DIACC CCIAN

Leading the Way: Client IDV Success in Canada’s Legal Sector

DIACC Executive Insights

Strategic Briefing for Senior Leadership

Wave 1 Survey

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1 Executive Summary: Building on Canada's Digital Client IDV Leadership

Canada's legal sector has achieved over **700,000 client identity verification (client IDV) transactions** in a single year (October 1, 2023 - September 30, 2024), proving that secure, convenient digital client IDV can operate at scale in highly regulated environments.

DIACC member organizations are leading this transformation in a **$50-70M legal-sector verification market** that points to an **economic opportunity of $500M to $1B** spanning financial services, healthcare, telecommunications, and government.

→ **The achievement:** Client IDV has moved from experimental to essential in the legal sector, positioning Canada as a global early adopter with proven solutions ready for trusted markets.

→ **The opportunity ahead:** Ontario's success provides a model. Extending this to Quebec, Atlantic Canada, and the territories will drive economic prosperity.

Three Success Stories Point the Way Forward

- **700,000+ transactions prove the model works:** Canadian lawyers, notaries, and clients have embraced digital verification as reliable, secure, and convenient.
- **DIACC members are innovating verification approaches:** from streamlined single-method solutions to comprehensive triple-verification systems, providers are demonstrating flexibility for different risk profiles.
- **Market demand continues growing:** 16.7% global CAGR signals sustained opportunity for Canadian providers who achieve economic scale.

→ **Strategic Opportunity:** The gap between leading jurisdictions and emerging markets creates clear pathways for growth. This requires collaborative action between industry innovators, forward-thinking regulators, and government partners.

2 The Market Achievement: Canada's Legal Sector Shows What's Possible

Canada's legal sector has become the country's largest regulated market for client IDV adoption, demonstrating that digital transformation in highly regulated professional services isn't just possible, it's profitable and client-preferred.

What DIACC Members Have Delivered

Market Metric	Achievement
Annual Transaction Volume	706,478 verifications
Legal Sector Market Value	$50-70M
Canadian Market Potential	$500M - $1B across sectors
Global Market Growth	16.7% CAGR through 2030
Canada's Position	Early adopter with proven scale

2 The Market Achievement: Canada's Legal Sector Shows What's Possible

- **Why this matters:** Legal consumers expect convenient, secure remote services. DIACC members are meeting this demand, enabling firms to serve clients anywhere while maintaining rigorous security and compliance.

- **The competitive advantage:** Canadian providers mastering client IDV in our complex, multi-jurisdictional environment build capabilities that translate directly to international markets, including Commonwealth jurisdictions, post-eIDAS Europe, and emerging economies, all of which need solutions proven in rigorous regulatory contexts.

- **The opportunity:** Providers extending Ontario's success to Quebec, Atlantic Canada, and beyond will capture significant growth while advancing Canada's digital trust.

3 Geographic Opportunity: Extending Success Across Canada

Ontario's client IDV adoption demonstrates what's achievable. Now is the opportunity to extend this success and create real economic coverage that serves all Canadians.

Current Market Distribution - and Growth Opportunities

Region	Current Share	Opportunity
Ontario	**85-90%**	Dominant market, continued innovation
Alberta	**5-10%**	Strong secondary market ready for expansion
British Columbia	**2-5%**	Significant untapped potential
Quebec	**<1%**	Largest growth opportunity
Atlantic Provinces	**<2%**	Emerging markets with growing demand
Territories	**Minimal**	Unique needs, partnership opportunities

3 Geographic Opportunity: Extending Success Across Canada

The reality: Geographic concentration isn't failure. It's a proof of concept. Ontario's adoption demonstrates that digital client IDV works. The question isn't whether it can succeed elsewhere, but how quickly we can replicate this success across Canada.

Quebec: Canada's Largest Expansion Opportunity

Quebec represents 180,000+ potential annual transactions. Fewer than 1,000 transactions signal an opportunity.

The opportunity drivers

- Growing demand for remote legal services in francophone markets.
- Civil law practitioners seeking modern client service capabilities.
- Quebec businesses requiring digital-first professional services.
- Francophone international markets valuing Canadian bilingual solutions.

Success factors DIACC members can leverage

- French-language service adaptation and support.
- Civil law compliance tools and frameworks.
- Partnerships with Chambre des notaires du Québec and Barreau du Québec.
- Cross-jurisdictional dialogue addressing regulatory and market needs.

→ **The potential:** Quebec market development strengthens Canadian providers' bilingual capabilities, enhances economic benefits cohesion, and positions Canada for leadership in francophone international markets.

4 Innovation in Verification: Flexible Approaches Serving Different Needs

DIACC members demonstrate that different providers serve different risk profiles, creating a dynamic ecosystem balancing security, cost, and user experience.

How Providers Are Meeting Market Needs

Verification Approach	Market Share	Strengths
Single Method (Photo ID)	~40-50%	Efficient, cost-effective, suitable for lower-risk transactions
Dual Method (Photo ID + Secondary)	~7%	Balanced security and convenience for moderate-risk needs
Triple Method (Photo ID + Credit + Dual Process)	~40-50%	Comprehensive assurance for high-value, high-risk transactions

- → **The story:** Provider diversity shows market responsiveness from straightforward document verification to comprehensive multi-factor approaches serving different client needs.
- → **The opportunity:** Interoperability that enables cross-provider trust. When verifications can be recognized across platforms with clear assurance levels, clients gain convenience without sacrificing security.
- → **The path forward:** DIACC convenes public and private sector service providers, regulatory authorities, and standards bodies to quantify demand and ROI for privacy-centred solutions supporting mutual recognition.

5 Credential Innovation: Building More Inclusive Access

Canadian providers are primarily working with driver's licences (60-80%) and passports (15-25%). The opportunity ahead lies in expanding credential diversity to ensure that all Canadians can participate in digital-first services.

Current Credential Usage

Driver's Licences: 60-80%
Widely available, well-understood, effective

Passports: 15-25%
Trusted internationally, strong security features

Emerging Credentials: 5-15%
Permanent resident cards, provincial IDs, specialized credentials

The inclusion opportunity: Expanding credential acceptance beyond driver's licences and passports serves 10-15% of Canadian adults currently excluded, seniors, urban residents, persons with disabilities, newcomers, and lower-income populations, while creating new market growth.

Innovation Pathways to Explore

- **Digital driver's licences:** digital driver’s licences, or the equivalent credential, deliver enhanced security, privacy controls, and user convenience.
- **Indigenous-led credentials:** Supporting First Nations, Métis, and Inuit communities in developing culturally appropriate, self-sovereign identity solutions that serve over 1M potential users.
- **Verifiable credentials:** Blockchain and distributed ledger technologies enabling portable, privacy-preserving identity attributes.
- **Newcomer integration:** Enhanced permanent resident card and international credential recognition serving Canada's growing immigrant population.

The role for DIACC: Convening credential issuers, verification providers, and regulators to build tools that enable innovation while maintaining security. Market innovation in credential technology is outpacing regulatory recognition. Bridging this gap unlocks growth and inclusion.

6 The Scale of Opportunity: $500M to $1B Market

The $500M-$1B Opportunity: The legal sector's $50-70M annual market proves commercial viability. Extrapolating to financial services, healthcare, telecommunications, retail, and government reveals the full potential.

- **For Canadian providers:** Export opportunities in Commonwealth countries, francophone markets, and federal-provincial economies where our multi-jurisdictional experience applies directly.
- **For the economy:** Efficient, trusted client IDV reduces transaction costs, enables digital service delivery, and facilitates interprovincial mobility.
- **For competitiveness:** Countries establishing client IDV systems attract investment and position domestic providers as global leaders. Canada can lead.

→ **The momentum:** International movement creates urgency. Canada's early success positions us to shape rather than follow global standards if we scale decisively.

7 Three Pathways to Leadership

DIACC recommends focusing on three high-impact opportunities where collaboration can extend current success to economic scale:

Priority 1: Extend the Success - Achieve Economic Coverage

The Opportunity: Ontario's progress provides evidence for Quebec, Atlantic, and Northern expansion.

What Success Looks Like: Service providers operating bilingually across all provinces, clients accessing digital client IDV regardless of location, Canadian providers presenting capability internationally.

How DIACC Convenes Progress

- Multi-stakeholder Quebec dialogue with francophone providers, civil law experts, and provincial regulators.
- Atlantic Canada working group identifying pathways for market development.
- Territory-focused partnerships addressing northern connectivity and governance needs
- Market entry playbooks helping providers expand beyond Ontario.

Priority 2: Enable Interoperability - Build Mutual Recognition

The Opportunity: Diverse verification approaches become a strength when interoperability enables portability and mutual recognition across providers.

What Success Looks Like: Verifications conducted by any qualified provider trusted by others, clients experiencing seamless service across platforms, reduced redundancy and friction.

How DIACC Convenes Progress

- Cross-sector working group mapping industry verification approaches to risk profiles and assurance levels.
- Jurisdictional analysis identifying regulatory barriers and solutions.
- Practical tools enabling providers to demonstrate verified trust.

Priority 3: Advance Inclusion - Expand Credential Acceptance

The Opportunity: Credential diversity ensures all Canadians can participate while positioning Canada as a leader in next-generation identity technology.

What Success Looks Like: Digital driver's licences widely accepted, Indigenous credentials implemented and integrated, newcomer pathways streamlined, verifiable credentials emerging.

How DIACC Convenes Progress

- Promoting the demand and benefits of digital credentials, specifically a driver’s licence or the equivalent.
- Prioritize Indigenous representation and dialogue supporting credential initiatives
- Newcomer credential pathway mapping for permanent resident cards and international documents.
- Provider guidance supporting diverse credential acceptance.

8 Moving Forward Together

Canada's legal sector proves the model works: **over 700,000 annual transactions** demonstrate that digital client IDV delivers secure, convenient services clients prefer and professionals trust.

- **The opportunity:** Extend this success, build interoperability through mutual recognition, and advance credential innovation serving all Canadians. This is about capitalizing on proven success to achieve economic scale.
- **DIACC convenes stakeholders,** including industry innovators, regulators, and governments, to scale regional and sectoral success. We develop practical tools that bridge market capabilities and regulatory frameworks, while advocating for values-based progress.
- **The momentum is clear:** Providers are innovating. Professionals are adopting. Clients are responding. Regulatory frameworks are evolving. International opportunities are emerging.
- **What's needed is coordination,** aligning success in leading jurisdictions with expansion pathways, building interoperability that multiplies ecosystem value, and advancing innovation that serves all Canadians.
- **Canada is already proving global leadership in trusted digital client IDV.** By acting together, we transform today's success into tomorrow's economic advantage.

Next Steps

Join DIACC as we convene industry and government leaders to advance these opportunities. We invite service providers, regulators, technology innovators, Indigenous organizations, and policy leaders to collaborate on building Canada's digital trust and identity verification services.

For partnership inquiries or Wave 2 survey participation message: contact@diacc.ca

DIACC extends its sincere thanks to all members for their ongoing collaboration and recognizes the following contributors for their leadership in shaping these DIACC Executive Insights:

9 Notices

The DIACC has prepared this insights briefing to support executive decision-making. For additional analysis or discussion, please contact diacc.ca or contact@diacc.ca.

About DIACC: *The DIACC is a non-profit strategic alliance convening public and private sector leaders to advance Canada's digital trust and identity verification ecosystem. Through multi-stakeholder collaboration, actionable insights, and values-based advocacy, DIACC bridges market realities and regulatory frameworks to deliver trusted, auditable, and privacy-respecting digital services. Guided by principles of privacy, choice, and inclusion, DIACC's work strengthens Canada's economy, supports innovation, and builds public confidence in the digital marketplace.*

Market Sizing Methodology: *The $50-70M estimate for the legal sector is based on 706,478 annual transactions (Wave 1 survey data) at an estimated cost of $7-10 per verification. Publicly observable pricing for identity verification services ranges from $0.50 to $1.00 for basic consumer verification to $ 2-$10+ for compliance-grade verification with enhanced assurance levels. The legal sector's pricing reflects projected higher costs due to regulatory compliance requirements, multi-method verification approaches, professional liability considerations, and mandatory record-keeping. The $500M - $1B national opportunity extrapolates from the legal sector (serving ~40,000 lawyers/notaries) to financial services, healthcare, telecommunications, and government sectors that serve all 40M+ Canadians with higher transaction frequency and systematic regulatory verification requirements (AML/KYC compliance, healthcare privacy, telecommunications fraud prevention). Global identity verification market growth at 16.7% CAGR supports sustained opportunity.*

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