The Jimmy Reid Foundation

BRIEFING

October 2025

Digital ID Scheme

Introduction

The UK Government has announced that it will introduce a new digital ID scheme, which it claims will help combat illegal working while making it easier for the vast majority of people to use vital government services. In this briefing, we examine the proposal, the experiences of other countries and the challenges the scheme faces.

The proposed UK Digital ID scheme

The scheme was announced by the Prime Minister on 26 September. It will be available to all UK citizens and legal residents, ending the need for complicated identity checks which often rely on copies of paper records. The new digital ID will be held on people's phones, just as millions already use the NHS App or contactless mobile payments. A separate digital driving licence has already been announced. A public consultation will address ensuring that it works for those who aren't able to use a smartphone (93% currently do have access). The government claims the digital ID system will be designed with best-in-class security at its core, similar to banking apps.

There will be no requirement for individuals to carry their ID or be asked by the police to produce it - but digital ID will be mandatory as a means of proving a Right to Work. This points to the primary driver of the proposal. It aims to stop those with no right to be here from being able to find work, which it is claimed, is one of the key 'pull factors' for people who come to the UK illegally.

The ID system will include name, date of birth, nationality/residency and a photo. The consultation will consider if it should include any additional information, like address. They hope to roll it out by 2029. The digital veteran card may be used to test systems.

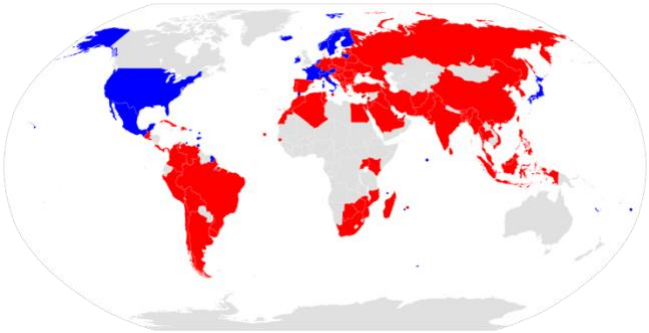
Previous ID schemes

ID cards in the UK are not new. Identity cards were compulsory during the Second World War, but the system was scrapped in 1952 after growing unease about police powers and civil liberties. In 2006, Tony Blair's Labour government proposed new biometric ID cards backed by a national database. The focus then was on tackling terrorism. However, the scheme collapsed in 2010, undone not by principle but by cost and a change of government.

2009 specimen ID card

Experience of other countries

Many countries worldwide have compulsory (over 100 states) and non-compulsory ID card systems. For example, in the European Union, an EU/EEA national identity card can be used to travel freely within the EU/EEA in lieu of a passport.



Countries in red have compulsory ID, those in blue have non-compulsory schemes.

The UK government points to digital identification systems that are already up and running around the world:

- In Australia, citizens can access a range of private services, from banking to buying alcohol, with their digital identification.
- In Denmark, students can use their national digital ID to log in and automatically retrieve education records and qualifications in job and university applications.
- In India, the government has saved around £11bn billion annually by reducing fraud, although it has caused issues for poorer citizens.

The pioneer most often highlighted is Estonia, which has had digital ID for 20 years. They have a

technology system, dubbed "X-Road", which allows all relevant organisations to interact with digital ID holders securely. Estonia saves around 2% GDP annually thanks to the use of digital signatures (E-Estonia) to cut bureaucracy. Estonia has strict laws on misuse, and users are not mandated to use it by law.

The physical card can be inserted into a card reader

Objections to Digital ID

There is a Westminster petition opposing digital ID. This has already attracted almost 3 million signatures. There was a debate in the House of Commons promoted by Pete Wishart MP, which set out the arguments on both sides.

The Conservatives and Liberal Democrats scrapped the Blair scheme in 2010, and remain opposed. John Swinney has vowed to oppose "ludicrous" digital IDs in Holyrood, "Ministers have been clear that as well as concerns around privacy, these UK Government proposals would not be a good use of public money at a time when people are struggling with the cost-of-living crisis."

The UK Government may argue that this is a reserved matter covered by the national security, immigration and employment reservations in the Scotland Act. The issue will likely end up in the Supreme Court. The Scottish Government could introduce its own version for devolved services as it has been considering. That will raise issues of cost, digital competence, and duplication.

Public Services Working For Us All

- **Introduce a digital identity service for users:** We will develop and establish a trusted and secure service for users to prove who they are, and that they are eligible for a service. Users will be able to store their information and choose to share it when applying to public services. This will improve a user's access to services by providing a safe and secure way to prove their identity, while reducing time and cost for the public sector. Additionally, we will develop an inclusive approach for all users to ensure that offline services are available for those who are unable to use a digital service.

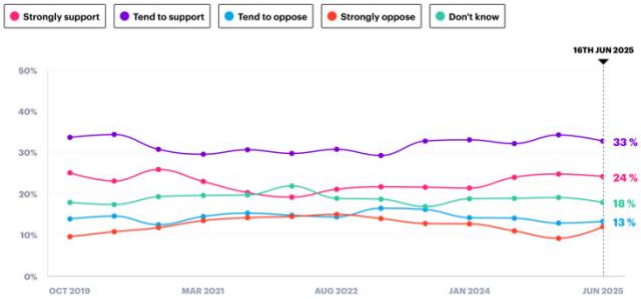
Inclusive, Ethical and User Focussed

A major concern has been the use of private technology companies, particularly Palantir, run by the 'technofascist authoritarian' Peter Thiel. They are astonishingly already involved in the English NHS and MoD. However, Palantir has pulled out of involvement with the UK Digital ID card, according to an interview with their UK CEO on Times Radio. The UK government has said the Government Digital Service will build the scheme, although that doesn't rule out sub-contractors.

Initial cost estimates range from £1.2bn to £2bn, and experts are worried about creating "an enormous hacking target". Switzerland uses decentralised systems to minimise this risk. Liberty warned that digital IDs could become a surveillance system, with the risk of function creep. Others highlight that those on the margins of society could be excluded. Illegal working thrives because of poor enforcement, not ID, as PCS highlights.

Public response

Opinion polls show that the public has been relaxed about ID cards. A YouGov poll asked "Would you support or oppose the introduction of a system of national identity cards in Britain?" 57% tend to or strongly support with 26% opposed. Views have remained stable since 2019.



It remains to be seen if a focused debate on the issues will change opinion in the coming year. For example, a More in Common survey published last week found that net support for digital ID had fallen from 35 per cent in June to -14 per cent in the weekend after the announcement.

Conclusion

As Liberty puts it, "Digital ID could be an essential tool for every digital citizen, or a nightmarish surveillance system." The consultation paper needs to address the issues set out above and we will follow the debate with interest.

Jimmy Reid Foundation

The Jimmy Reid Foundation is a think tank which brings together different voices from across Scotland to make the case for economic, environmental, political and social equity and justice in Scotland and further afield.

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