



Accelerating digital ID adoption in Romania



Executive Summary

The shift to digital ID is inevitable given consumer expectations of faster, smoother and safer online transactions at a time of rising fraud risk and a mobile, digital economy.

Although ROeID has been launched, there is a need to drive adoption by expanding the range of use cases into e-commerce, banking, payments and wider public services.

Nets is Europe's leading provider of digital ID solutions to the public and private sectors, with more than 20 years' experience of delivering market-leading digital ID across Europe.

Digital ID – securing the future from threat

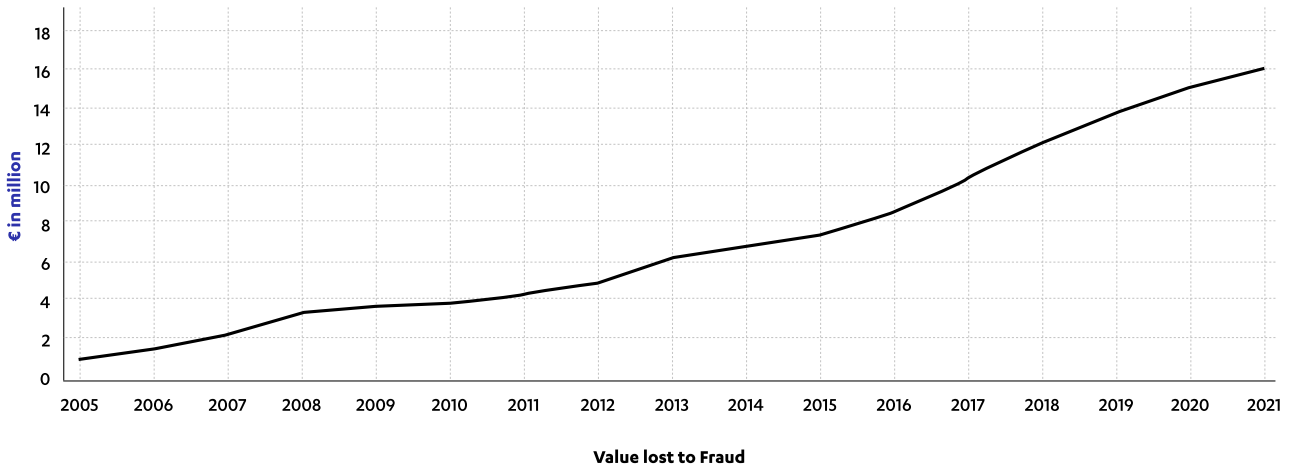
Across Europe and the wider world, economies are going digital. This means very rapid growth in e-commerce, and specifically mobile commerce, as well as a move towards the digital delivery of government services, from passports through to healthcare and social security.

In Romania, however, this revolution is now under threat from a rapid rise in fraud. The latest data from

global anti-fraud specialists FICO shows¹ a year-on-year increase of 7% in card fraud, the fourth highest in Europe. Specifically, FICO highlight the lack of a co-ordinated approach to fraud defense between Romania’s financial institutions and governments as an issue that has created opportunities for criminals, especially in the digital world.

Romania: rapid rise in fraud threatens digital commerce

Source: FICO



These high levels of fraud are having an impact on Romanian e-commerce. New data from **Payments Cards & Mobile** demonstrates² much slower growth in Romania’s e-commerce market, reversing a five-year trend of rapid expansion. The percentage of Romanians who said they undertook an online transaction in the last three months grew by just 2% over the last year, while overall business-to-consumer transactions grew by 8.2%, compared to a five-year average growth of over 25%.

E-commerce growth in Romania has slowed dramatically as fraud concerns increase.

¹ FICO, European Fraud Monitor 2023-2024: <https://www.fico.com/europeanfraud/romania>

² Payments Cards & Mobile, March 2024: Digital Card & Payment Yearbooks 2023-2024 – Romania at www.paymentyearbooks.com



Digital ID is essential – not just for public services, but for securing the future digital economy.

While complex, multi-factor authentication methods have been introduced in Romania, these typically generate significant user friction. A 2022 report from Stripe³ noted that online checkout takes around three minutes on average across Europe – but most consumers are only willing to invest two minutes. As a result of this kind of friction, **Payments Cards & Mobile** claim⁴ more than one in four European e-commerce transactions fails to complete, costing businesses €82 billion in lost business.

As the Romanian government seeks to digitalize its identity services to enable citizens to access a wider range of public services, we believe there is an opportunity to extend the range of applicability to include both commercial and public sector use cases. Digital ID is going to prove essential – not just for passports and access to healthcare, but to securing the future digital economy across Europe.

The situation in Romania today

In May 2023, Romania's Ministry of Research, Innovation and Digitization launched⁵ a beta version of ROeID, an application that provides a single set of credentials to access online platforms provided by the Romanian state, from ghișeul.ro to government information services and made available for Android and iOS platforms.

ROeID complies with the EU's upcoming eIDAS 2.0 regulation, designed to enable the creation of a digital

id wallet for every EU citizen based on secure passwords and/or mobile apps confirmed by a second factor such as a password. As a central element of the EU's digital strategy, these wallets are intended to allow citizens to execute digital signatures on documents anywhere in the EU free of charge and access medical information and professional qualifications across the bloc, the goal being to create a single digital wallet for the whole EU.

At present, ROeID remains focused on a limited set of public-sector applications and adoption is low, with the government committing to issuing eight million digital IDs by the end of 2026⁶ – just 40% of the Romanian population. Use of online government services in Romania is also among the lowest in Europe, at 24% of the population⁷. At the same time, private sector digital ID solutions are emerging, such as sunt.io, a cloud-based solution for Online Account Opening (OAO), Online Contract Signing (OCS) and secure authentication of digital transactions.

PayByFace, another fintech, uses facial recognition technologies to enable customers to pay in person using a digital wallet or online via Apple Pay without using a phone, card, or cash. Most recently, Monentum and IT Smart Systems launched an Identity-as-Code solution for Romania in late 2023. Based on eIDAS 2.0 standards, this solution aims to provide rapid sign-in and ID verification for business and government applications.

³ Stripe, 20 October 2022: "The State of European Checkouts in 2022": <https://stripe.com/gb/guides/state-of-european-checkouts-2022>

⁴ <https://www.paymentscardsandmobile.com/sca-eu-failure-average-of-26-leads-to-e-commerce-losses-of-e82-billion/>

⁵ Adevarul.ro, 28 May 2023: "ROeID – a digital application for Romania": <https://adevarul.ro/stiri-interne/evenimente/roeid-aplicatia-care-digitalizeaza-romania-taxe-2270969.html>

⁶ Emerging Europe, 23 October 2023: "It's time to speed up digitalization in CEE": <https://emerging-europe.com/news/its-time-to-speed-up-digitalisation-in-cee-especially-egovernment/>

⁷ See note 6 above for source.

Nets has partnered with the governments of Norway (BankID) and Denmark (MitID) on the implementation of highly successful, comprehensive digital ID solutions.



The next stage: accelerating the adoption of digital identity

Based on our experience in other European markets such as Norway and Denmark, we believe there is a real opportunity to connect ROeID with new use cases in both the public and private sectors, such as payments and banking, mobile services, internet-based services delivered by PC, and healthcare and emergency services. Looking ahead, we also believe there is work to be done to integrate ROeID with the eIDAS wallet technologies of other markets to deliver the EU's vision of a single digital wallet solution for all citizens.

As part of leading European payment technology company Nexi Group, Nets has access to the scale, capabilities and proximity required to deliver fully functioning digital ID solutions for the public and private sectors anywhere on the continent – including Romania.

We have partnered with the governments of Norway and Denmark on their successful BankID and MitID digital ID solutions, which cover everything from access to healthcare and social services to banking and payments.

Our third-generation modular and flexible digital ID platform offers a foundation for digitalizing both financial and public services, including digitalized onboarding, authentication, and identity verification, as well as a digital signature facility. Fully compliant with the EU's latest regulatory requirements and standards, our digital ID solutions are built to be scaled and internationalized.

Our solutions can also be white-labelled for branding by our clients in the public or private sectors, including banks and other financial institutions. The capacity to integrate our digital ID solution across multiple platforms for online user authentication delivers substantial flexibility both for financial institutions themselves and their customers.

Nets – the advantage of experience

Our capabilities include:

- first-time identity verification (customer onboarding when opening a bank account)
- authentication – complete solution that supports a wide variety of physical tokens and mobile app
- authorization (when signing documents online or approving payments).
- Orchestration layer – Nets digital ID works in concert with other solutions to create a single digital ID and reduce the number of digital ID verification points.
- Works across any kind of device – not just mobile
- Very high level of security assurance
- Fully compliant with all EU standards including PSD2, GDPR and more
- Fully modular product portfolio: select components required or create a full end-to-end user experience.
- Achieve full end-user registration and ID verification, authentication at onboarding and during use
- maintain digital ID data and managing authenticator apps.





In a world of very rapid and continuous change, we are committed to listening hard to our customers and anticipating their needs to deliver best-in-class digital ID services that make a real difference for their end users.

Our compelling and powerful proposition is based on more than 20 years' experience of electronic and digital ID solutions. With this depth of experience, we have the knowledge and expertise to partner with you on your digitalization journey, helping your bank to stay competitive in the age of digital-first services.

Let's Talk

Contact **Roland Eichenauer**, VP of Sales and Marketing, eID solutions at Nets for a discussion about **expanding the utility and adoption of ROeID**:

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