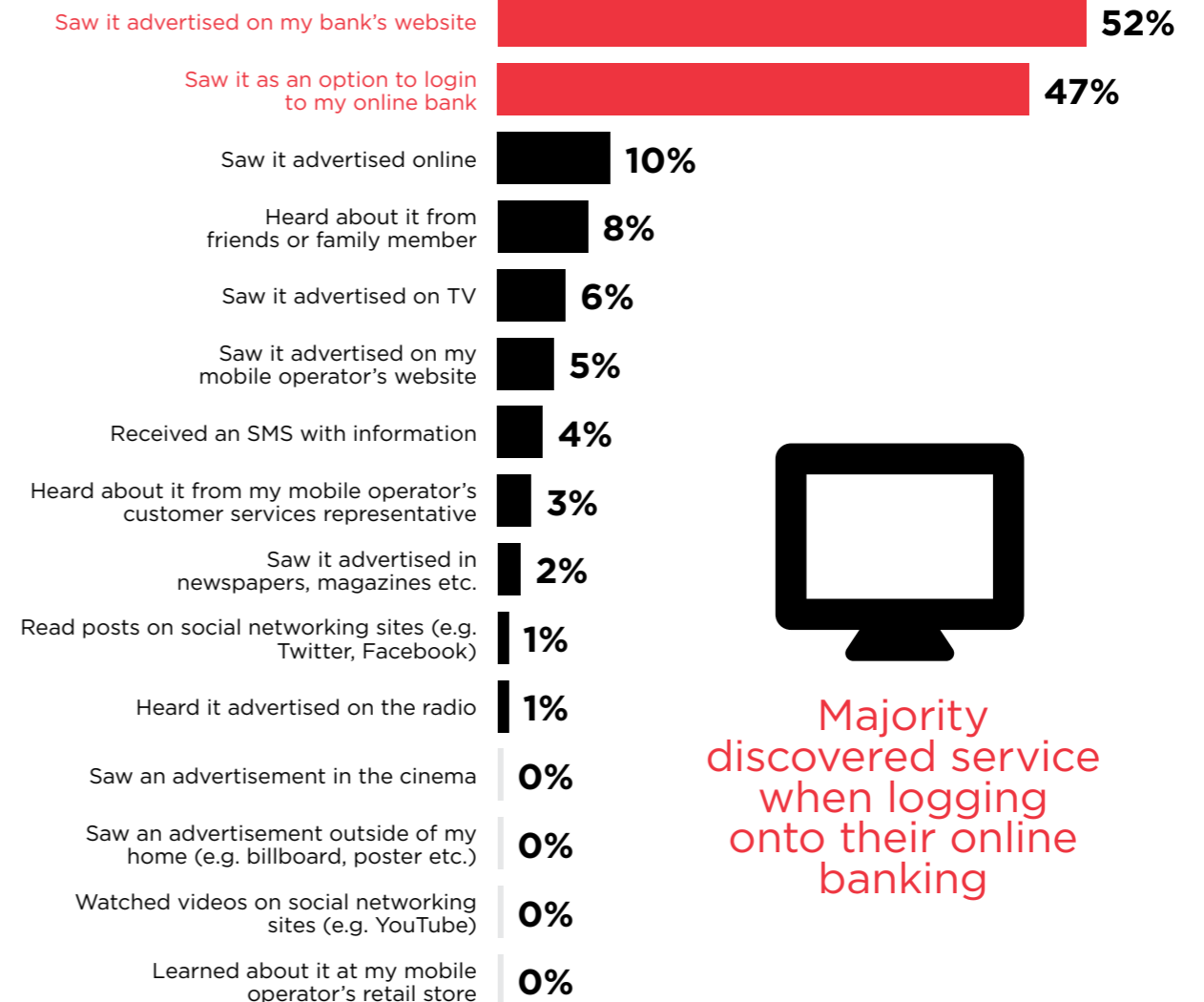
“Although one service alone wouldn't drive me to use it, when suddenly you can use it on lots of applications for all the little annoying things you have to do day-to-day, then it becomes very compelling”.

Mobile BankID user

“I also saw the sign on a few other websites and starting using it there.”

Mobile BankID user

Service Discovery



Majority discovered service when logging onto their online banking

Key Success Factor: Nothing Sells Faster than Word of Mouth

Around mid-2012, a viral effect was beginning to take place as customers of Telenor promoted the Mobile BankID service through word-of-mouth. Ultimately, it was this strong demand from both individual customers and enterprise clients that led Tele2 to join the scheme and offer Mobile BankID to its users.

Critically, the Net Promoter Score among Mobile BankID users is 61%, demonstrating the importance that a positive user experience and sense of trust created among users of the service².

“Our customers were very clear in demanding Mobile BankID from us. We had customers commenting on our Facebook pages and inquiring through our customer care line asking: When are you going to offer the Mobile BankID?”

Majid Iqbal, VAS and Devices Manager for Tele2 Norway

The GSMA met with Majid Iqbal, VAS and Devices Manager for Tele2 Norway, in charge of leading Tele2's implementation of Mobile BankID, to hear about the factors behind the Operator's decision to launch the service.

“Telenor already had a Mobile BankID solution in market for a while and started to market it heavily, so our existing customers - both our private customers and our business customers - were very interested to know whether we could support that kind of functionality in the future. The main focus from Tele2 was to align the gap in our product portfolio compared to Telenor and to use it as a churn prevention opportunity.

Our customers were very clear in demanding Mobile BankID from us. We had customers commenting on our Facebook pages and inquiring through our customer care line asking: When are you going to offer the Mobile BankID?

In some cases it came down to an ultimatum decision among our enterprise clients, who were prepared to not renew their agreement with us if we didn't support this Mobile BankID functionality.

As far as I recall, Mobile BankID has been one of the few consumer products where we have received specific feedback directly from consumers saying that this is a cool service. We have google alerts monitoring feedback and discussions relating to Tele2 and ID on mobile and so far haven't received any frustrations or negative comments.

Even with limited marketing, the uptake is really good. Now, because the user-base is significant, people talk to each other about Mobile BankID so we actually don't need to spend much on marketing. The customers come and asked us for the SIM cards.”



Customer commenting on Twitter

“When is OneCall going to offer BankID on mobile?”



Customer commenting on Twitter

“OneCall has BankID now. But the online bank DNB says you cannot enable BankID for mobile yet (like the other Operators)”



With four different brands serving diverse user segments across Norway (including a large prepaid and youth segment, as well as many small to medium enterprises), Tele2's entry signalled to the other operators and banks that Mobile BankID was now going to be a mass-market service.

The banks in Norway up until that point had been reluctant to advertise for Mobile, but soon began to send mass market communications via email to inform their customers that BankID was now supported by “selected operators”.

40% of Mobile BankID users say they now feel more comfortable making payments online when using Mobile BankID

2. GSMA / Telenor commissioned Consumer Research with GfK, October 2013.

Key Success Factor: Reaching Mass Market Penetration

Tele2's decision to join the Mobile BankID scheme was a major breakthrough in the market. As soon as Tele2 signed the agreement with BankID in May 2013, the remaining 23 Norwegian banks that had remained hesitant during the early years came on board (with the exception of one remaining Danish bank).

Unlike Telenor, Tele2 did not have pre-Mobile BankID compliant SIMs already rolled out in the Norwegian market, which meant that Tele2 customers needed to change SIM cards in order to obtain Mobile BankID. In this sense, the level of uptake once Tele2 joined has

demonstrated the viral effect and extent of success of the service in which over 10,000 customers were willing to actively contact Tele2 within the first few weeks of launch and undergo the process of obtaining a new Mobile BankID SIM.

Once Tele2 launched, the other three Norwegian Operators, TDC, Netcom and Ventelo, were quick to join in offering the Mobile BankID service.

“It was a very quick decision process for us to offer Mobile BankID, because we had some of our biggest enterprise customers asking for it.”

**Willy Domas, Product Manager,
TDC Norway**

Telenor is excited about what we have achieved with Mobile BankID. The widespread adoption of our secure electronic ID in Norway enables higher economic efficiency with less paper and less time wasted for both individuals and corporations.

We hope this is an interesting case study for other operators around the world.

Bjørn Ivar Moen - CMO of Telenor Norway

MOBILE BANK ID IN NORWAY DEMONSTRATES THE POTENTIAL OF MOBILE IDENTITY SERVICES

Satisfaction and usage of Mobile BankID are high



82% Are satisfied with Mobile BankID



79% Use Mobile BankID at least once a week



68% Say that Mobile BankID makes their life easier



60% Engage in more online activity because of Mobile BankID



Mobile BankID is the third most important factor when choosing a mobile operator

- 1 Network
- 2 Price
- 3 Mobile BankID
- 4 Customer Service
- 5 Contract
- 6 4G

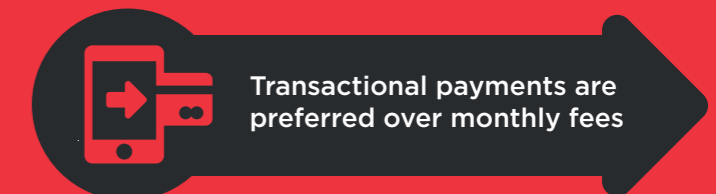


There is potential for monetisation via transactional fees

Up to

75%

would be willing to pay for Mobile BankID



Transactional payments are preferred over monthly fees

There is a significant opportunity for service expansion



72%

are interested in additional future uses of Mobile BankID



TOP 3 FUTURE USES

- Access to eGovernment services **61%**
- Digital signing of documents **53%**
- Additional means of payment **49%**

Key Success Factor: The Trusted Provider Role

Mobile BankID is now the third most important factor when choosing a mobile operator, after network coverage and price, even ranking higher than customer service and contract offering³.

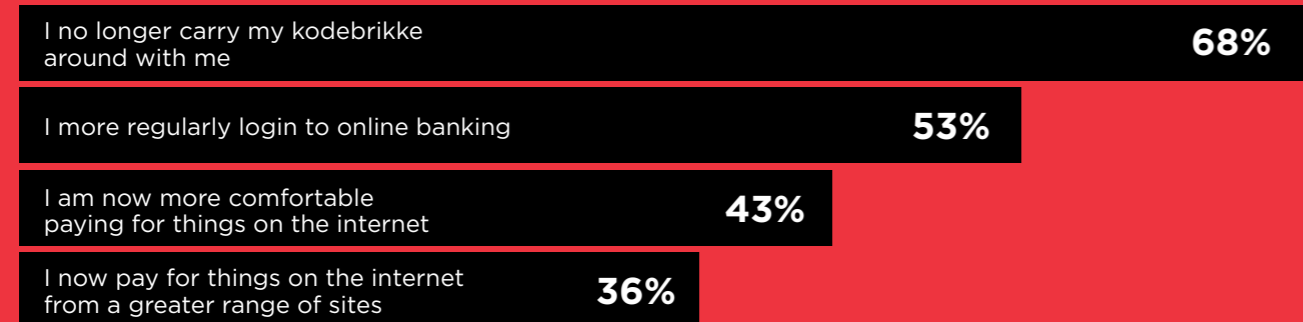
A similar survey conducted in January 2014 by DinSide.no, a Norwegian consumer research company, found Mobile BankID to be among the top attractive perks to Netcom and Chess (a brand name of Netcom) customers, alongside 4G and North Price (another service). Mobile BankID even surpassed a long-time popular 2 for 1 cinema ticket deal

in terms of importance to customers, leading the operators to discontinue the cinema ticket deal⁴.

Mobile BankID is now the third most important factor when choosing a mobile operator

Among those using Mobile BankID, a majority viewed their mobile operator as one of the most trusted entities for safeguarding their personal information (after banks, the national regulator and the Norwegian government)⁵. 64% of customers view Mobile BankID as a "high quality service."

Mobile BankID Impact Evaluation



An important finding of the consumer research indicated that positioning Mobile BankID as a service provided by banks is potentially a limitation to the broader application of the service across many different sectors. The appeal to customers of future additional use cases increased among those customers who understood that Mobile BankID was offered by their mobile operator, as opposed to any other provider. This was especially the case when it came to signing digital documents online and with accessing office or company assets (VPN, secure files, etc.).

The appeal of future additional use cases increased among those customers who understood that Mobile BankID was offered by their Mobile Operator.

To add to this finding, a desire for related convenient and security focused applications, such as auto-filling online forms using pre-saved information and as a broader payment mechanism for public transport, parking, tolls, postal service and even the national lottery, were significantly more appealing when the service was recognised as being provided by a Mobile Operator.

Among those questioned on what sentiments are felt most strongly by users when using their Mobile BankID, 93% stated "control" and "wellbeing", followed by "security and peace of mind" (87%) and "convenience, simplicity and freedom" (82%).

The appeal of future additional use cases increased among those customers who understood that Mobile BankID was offered by their Mobile Operator.

3. GSMA / Telenor commissioned Consumer Research with GfK, October 2013.

4. "No More Movie Deals with Operators, KinoMagasinet, 8th January 2014 <http://www.kinomagasinet.no/artikkel/2201/ikke-mer-kinotilbud-hos-mobiliselskapene>

5. Trust in Safeguarding Personal Information (selecting 8/9/10 from Scale of 1-10)

Key Success Factor: Continual Service Improvement

A critical factor in the success of Mobile BankID has been the level of dedication given by each of the mobile operators, and especially by the team at BankID, to recording and maintaining a knowledge base of challenges and elements requiring improvement in the service.

According to the GSMA research, the majority of users found the Mobile BankID service was easy to learn and understand, but suggested some improvements which could be made. For example, one area of improvement was in making the experience more consistent across different websites. While 77% of respondents felt the service is consistent across websites, different layouts in third party service provider sites appears to be a frustrating factor.

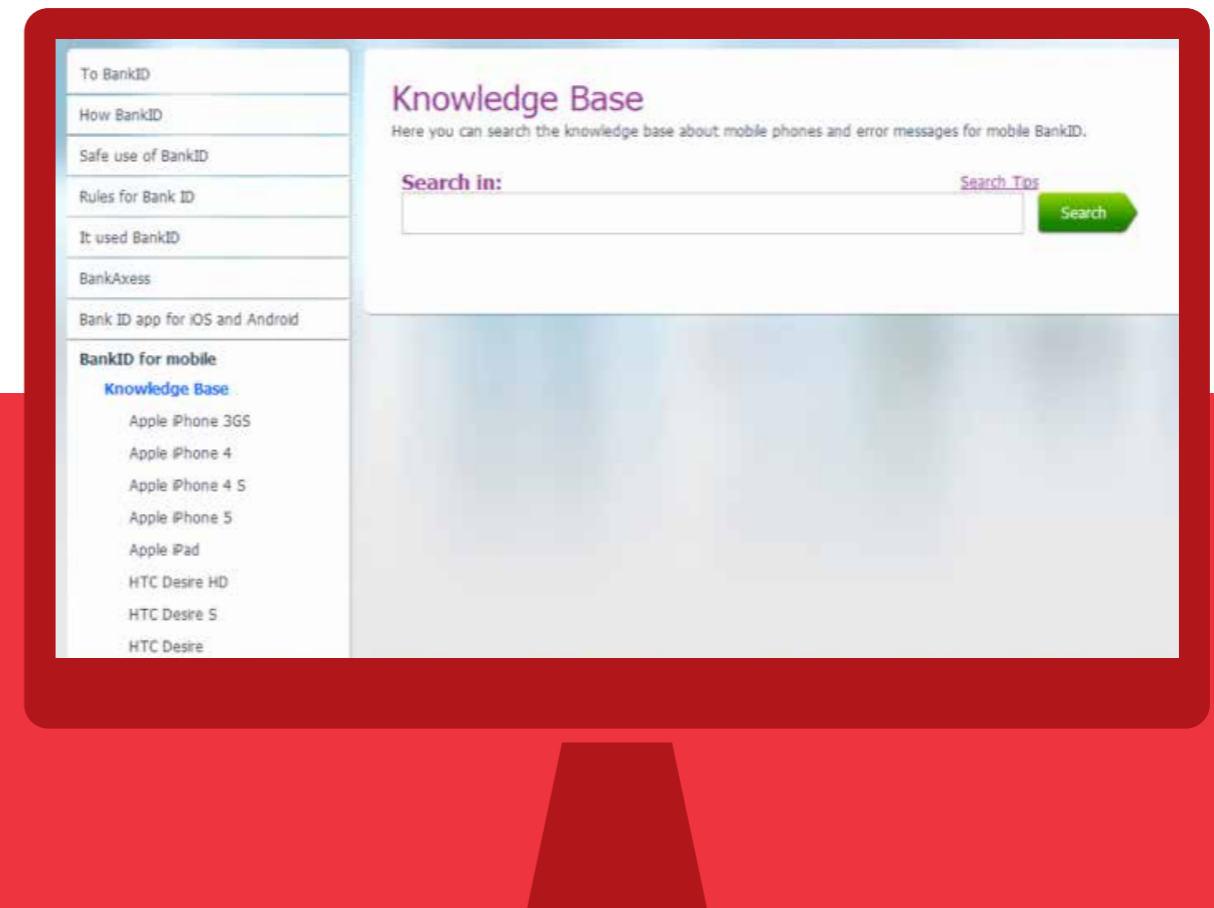
Additionally, while 60% of respondents said they were satisfied with the speed of the service, a small delay between authorization and screen change during authentication was also mentioned as an area for improvement.

In many cases, these issues tended to be either a challenge to do with the SIM card or the handset.

In some countries with lower capacity SIM cards, slow key generation on the SIM toolkits has led to frustrating session time-outs for customers, particularly in Apple devices. In Norway, penetration of apple devices is higher than any other market in the world, meaning that the Mobile BankID needed to work on these devices to be appealing to the market. Norway's Mobile BankID SIM toolkit solution works very well with iOS devices.

These initial challenges led the central BankID office to develop a centralised hub database to document technical challenges and issues with specific handsets. Working with BankID, the Norwegian operators are monitoring and capturing these issues to provide further insights for improvement to the industry.

BankID website provides knowledge base of handset challenges for Mobile BankID



This knowledge base has worked pretty well. You sometimes get into situations where the end user doesn't know how to get help. Sometimes it's difficult for customers to know where the fault is – is it their account, their handset, the website, or something else? In some cases the customer goes directly to their operator instead of coming to their bank. We knew that the end user support would be a challenge but it's been handled pretty well by all parties.

Nils Inge Brurberg, Head of BankID Norway

Interview with Nils Inge Brurberg, Head of Bank ID Norway

“The most important part of this (movement) is that we were able to make both the operator and the bank see that this was not something that either one could do on their own, but it would take two parts to make it a success story. In that sense they were equal partners and were to take advantage of the core competencies and processes performed by the other.

For quite some time, mobile was not a priority of the banking community. But to DNB and to Bent [Bentsen], they were really convinced that this was the future, and so worked hard to get it through to the top of the agenda. They were eventually able to convince the rest of the Bank ID community that this was a project that we should prioritise.

Once that was done, the next step was to sit down and discuss business models. This in itself was difficult. It probably took us almost 9 months altogether, and in the process we lost one of the operators during the negotiations. Fundamentally, the parties were all in agreement that we needed to work together, but there was disagreement about how to charge for the service and at what point. We settled on a solution that appeared to leverage the core competencies of each industry and allow each to work out their own revenue model with the merchant (relying party).

While this seemed sensible at first, we underestimated the challenge that this would pose to merchants who have to set up separate contracts with each mobile operator and each bank. One alternative model we are considering is to have Bank ID as the central organisation for handling the merchant-bank agreements as the focal point paying the MNOs when Bank ID Mobile is used and also paying the banks which have issued the certificates and to charge the merchant.

From the perspective of Bank ID it's been very interesting to watch the market unfold. We have a lot of requests from businesses (service providers) to get started with Mobile Bank ID. Many of them were just waiting for all of the mobile operators to join before they offered the service to their customers.

In that sense, it was a classic case of the “chicken-and egg” challenge. Now that we have all of the mobile operators on board, the momentum is growing rapidly and everything seems to be working well. With more service providers on board, more people will want it and more service providers will sign up. So I definitely believe that this is going to continue increasing in the coming year.

Key Success Factor: Optimising Core Capabilities to Deliver a Winning Service

In essence, the biggest success story from the Mobile BankID story is the fact that the market has now scaled through this careful and at-times challenging collaboration between the banking and telecoms sectors.

Norway has one of the highest bank per capita ratios in the world. 130 separate banks serve an adult population of just over 4 million. The country's topography of long, isolated fjords has historically led to the development of small, localised banks serving the small community at the end of each fjord. Many of these smaller banks have limited IT capacity and tend to see little need for it, according to local banking industry experts. At the same

time, banks with presence across several Nordic countries typically need to streamline and prioritise IT developer activities according to needs across multiple markets.

The formal agreement set up by Bank ID between the participating mobile operators and banks for Mobile Bank ID outlines a commitment to the concept of mutual benefit: Mobile BankID is an agreement between two equal parties where one party handles the infrastructure requirements involved in providing the SIM and handset issues, over the issue of the certificates and handling the end user and support to the end user (banks).

“The collaboration with Bank ID has been very good. They have helped us a lot. I think this was a very good cooperation. BankID helped with discussions with the banks and also with NETS. We were in a test period in August and we were experiencing some technical difficulties, but BankID helped to persuade NETS to provide some further resources for the testing, which helped us make better decisions “

Willy Domas, Product Manager, TDC Norway



Conclusion

Mobile BankID in Norway represents an historic moment of collaboration between the banking and telecoms sectors and an important milestone in the relationship between these two sectors. In this small Nordic country which prides itself on innovation and the strength of its banking sector, these two industries formed a mutually beneficial partnership to address a common customer need for a secure, mobile based solution for common access and login.

By leveraging a unifying technology and taking advantage of the infrastructure and core capabilities offered by each industry, Mobile BankID serves as an important example of the role that mobile network operators can play as a trusted partner and provider of secure, dependable identity services for a wide range of industries and end users.



GSMA Personal Data Programme
7th Floor, 5 New Street Square,
London, EC4A 3BF, United Kingdom
Email: personaldata@gsma.com
Web: www.gsma.com/personaldata

