

Alternative dispute resolution (ADR) in the gambling industry

Standards and guidance for ADR providers

October 2018

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1 Introduction

The Gambling Commission and alternative dispute resolution (ADR)

- 1.1 The Gambling Commission was set up under the [Gambling Act 2005](#) to regulate commercial gambling in Great Britain in partnership with licensing authorities. The [Gambling \(Licensing and Advertising\) Act 2014](#) also requires any gambling business that intends to offer services in Britain to obtain an operating licence from us. We also regulate the National Lottery under the [National Lottery etc. Act 1993](#).
- 1.2 We permit gambling as long as we think it is reasonably consistent with the three licensing objectives:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime
 - ensuring gambling is conducted in a fair and open way
 - protecting children and other vulnerable people from being harmed or exploited by gambling.
- 1.3 For the National Lottery, our objectives are to ensure that:
- every lottery that forms part of the National Lottery is run with all due propriety
 - the interests of every participant in the National Lottery are protected
 - subject to the above two duties, to do our best to make sure that the proceeds of the National Lottery are as great as possible, and that the returns to National Lottery good causes are maximised.
- 1.4 The [Alternative Dispute Resolution for Consumer Disputes \(Competent Authorities and Information\) Regulations 2015](#) (the ADR Regulations) established us as a competent authority for the gambling sector. This means we approve alternative dispute resolution (ADR) providers that wish to offer services to gambling consumers. Our role as competent authority includes making sure that ADR providers continue to meet the requirements of the ADR Regulations, alongside our role as gambling regulator to make sure that gambling is fair and open.

Who should read this document

- 1.5 This document is aimed primarily at ADR providers in the gambling sector. It provides additional guidance on how we expect ADR providers to operate, supplementing the information in the ADR Regulations. The document may also be of interest to gambling businesses and consumers who wish to understand more about what ADR providers do.

Purpose of the document – improving ADR for consumers

- 1.6 In 2017, we carried out a [review of complaints processes in the gambling industry](#). This included looking at how gambling businesses handle complaints, the information we provide to consumers when they complain to us about gambling businesses, and how ADR is working in the industry.
- 1.7 Our review concluded that the industry needed to improve across all areas of complaints handling. We found that:
- information that gambling businesses gave consumers about how to complain varied and was not always easy to find
 - data that gambling businesses gave us about complaints appeared inaccurate
 - consumers did not always get good customer service from ADR providers, and decision-making standards varied
 - our definitions prevented consumers from taking some complaints to ADR
 - consumers were not clear about our role in complaints handling.

- 1.8** In this document, we focus specifically on ADR. ADR provision in the United Kingdom is subject to the ADR Regulations, which set out certain criteria and standards that ADR providers must follow. The ADR Regulations apply across the entire UK consumer landscape. This means that they are very broad and are not specific to gambling.
- 1.9** All ADR providers must meet the standards set out in the ADR Regulations. This document sets out a framework of extra standards around ADR provision in the gambling sector. These standards:
- apply to providers in the gambling sector only
 - are in addition to the requirements of the ADR Regulations, rather than in place of them.
- 1.10** We expect ADR providers in the gambling industry to meet these additional standards. We will identify those that do on the list of approved providers on our website. We will review providers against the standards and remove a provider's credit against the additional standards where appropriate. In 2019, we will consult on a change to our [Licence conditions and codes of practice \(LCCP\)](#) for gambling businesses. This change would require businesses to only use providers who meet both the requirements of the ADR Regulations and our additional standards.
- 1.11** Throughout this document we have tried to clarify what is a requirement of the ADR Regulations and what is part of our new standards. We have used a coloured box to indicate requirements of the new standards, and a grey box to indicate requirements of the ADR Regulations, as well as referencing the specific regulation.
- 1.12** The document also contains general guidance and information on how we expect both the ADR Regulations and the new standards to be applied in this industry.
- 1.13** The new standards will come into effect from 31 October 2018.

Our objectives in issuing the standards and guidance

- 1.14** Our objectives in implementing these additional standards are to:
- streamline and simplify alternative dispute resolution procedures in the gambling industry, making them easier for consumers to access and understand, as outlined in our [2018 – 2021 strategy](#)
 - ensure that ADR in the gambling sector continues to comply with the requirements of the ADR Regulations, but also meets the needs of consumers within this specific sector
 - ensure that gambling businesses only use ADR providers that comply with these requirements, promoting consistency of approach for both consumers and businesses.

2 Background

What is alternative dispute resolution?

- 2.1** ADR offers ways to resolve disputes between consumers and gambling operators without going to court. This can make it easier for consumers to get help to resolve a dispute they have with a business. It also helps to reduce costs for both parties to a dispute and can reduce the length of time it takes for a dispute to be resolved.
- 2.2** There are different types of ADR, such as:
- mediation, where an independent third party helps the parties in dispute to reach a solution they all agree on
 - adjudication, where an independent third party looks at the facts and information from both parties in dispute and uses this to decide.
- 2.3** In 2015, two sets of regulations came into force in the United Kingdom. These regulations:
- set out the standards that ADR providers must meet
 - set up some organisations as 'competent authorities' to approve and oversee ADR
 - required businesses to provide consumers with some specific information about ADR.
- 2.4** In the gambling sector, the Gambling Commission was appointed as the competent authority. We are also the regulator for gambling, including the National Lottery, in Great Britain.

The rules governing ADR in the gambling industry

- 2.5** ADR in the gambling industry is based on two main pieces of legislation/regulation:
- The previously mentioned ADR Regulations along with the amendment to these, [The Alternative Dispute Resolution for Consumer Disputes \(Amendment\) Regulation 2015](#), are the main regulations that set out the standards for ADR in the UK. They were drawn up to implement the [European Directive on ADR](#) in the UK.
 - Our [Licence conditions and codes of practice](#) (LCCP). Any gambling business that wants to offer gambling services to consumers in Britain must have a licence from us and must follow the requirements in the LCCP. Our regulation flows from the three licensing objectives. The LCCP includes social responsibility codes of practice that require for gambling business to:
 - deal with complaints within eight weeks of receiving them
 - have arrangements in place for customers to refer any dispute to an ADR provider, if not resolved by the business
 - ensure that ADR is free of charge to the consumer
 - provide certain information to consumers about how to access that ADR provider
 - take account of learning or guidance we publish about working with and submitting information to the ADR provider. This includes an expectation that where the consumer is not happy with the outcome of a complaint by the end of eight weeks (or earlier, if the business deals with the complaint sooner), the business will provide the consumer with confirmation that they have finished looking at the complaint. This enables the consumer to take the complaint to ADR if they choose
- 2.6** There are also specific provisions on ADR in the licence for the operator of the National Lottery, similar to the requirements in LCCP.
- 2.7** A statutory ombudsman is a scheme established by statute. This gives them compulsory jurisdiction over specific types of (usually regulated) businesses. ADR provision in the gambling industry does not have the same status as a statutory ombudsman. However, all

gambling businesses are required to nominate an ADR provider that they are prepared to work with as a condition of the gambling licence.

What complaints can be taken to ADR?

2.8 The ADR Regulations require only certain types of complaints to be taken to ADR. We call these 'disputes'. The European ADR Directive states that it applies to "disputes between consumers and businesses concerning **contractual obligations in sales or services contracts, both online and offline**" (emphasis added).

2.9 In the gambling sector, we have defined complaints and disputes as follows:

Gambling-related complaint

An expression of dissatisfaction made to the gambling business by any means, about any aspect of the way the business conducts the activities for which they hold a GB licence. For example, a complaint:

- about the outcome of a gambling transaction/contract
- about the way a gambling transaction has been managed
- that concerns the way the licence holder carries out its business in relation to the three licensing objectives.

We expect gambling businesses to take specific actions and meet certain standards when they handle gambling related complaints. This is a requirement of their gambling licence.

Dispute

A dispute is a particular type of gambling-related complaint. It is a complaint about contractual obligations in sales or services contracts or about the customer's gambling transaction (including management of the transaction and related customer accounts) **that has not been resolved through the gambling business's complaints procedure**.¹ For example, a dispute might be an unresolved complaint:

- linked to the terms of a bonus offer that the consumer has taken up, or to other terms and conditions
- about the consumer's ability to manage his or her account
- about the consumer's ability to access his or her deposited funds or winnings.

Disputes are the only type of complaints that may be taken to ADR under this policy.

Non-gambling (non-contractual) complaint

An expression of dissatisfaction made to the gambling business by any means about any matter that is not related to the gambling activities. Such complaints, which do not pose a risk to the licensing objectives, do not fall under the scope of this policy. For example, a complaint about the:

- quality of food available on the premises
- range of products offered in the premises or online
- dress code of a member of staff.

Non-gambling complaints, although important to consumers and to businesses, do not link to the requirements of the gambling licence. We therefore expect businesses to decide for themselves how they should resolve such complaints.

Sometimes it can be difficult to tell whether a complaint is gambling-related. For example, a complaint about poor customer service or poorly trained staff manning a telephone or online chat may not appear to be gambling-related. However, it might be gambling-related if the poor service makes it difficult or impossible for the consumer to promptly raise concerns or make a complaint about a contractual matter. Where the type of complaint is unclear, it is generally better to at least initially treat it as a gambling-related complaint.

¹ Read our advice to gambling businesses on this matter [here](#).

- 2.10** We expect gambling businesses to follow certain procedures when they handle disputes. Consumers can choose to take disputes to ADR if they are not resolved to their satisfaction within eight weeks (or earlier, if they receive the business's final decision before eight weeks have elapsed). Non-contractual complaints and complaints that have not first been raised with the gambling business are not covered by this policy.
- 2.11** Consumers do not need to state that they have a contractual/transactional dispute in order to take the matter to ADR. Our advice to gambling businesses explains that in most circumstances we expect businesses to provide consumers with a letter to confirm that they have reached the end of the business's complaints process and provide information on how to escalate the issue if the consumer remains dissatisfied.
- 2.12** Consumers may only take complaints to the ADR provider if they have first raised them with the gambling business.

The role of the ADR provider

- 2.13** As the competent authority for the gambling industry, we ensure that ADR providers we approve meet the requirements set out in the ADR Regulations. These include requirements around:
- expertise, independence and impartiality
 - conflicts of interest procedures
 - transparency
 - effectiveness
 - fairness
 - legality
 - grounds to refuse to deal with a dispute.
- 2.14** In our [review of complaints processes in the gambling industry](#), we looked at good practice in other industries and from other complaints handling bodies, including the complaints handler requirements of the Ombudsman Association. We concluded that we should introduce additional criteria that approved ADR providers in the gambling industry will need to meet alongside the requirements of the ADR Regulations. Broadly, these requirements fall under the following headings:
- decision remit
 - transparency and independence (going beyond the requirements in the ADR Regulations)
 - consistency and quality
 - customer service
 - sharing complaints information and data more regularly.
- 2.15** These requirements supplement rather than replace the requirements of the [ADR Regulations](#).
- 2.16** The ADR provider will determine what method(s) of dispute resolution to use during a dispute. It should identify the key issues and seek additional information from either party to the dispute to clarify information they have already supplied. For example, if the provider identifies a gap in the evidence it is acceptable to ask either party to the dispute about the gap and for information that fills it. The ADR provider does not have an investigatory role beyond this. It would not be acceptable for the provider to undertake an investigation that went beyond clarifying the information supplied by the parties to the dispute.
- 2.17** The outcome of the ADR process will not supersede the gambling consumer's right to refer a dispute about a gambling transaction to court if the consumer does not agree with the gambling business or the provider's decision. This right originates with the Gambling Act 2005 and is also contained in the ADR Regulations (Schedule 3, 8(c)).

- 2.18** Where the ADR provider makes a decision on a dispute using an adjudication process, it should base this on the evidence available to it at the time. This means that:
- if a gambling business does not engage with the ADR provider and/or fails to supply information that has been reasonably requested, the provider should proceed to make the decision based on the evidence they hold. This may mean that the provider finds the case in favour of the consumer in the absence of evidence to the contrary.
 - if a court or regulatory body considers the matter at a later stage and reaches a different outcome, this does not make the ADR provider's decision wrong at the time that it was made. The court or regulatory body may have access to different information and use a different approach to the ADR provider. ADR providers should consider whether court findings provide any opportunity for learning in the future. This could also include findings related to consumer protection legislation or marketing and advertising.

ADR Regulations – requirements for ADR providers to disclose evidence

- 2.19** The ADR Regulations require a provider to disclose to a party to a dispute on request the arguments, evidence, documents and facts put forward by the other party (ADR Regulations Schedule 3, 7(b)) as part of the requirements under fairness.

- 2.20** In the gambling industry, we expect providers to ensure consumers are made aware of this right so that they can consider whether to exercise it.

- 2.21** Providers should also note the following:
- other legislation such as the General Data Protection Regulation (GDPR) would prevent disclosure of certain information, in which case, the provider may redact the information (see also paragraph 2.22 below).
 - neither party to the dispute is obliged to provide information to the provider. However, any information they do provide could be disclosed.
 - if either party refuses to provide information, then the ADR provider should attempt to resolve the dispute based on the information that it has.

- 2.22** Providers are also obliged to follow other relevant regulations, for example, the GDPR and Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Player) Regulations 2017 (Money laundering regulations) where appropriate. Providers can find some [general information on GDPR](#) on our website. More information is available from the Information Commissioner's Office (ICO), which is responsible for enforcing data protection legislation and issuing [guidance](#) on it.

- 2.23** The next sections introduce the additional standards for ADR providers and provide guidance on how we expect these to work alongside the ADR Regulations requirements.

3 ADR decision remit in the UK gambling industry

Grounds to refuse to consider a dispute

- 3.1 As explained in paragraph 2.8, the ADR Regulations refer to disputes about contractual obligations in sales or service contracts. In LCCP and our associated guidance, we clarify that ADR providers may consider ‘disputes’. These are complaints about the customer’s gambling transaction (including management of the transaction and related customer accounts) that have not been resolved at the first stage of the gambling business’s complaints procedure.

ADR Regulations – ground to refuse to deal with a complaint

- 3.2 The ADR Regulations list the only grounds under which an ADR provider may refuse to deal with a dispute (ADR Regulations Schedule 3, paragraph 13). Text shown in italics is quoted directly from the ADR Regulations. The non-italicised text beneath each item explains how we expect the regulations to apply in the gambling industry.

- a) *Prior to submitting the complaint to the body, the consumer has not attempted to contact the trader concerned in order to discuss the consumer’s complaint, and sought, as a first step, to resolve the matter directly with the trader.*
Consumers must first approach the gambling business to attempt to resolve a complaint before escalating to ADR. Gambling businesses are generally required as a condition of their licence to resolve the complaint, or agree that no resolution can be reached, within a maximum time of eight weeks from receiving the complaint.² If the complaint remains unresolved at this stage, the business should issue a ‘deadlock letter’ or final letter to confirm that the consumer has attempted to resolve the matter with the business and may now escalate the matter to ADR. This applies whether or not the consumer has fully exhausted the business’s complaints procedure at the eight-week stage.
- b) *The dispute is frivolous or vexatious.*
The ADR provider may determine whether a dispute is frivolous or vexatious, and if so, refuse to deal with it. The gambling business may not refuse to refer a consumer’s complaint to an ADR provider on these grounds.
- c) *The dispute is being, or has been previously, considered by another ADR entity or by a court.*
The ADR system is intended to be a light-touch alternative to court proceedings. It is not intended to provide parties to a dispute with repeated opportunities to achieve a different outcome. If the consumer is not satisfied with the decision of an ADR provider, they have the option to refer the matter to a court.
- d) *The value of the claim falls above or below the monetary thresholds set by a body.*
Gambling disputes can vary in value quite significantly. ADR providers should ensure that monetary thresholds set do not significantly restrict consumers’ access to ADR.
- e) *The consumer has not submitted the complaint to the body within the time period specified by the body, provided that such time period is not less than 12 months from the date upon which the trader has given notice to the consumer that the trader is unable to resolve the complaint with the consumer.*
- f) *Dealing with such a dispute would seriously impair the effective operation of the body.*
An ADR provider might refuse to deal with a dispute that raises difficult legal issues fit for determination by a court (which might set a precedent). Similarly, a provider might refuse a dispute that is more properly determined by a regulator, such as the Commission. The ADR provider should not be considering potential breaches of gambling licence where there is no transactional/contractual element to make the matter a dispute. However, the provider should consider whether there are contractual/transactional aspects that the provider could consider. This is discussed in greater detail in the following section.

² But see Social responsibility code provision 6.1.1.2 in LCCP, which permits a gambling business to ‘stop the clock’ on the eight-week time limit where a consumer fails to engage with the process within a reasonable timescale.

3.3 *Where a body refuses to deal with a dispute, it must, within three weeks of the date upon which it received the complaint file, inform both parties and provide a reasoned explanation of the grounds for not considering the dispute* (ADR Regulations Schedule 3, para 15). The complete complaint file is made up of *all the documents containing the relevant information relating to the dispute* (ADR Regulations Schedule 3, para 6(c)). We interpret that this does not include any additional comment made by a party to the dispute on the arguments, evidence, documents and facts put forward by the other party to the dispute.

3.4 *The provider must also ensure that its policy regarding when it will refuse to deal with a dispute, including in relation to any monetary threshold it sets, does not significantly impair consumers' access to its alternative dispute resolution procedures* (ADR Regulations Schedule 3, para 14).

3.5 This policy does not cover non-contractual complaints. An ADR provider and a gambling business may come to an agreement for the provider to look into other complaints about the business if they choose. The provider may also refuse such complaints if they have not made an agreement with the business to consider them.

Disputes and regulatory matters (matters for the Commission)

3.6 As noted in (f) above, some disputes may be linked to regulatory matters. We may need to consider such matters as part of our regulatory role as well as or instead of the ADR provider.

Our policy on disclosing information about regulatory investigations

We limit the release of information about on-going criminal or regulatory investigations and we only release information when we determine that it is in the public interest to do so. This protects the integrity of investigations and protects individuals or businesses from being unfairly associated with unsubstantiated allegations. If an investigation results in action taken against a gambling business, we will generally make this information public on our website.

Investigations vary in complexity and information about action taken may not become available until some considerable time after the initial event. You can read more about our policy on the publication of information regarding our regulatory functions in our [Statement of Principles for Licensing and Regulation](#), paragraphs 4.16 – 4.20

3.7 As part of our new standards, we expect ADR providers to consider whether there is a transactional or contractual dispute that they can look at, as required by the ADR regulations, independently of any Commission investigation. The ADR provider will also need to consider whether any other legislation, for example, money laundering regulations, impacts on its ability to handle the dispute.

3.8 Taking these factors into account, the ADR provider may decide that dealing with the dispute would take such resource that it would seriously impair its effective operation. Under such circumstances, the provider could refuse to take the dispute.

3.9 If the provider is unable to consider the matter, the only other option available to consumers to seek resolution is to take the matter to court. The complexity of this procedure can deter consumers from seeking redress. This makes it important for providers to ensure they consider as many disputes as possible

3.10 Types of disputes linked to regulatory matters could include (please note that these examples are not exhaustive):

- *Non-payment of winnings/ account suspended due to anti-money laundering (AML) concerns*

We expect ADR providers to consider the dispute based on the gambling business's actions and the available evidence from both parties. The ADR provider does not need to know whether the gambling business has submitted a Suspicious Activity Report (SAR) to the appropriate authority to do this, and the gambling business should not disclose this information to the provider. If the ADR provider decides the dispute in the consumer's favour, the gambling business should pay the consumer/return the consumer's funds. Where the business continues to suspect or knows that the customer is laundering money, they may do this by submitting a defence against money laundering (DAML) SAR, requesting a defence for potential money laundering offences in respect of the transaction in question (that of paying off the customer). If consent is refused, it will be for the gambling business to seek information from appropriate authorities on what may be disclosed to the consumer. We intend to provide some additional information to gambling businesses to remind them of these obligations.

- *Non-payment of winnings/account suspension due to issues related to fraud or crime, but not money laundering.*

We expect ADR providers to consider the dispute based on the gambling business's actions and the available evidence from both parties. Relevant considerations could include whether there is an ongoing police or criminal investigation, or the suspicion has been reported to the authorities. Providers should note that unless prevented from doing so by legislation (such as criminal, or linked to data protection), they must be prepared to share the evidence on which they base their decision with both parties to the dispute, as required by the ADR Regulations, Schedule 3, part 7 (Fairness).

- *Account suspended due to failed identity checks/ refusal to comply with identity checks*

We expect ADR providers to consider the dispute based on the gambling business's actions and the available evidence from both parties. ADR providers may wish to consider the nature of the information that the gambling business is requesting the consumer to provide, and whether it appears to be reasonable/fair in accordance with the requirements of consumer protection legislation and money laundering regulations. The provider may also wish to consider the reasons behind and [the timing of the request](#). For example, if a gambling business allows a consumer to continue to deposit funds while refusing to allow him or her to withdraw them, this might cast some doubt on the necessity of the checks. Providers should note that in September 2018 we launched a consultation looking at age and identity verification issues. Pending the outcome of the consultation, we may require businesses to at least verify the basic identity of customers before the customer is permitted to gamble.

- *Non-payment of winnings/account suspended/bet voided due to issues related to suspected irregular betting or match fixing.*

We expect ADR providers to consider the dispute based on the gambling business's actions and the available evidence from both parties. If a gambling business suspects that a bet is irregular, or that an event has been fixed, they may report the matter to the appropriate authority, including our Sport Betting Integrity Unit (SBIU). The gambling business should decide whether to pay out on the wager. The ADR provider should therefore be able to consider any dispute, based on the evidence provided.

- *Disputing that the gaming machine is rigged or unfair.*

The ADR provider will need to establish any contractual/transactional element of the issue. For example, whether the gambling consumer is disputing that certain

transactions they have made have been affected by an unfair game or is just making a general complaint that the game is not fair because they have not won. Where a contractual/transactional dispute is identified, the ADR provider could consider information held by the gambling business, for example, to establish whether a game has been tested, recent evidence of ongoing monitoring of the return to player (RTP), or an audit record of a gaming machine, to consider any transactional element of a dispute. The provider may need to ask the operator to obtain this information.

- *Disputes linked to technical issues*

Technical issues could include, for example, a game that displays a win for the consumer when there was actually a loss, or game or lottery tickets that do not print correctly, etc. A significant number of complaints about the same game/gambling business may indicate a wider problem that would interest us. **We expect the ADR provider to consider the contractual/transaction dispute in each individual complaint they receive.**

- *Permitted to gamble when self-excluded*

A consumer may enter into a self-exclusion agreement with a gambling business, under which the consumer agrees to exclude themselves from gambling with the business and the business agrees to help prevent the consumer from accessing the gambling facilities. The ADR provider's role does not include considering whether the business's self-exclusion policy is effective – this is a requirement of the business's licence and is a matter for us. However, **we expect the provider to consider whether terms and conditions attached to any self-exclusion agreement are clear and fair in accordance with the requirements of consumer protection legislation, and whether it would be clear to the consumer that they were excluded from the channel, platform or premises from which they attempted to gamble.**

ADR providers should note that multi-operator self-exclusion schemes are in operation for both online and land-based gambling sectors. The gambling businesses do not run the multi-operator schemes, and therefore do not have responsibility for the terms and conditions or clarity of the schemes. As a result, complaints related to these schemes are a matter for us.

- *Disputing that the gambling business should have intervened to prevent the consumer from coming to harm/spending their money*

We expect gambling businesses to intervene if a consumer appears to be at risk of being harmed by their gambling. Businesses must take account of a range of factors in determining whether to intervene, such as patterns of play, observed behaviour, language used in communicating, as well as time or money spent to determine whether to intervene, and may need to develop this information over a period of time.

As a result, it is unlikely that ADR providers will be able to identify a specific contractual/transactional element to the issue.

- *Disputes linked to unfair terms or practices*

ADR providers must consider consumer protection legislation when looking at disputes. We have been working with the Competition and Markets Authority (CMA) to ensure terms and conditions offered by gambling consumers meet the requirements of consumer legislation. This includes, for example, considering whether a contract term is fair, whether the consumer is being unfairly prevented from withdrawing funds and where key terms omitted from marketing or advertising materials may have misled a consumer. The CMA has published its advice to operators and consumers on its [website](#). Further information can be found on our [website](#). ADR providers need to be aware that although this advice was published in 2018, the Consumer Rights Act came into effect in 2015, and the Consumer Protection from Unfair Trading Regulations (CPRS) have been effective since 2008 and therefore apply to earlier disputes.

From 31 October 2018, new requirements for gambling businesses come into force. These require businesses to comply with the advertising codes of practice issued by the Committees of Advertising Practice (CAP). We have worked with the Advertising Standards Authority (ASA) and CAP to deliver key messages and guidance to industry, including CAP guidance on the marketing of free bets and bonuses and responsible advertising. ADR providers should take ASA rulings and CAP guidance into account when considering disputes where these are relevant.

- 3.11** Note that the ADR provider is not required to determine whether the gambling business has breached the terms of its licence or otherwise. The ADR provider may only consider contractual/transactional matters based on the evidence available at the time of the decision.

Decisions and resolutions

- 3.12** Depending on the type of dispute resolution offered, the ADR provider will agree a resolution to the dispute with both parties or use the available evidence to make a decision to resolve the dispute. If the outcome involves a payment for the consumer, the ADR provider may also consider factors such as:
- reimbursement of out-of-pocket expenses caused by the dispute (for example, if the consumer has incurred a cost for documents that the gambling business has asked them to provide, such as notarised documents).
The ADR process is intended to be free for the consumer, so following the process should not put them out of pocket. The ADR provider need not reimburse consumers for everyday costs that might arise in making a dispute, such as the costs of a telephone call. However, where the consumer has been required to incur considerable amounts of telephone charges, or travel costs to attend an ADR hearing, the provider should consider whether reimbursement is appropriate.
 - compensation for distress or inconvenience, if that has been considerable.
An ADR provider may, at their discretion, consider awarding compensation to a consumer if the provider can establish that a gambling business's actions have caused the consumer considerable distress or inconvenience. We expect that this will be exceptional rather than typical.

New standards – general principles for considering compensation

- 3.13** We expect ADR providers to take into account the following general principles when considering whether to award compensation (rather than reimbursement):
- In awarding compensation, the ADR provider is recognising the emotional or practical impact on the consumer, rather than punishing the business.
 - The ADR provider may look at whether a dispute has had a considerable emotional or other impact on the consumer beyond a financial impact. For example:
 - significant distress, including stress or physical or mental suffering
 - inconvenience, including where a consumer has had to expend considerable effort or time because of a business's mistake
 - damage to a consumer's reputation by a business's action
 - In most cases providers will not award compensation, recognising that any dispute is likely to cause a measure of inconvenience or upset. Providers should consider whether compensation is warranted where the impact of the business's actions have had a considerable effect on a particular consumer.
 - Providers should also recognise that all consumers are different, and what is a significant impact for one person may not be for another. Providers should consider compensation awards at their discretion, taking into account all the circumstances of the case. This means that in similar cases, providers may award different amounts of compensation – or award compensation for one case but not another – depending on the overall impact on the consumer. We expect providers to apply a consistent approach to determining the amount of any compensation awards, although the outcome of each case may be different.

- The amount of any compensation awarded is at the discretion of the ADR provider and is not subject to appeal within the ADR process. This does not affect the consumer's right to appeal the provider's decision in a competent court.

3.14 ADR providers should use their discretion to decide what to award, if compensation is deemed appropriate. The amount of money in dispute may be a factor to consider, though the impact on the consumer will usually outweigh this. The provider may also consider that a non-monetary award, such as an apology, is appropriate. ADR providers in the gambling industry may wish to agree an approach to compensation with each other.

3.15 As of September 2018, very few awards for compensation have been made in the gambling industry. By producing these principles, we aim to ensure that any future awards made follow a consistent approach.

The legal effect of the outcome of the dispute resolution process

3.16 As a condition of the licence, we require gambling businesses to ensure that terms and conditions they introduce around ADR do not restrict the customer's right to bring court proceedings against the gambling business. The terms may, however, provide for a resolution of the dispute agreed by the customer to be binding on both parties (Social Responsibility code provision 6.1.1.4).

3.17 Under the ADR Regulations (5(n)), information that ADR providers must make publicly available includes the legal effect of the outcome of the dispute resolution process, including whether the outcome is enforceable and the penalties for non-compliance with the outcome, if any.

3.18 We expect that the outcome of the dispute process should be binding on both parties if the consumer agrees with the outcome for disputes which would otherwise be taken to the small claims court (disputes of not more than £10,000). The ADR procedure need not be binding for disputes over £10,000. This will allow, for example, for mediation to be employed for larger figures, or for adjudication decisions to be non-binding.

3.19 If the consumer does not agree with the outcome, they may choose to take the matter to an appropriate court.

Reconsidering the outcome of the dispute resolution process

3.20 We recognise that there may be times when a provider may receive information relevant to the outcome of a dispute after the outcome has been issued. For example, the consumer may provide an email that the ADR provider has not seen before. The existence of a new email in itself would not necessarily be grounds to reopen a dispute. But if the email contained new information that impacted on the dispute, then the provider should consider whether the dispute should be reopened.

3.21 We therefore expect ADR providers to make available to consumers information on:

- whether they will reconsider the outcome of a dispute after the outcome has been issued
- the circumstances or grounds for such reconsideration to take place
- time-limits for requesting such reconsideration, and the process that it will follow
- what will happen at the end of the process.

4 Independence, transparency, consistency and quality

Requirements of the ADR Regulations

- 4.1** The ADR Regulations require the ADR provider and officials to be independent of the parties to a dispute. This includes:
- ADR officials must be appointed for a term of office sufficient to ensure the independence of the person's actions, and provides that no official can be relieved of their duties without just cause (Schedule 3, 3(b))
 - ADR officials must not be remunerated in a way that is linked to the outcome of the dispute resolution process (Schedule 3, 3(d))
 - where ADR officials are employed or remunerated by a professional organisation or business association, the entity must have a ring-fenced budget to enable it to carry out its functions as an ADR entity (Schedule 3, 3(g))
 - where the ADR provider operates a dispute resolution model that is a collegiate body of representatives of both professional organisations/business associations and consumer organisations, ADR officials must comprise an equal number of representatives of consumer interests and trader interests (Schedule 3, 3(h)).
- 4.2** The ADR Regulations also set out criteria that ADR providers must meet in terms of expertise, impartiality, effectiveness and fairness. These include:
- ensuring that an ADR official possesses a general understanding of the law and the necessary knowledge and skills relating to the out-of-court or judicial resolution of consumer disputes (ADR Regulations Schedule 3, 3(a)).
 - ensuring that no ADR official discharges his or her duties in a way that is biased as regards a part to a dispute, or the representative of a party (ADR Regulations Schedule 3, 3(c)).
 - ensuring that parties to a dispute may express their points of view, and may request sight of, and opportunity to comment on, evidence, documents, arguments and facts put forward by the other party to the dispute. (ADR Regulations Schedule 3, 7(a) – (c)).

The Ombudsman Association's six principles of good governance

The [Ombudsman Association](#) (OA) suggests that, for a scheme to be credible, all stakeholders must have confidence in it and in the independence and effectiveness of the official in the role of investigating and resolving consumer or public service complaints. The OA suggests [six principles of good governance](#):

Independence

Ensuring and demonstrating the freedom of the office holder from interference in decision making:

- Freedom from interference in decision making on complaints
- Appropriate and proportionate structure and financial arrangements
- Appointment, re-appointment and remuneration of the office holder consistent with ensuring independence
- Governance arrangements which ensure and safeguard the independence of the office holder and scheme
- Those involved in the governance of the scheme to conduct themselves at all best times in the best interest of the scheme

Openness and transparency

Ensuring openness and transparency in order that stakeholders can have confidence in the decision-making and management processes of the scheme:

- Clear explanation of legal constitution, governance and funding arrangements
- Open and clear policies and procedures, and clear criteria for decision making
- Clear and proper recording of decisions and actions
- Free availability of information and publication of decisions, consistent with statute, contract and good practice
- Clear delegation arrangements, including levels of authority
- Register of interests, to apply to the office holder, appropriate staff members and members of any governing body

Accountability

Ensuring that all members of the scheme, including the office holder staff members and members of any governing body are seen to be responsible and accountable for their decisions and actions, including the stewardship of funds (with due regard to the independence of the office holder)

- Subject to appropriate public or external scrutiny
- Accountable to stakeholders for the operation of the scheme
- Financial accountability, and appropriate internal controls to demonstrate the highest standards of financial probity
- Robust mechanism for review of service quality
- Clear 'whistle-blowing' policy

Integrity

Ensuring straightforward dealing and completeness, based on honesty, selflessness and objectivity, and ensuring high standards of probity and propriety in the conduct of the scheme's affairs and complaint decision making.

- Impartiality in all activities
- Identify, declare and deal with conflicts of interest (Including office-holder, staff members and members of any governing body)
- Compliance of all those involved in the governance or operation of the scheme with relevant principles of public conduct
- Arrangements for dealing with conflicts about governance issues

Clarity of Purpose

Ensuring that stakeholders know why the scheme exists, what it does, and what to expect from it

- Explanation of the purpose of the scheme and who it serves
- Clear status and mandate of the scheme
- Clarity of extent of jurisdiction
- Governance arrangements which are clear in relation to the office holder's adjudication role

Effectiveness

Ensuring that the scheme delivers quality outcomes efficiently and represents good value for money

- Leadership which defines and promotes the values of the scheme
- Keeping to commitments
- Good internal planning and review processes
- Quality assurance and a process for review of service
- Quality outcomes for complainant, organisation complained about, scheme and all other stakeholders
- Recommendations accepted by bodies in jurisdiction
- Effective risk management controls
- Cost effectiveness for money

- 4.3** We agree with the high-level principles set out by the OA. We expect ADR providers in the gambling sector to meet these principles, regardless of whether the provider is a member of the OA. We will assess the independence of ADR providers against these principles.
- 4.4** In particular, we expect the ADR provider to:
- be transparent about and make public information on how it is funded, and how it is independent
 - provide clear information about the purpose of the scheme
 - publish clear criteria to gambling businesses and customers about its methods and manner of, and timescales for, handling disputes
 - At least annually, implement a robust review or audit of dispute outcomes, service standards and service quality as well as governance arrangements.
- 4.5** We expect providers' policies and procedures for decision making to take account of the balance of power within a dispute. Some consumers (such as those with health problems, literacy problems, or those who are unfamiliar with gambling) may find it particularly difficult to state their case or understand arguments advanced by the other party. We expect providers to take account of the consumer's needs when requesting or sharing information. This includes providing information clearly, tailored to the consumer's level of understanding and asking the right questions to elicit information.
- 4.6** We expect providers to ensure that parties to a dispute are made aware of their right to request the information put forward by the other party as soon as possible in the dispute process. All such information should be provided to them in a timely manner.
- 4.7** The only exception to this requirement is where sharing evidence or information may result in a conflict with other law or regulations. For example, where sharing personal information may contravene the GDPR, or sharing information that alerts a customer that they are being investigated for money laundering concerns may constitute a criminal offence under the Money Laundering Regulations.
- 4.8** We also expect ADR providers to publish performance data to help demonstrate to consumers that their procedures are transparent and independent. This may be in the form of key performance indicators (KPIs) measuring certain metrics of the ADR process. For example:
- numbers of disputes received
 - average time taken to handle disputes
 - number/ percentage of disputes that took over 90 days to resolve from the date the provider received the complete complaint file
 - percentage of disputes formally resolved in favour of the customer
 - percentage of disputes formally resolved in favour of the gambling business
 - percentage of disputes resolved informally with agreement from both parties
 - numbers of disputes refused
 - metrics that the provider may collect related to customer satisfaction (for example, on clarity of information provided, ease of process, time taken to respond, final outcome).
- 4.9** We expect providers to publish this information at regular intervals to supplement/ feed into the information in the provider's annual report, as required by the ADR Regulations.

Conflicts of interests

- 4.10** A conflict of interest may arise if an ADR official is involved in a dispute in which they have an interest, whether this interest is personal, financial or another interest. Both the ADR Regulations and the OA principles of good governance require arrangements to be put in place to safeguard against conflicts of interests.

4.11 The obligation to disclose a conflict of interest remains a continuing obligation throughout the alternative dispute resolution procedure (ADR Regulations Schedule 3, 3(f)).

4.12 As a minimum, the ADR Regulations (Schedule 3, 4) require ADR providers to have in place the following procedure in the event of a conflict of interest:

- where possible, the ADR official is replaced by another official to handle the particular dispute
- if the ADR official cannot be replaced, the official must refrain from conducting the alternative dispute resolution procedure and the provider must, where possible, propose to the parties that they submit the dispute to another ADR provider that is competent to deal with it.
- If the dispute cannot be transferred to another ADR provider, the provider must inform the parties to the dispute of the circumstances of the conflict of interest and that they have the right to object to the conflicted person continuing to handle the dispute, and can only continue with the dispute if no party objects.

4.13 We expect ADR providers to ensure that parties to the dispute understand that where the dispute is transferred to another provider, the terms and conditions of that provider will apply to both parties for that dispute.

4.14 Where ADR officials work part-time for the ADR provider and part-time in another capacity (eg, as gambling trade association official), providers must ensure that the official is not conflicted by their non-ADR duties. Any such conflicts must be reported and dealt with in accordance with the above policy.

4.15 To meet both the requirements of the ADR Regulations and our standards, providers will need to demonstrate that the official is not conflicted. Such demonstration could include, but is not limited to:

- a published statement of how the ADR official's duties are not in conflict with other duties not related to ADR
- a published statement demonstrating how financial remuneration for the ADR official is not linked to any other duties

Decision quality standards

4.16 We expect the ADR provider to carry out its duties based on the following quality standards.

4.17 Before reaching an outcome, the ADR provider:

- examines thoroughly all of the evidence presented
- decides the key issues, establishes the relevant facts, and identifies all necessary enquiries
- asks the right questions, in the right way, to enable all the relevant facts to be identified
- provides information to the parties to the dispute in such a way that clarifies the key issues, the facts that are known, and any information still required.

4.18 In reaching an outcome, the provider:

- takes full account of the relevant information provided in the dispute
- correctly interprets and applies the law, including consumer protection legislation
- ensures the rules of natural justice are met - that the parties know the case they must answer, have had fair opportunity to make their own case, and that there has been no bias

- reaches an outcome that is reasonable in all the circumstances of the case (taking account of whether the outcome is reached through mediation or adjudication)
- tailors each communication and outcome notification to the case, ensuring that the consumer's perceived level of understanding is respected.

4.19 The ADR provider will also need to reach the outcome of the disputes within certain timescales, as laid out in the ADR Regulations. Further information about this is contained within the Customer Service and Information section.

5 Customer service and information to consumers

- 5.1** The ADR process can be lengthy, and in some cases quite complex. It is important that ADR providers communicate with consumers in a way that helps to manage their expectations and increase their understanding of the process. Consumers need to understand where their dispute is within the process, how long it might take, and what their options are at any given time. This will help to improve the transparency of and consumer trust in the process.
- 5.2** Providers should consider the best way to communicate with consumers. For example, it may be appropriate to communicate with some consumers by telephone rather than by email or in writing. However, if communicating with a consumer by telephone, it may still be appropriate to provide a summary of the telephone conversation by email or in writing to maintain an agreed record of the process.

ADR Regulations – information to be displayed on the ADR provider’s website

- 5.3** The ADR Regulations require providers to provide certain information on their websites. This includes information about processes operated, including:
- contact details, postal and email addresses
 - a list of ADR officials, the method of their appointment and the duration of their appointment
 - a statement that the provider is approved by the relevant competent authority
 - the types of disputes it is competent to deal with, including any financial thresholds that apply
 - procedural rules of the ADR procedure it operates, including grounds for refusing a dispute
 - the language in which it is prepared to receive initial dispute submissions, and in which the procedure can be conducted
 - the principles it applies and the main considerations when seeking to resolve a dispute
 - any requirements that a party to a dispute needs to have met before the ADR procedure can begin
 - a statement as to whether a party to a dispute can withdraw from the ADR procedure once it has started
 - any costs to parties to a dispute, including any rules on costs awarded by the body at the end of the ADR procedure³
 - average length of each ADR procedure
 - the legal effect of the outcome of the ADR process, including whether the outcome is enforceable and any penalties for non-compliance with the outcome
 - a statement as to whether the ADR procedure it operates can be conducted by oral or written means, or both
 - The annual activity report as required by the ADR Regulations Schedule 3, 11(2).

The Online Dispute Resolution (ODR) platform

- 5.4** ADR providers must comply with the EU Regulation on Online Dispute Resolution (ODR). The [ODR platform](#) is a requirement of the EU Regulations for consumer disputes. The platform is an automated online tool that will allow consumers to make a complaint against a trader where goods or services have been bought online. The platform provides translations in all EU languages.

³ In LCCP, we go beyond the ADR Regulations and require gambling businesses to provide ADR free of charge for consumers

- 5.5** All gambling businesses that sell goods or services to consumers online must provide on their websites a link to the ODR platform.

ADR Regulations – the ODR platform

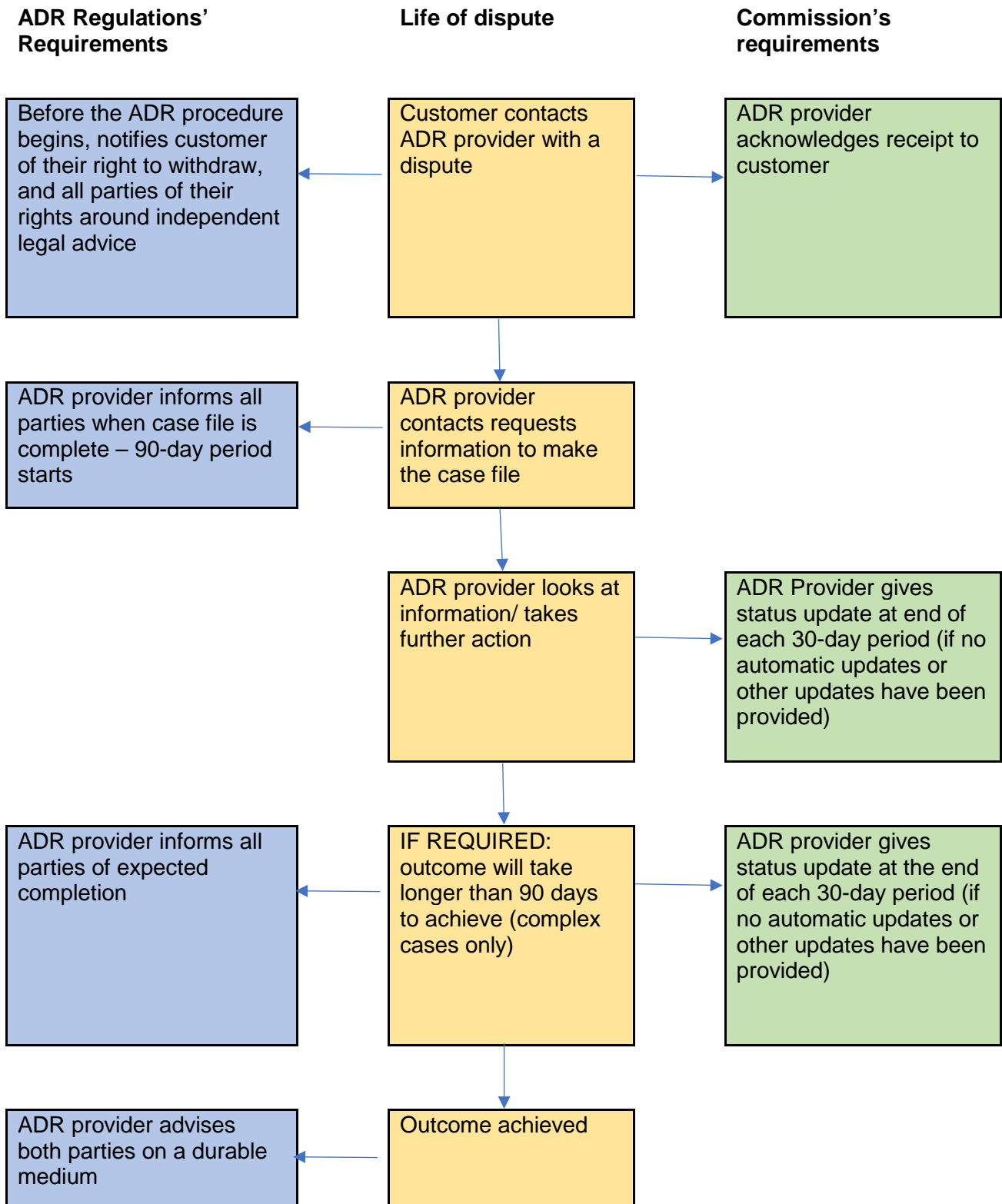
- 5.6** Under the ADR Regulations (Schedule 3, 17 – 19, as amended), when an ADR provider receives a dispute via the ODR platform, it must:
- notify the parties to the dispute without delay whether they agree or refuse to deal with the dispute, and transmits any refusal to the ODR platform
 - inform the parties of the provider's procedural rules, and of any costs incurred
 - not require the physical presence of the parties, unless its procedural rules provide for this and parties agree
 - provide the following information to the ODR platform:
 - the date it receives all the information making up the complete complaint file
 - the subject matter of the dispute
 - the date the ADR procedure concludes
 - the result of the ADR procedures

Providing consumers with information about ongoing disputes

- 5.7** The ADR Regulations require ADR providers to provide parties to a dispute with certain information during the course of the dispute. The provider must:
- notify all parties to a dispute as soon as it has received all of the information that makes up the complete complaint file (see definition at para 3.3 and in glossary) ADR providers should note that the Commission's guidance to gambling businesses recommends that businesses ensure that they respond to requests from ADR providers for information about disputes in full and within ten working days (though businesses can choose what information they provide). Businesses should not unnecessarily delay providing the information that the ADR provider requests. Where the business delays in providing information without reasonable explanation, the ADR provider should consider reporting the matter to the Commission.
 - before the ADR procedure begins, informs the customer that they have the right to withdraw from the procedure at any stage
 - inform the parties that they are not obliged to have a legal adviser, but that they may seek independent advice or be represented or assisted by a third party at any stage of the alternative dispute resolution process
 - notify the parties with the outcome of the dispute within 90 days from the date on which the provider received the complete complaint file. Where the case is highly complex, the body may extend this period, but must inform the parties of this extension and how long it expects the process to take.

- 5.8** We expect ADR providers to provide parties to a dispute with some additional information during the lifetime of the dispute. This will help to keep the process transparent to all parties. The chart on the following page illustrates the requirements of both the ADR Regulations and the Commission.

Summary of Commission and ADR Regulation requirements for updating consumers during a dispute.



5.9 In summary, under the new standards we expect ADR providers to:

- acknowledge receipt of the consumer's initial contact within 3 working days. This may be done as part of the requirement to notify the consumer of their right to withdraw, and of their rights around independent legal advice, as per the requirements of the ADR Regulations.
- provide an update to the consumer at the end of each 30 days that the dispute is ongoing (once the ADR provider has received all the documents that make up the

complete complaint file), where the consumer has not received any other update from the ADR provider during the preceding 30 days. This update might explain to the consumer the point in the dispute procedure that the complaint has reached, the reason for any delays (where appropriate), and confirm to the consumer that the dispute process is continuing.

- provide further updates at the end of each 30 days that the dispute is ongoing if the dispute takes longer than 90 days to complete (and where the consumer has not received any other update from the provider within the preceding 30 days).

5.10 The ADR provider will also need to communicate with the consumer at other times outside of this process. For example, the provider will need to ensure that parties to the dispute are aware of their right to see and comment on evidence advanced by the other parties and may also need to contact parties to clarify evidence that has been put forward (see section 4, paragraph 4.6-4.7).

Other information – appealing the outcome of the dispute

5.11 Paragraphs 3.20 – 3.21 of this document discuss information that we expect providers to give to parties to the dispute about whether the parties can appeal the outcome of the dispute. ADR providers should ensure their policy for accepting any appeals is clear and accessible.

Other information – complaining about the ADR provider

5.12 Parties to a dispute may wish to complain about the ADR provider's service. For example:

- no information received from the ADR provider
- delays in the dispute process
- unsatisfactory treatment by staff
- systems difficult to use.

5.13 Under our standards, we expect providers to put in place and publish on their websites an effective procedure to handle complaints received about their service. The information in this procedure must include:

- how complaints may be made
- the types of complaints that can be raised (that is, complaints about service rather than about the outcomes of decisions, which should be signposted to the information on how to appeal)
- a brief explanation of the process for reviewing the complaint
- how long the process is expected to take
- the communication the complainant can expect to receive (for example, when receipt of the complaint will be acknowledged, whether requests for further information will be made, how long it will take to advise of final outcome).

Vulnerable consumers

5.14 As part of our standards, providers will need to consider if the language the consumer has used in raising their dispute, or in any of their other communication, indicates that they might be vulnerable or need additional support to understand the ADR process. If so, then the provider may need to consider:

- accessibility - ensuring that communication is tailored to the needs of the individual as far as is possible. Providers may also need to consider whether, for example, the consumer needs additional support or alternative means to contact them.

- risk of harm from gambling - whether there are indications that the consumer's gambling behaviour puts them at risk of being harmed by their gambling, or presents a risk that others (such as family members) may be harmed.
- People at risk of harm from gambling are not always aware that they are at risk, so providers should use sensitivity and discretion when communicating with them. Providers should consider whether it is appropriate to sign-post customers to gambling management tools, self-exclusion from gambling, or an organisation that may be able to provide support. Providers are not expected to be experts in gambling-related harm and should exercise caution in any approaches.

5.15 For more information, the Commission's website has a dedicated section on [safer gambling](#).

Information on customer service performance

5.16 ADR providers should put information on their websites about their performance against the customer service requirements outlined above.

5.17 Providers may need to consider 'pausing' a dispute if the customer takes a significant amount of time to respond to requests for information or engage with the dispute resolution process. Providers should explain when this 'pause' is triggered within their dispute process. Providers will also need to establish and explain their procedure for closing a dispute when no contact is received from the customer.

Evaluating customer satisfaction

5.18 ADR providers may wish to consider measuring customer satisfaction with their service, such as post-decision surveys, and make the results of this available on their websites. Such action is at the discretion of the provider.

6 Beyond ADR – sharing complaints information

6.1 Because of the nature of dispute resolution work, ADR providers are likely to obtain information that would be useful to other stakeholders – in particular, to us as the regulator. We expect providers to share relevant information with interested stakeholders, where it is appropriate to do so. This could include:

- **information on emerging trends or themes**
ADR providers may notice that they are receiving a number of complaints about a certain issue, or operator. This could indicate an emerging issue in the wider industry where it would be useful for us to act. ADR providers should make us aware of unusual patterns of complaint activity. Note – there is no definitive number of complaints before a trend is reported to us. ADR providers should consider whether the volume or nature of complaints is unusual or atypical in deciding whether to inform us.
- **data and reports**
ADR providers must collect certain data to meet the requirements of the ADR Regulations. Under this policy, we expect providers to collect additional data. This is explained further in the next section
- **input to relevant consultations or calls for evidence**
ADR providers can use their experience and expertise in complaints handling and processes to input to consultations or calls for evidence. This could be consultations that directly affect the gambling sectors that the provider represents, or where the provider has useful evidence or experience that can contribute to a debate.
- **providing feedback to gambling businesses**
ADR providers should consider ways of providing feedback to gambling businesses. This could be direct feedback to a business via the outcome of a dispute, or where similar issues are identified, speaking to a group of businesses. Providers may also consider sharing information with gambling sector trade associations and other relevant bodies.
- **providing information on potential regulatory breaches**
As described in section 3, ADR providers may receive disputes that involve both a regulatory issue and a transactional issue, or in some cases, a regulatory issue only. We are considering how we may best support consumers in matters that do not have a transactional or contractual element to the complaint. We will work further with ADR providers to consider how consumers can be helped to refer such matters to us.

6.2 We will allocate each provider with an Account Manager to act as main point of contact at the Commission. The Account Manager will generally be the first point of contact for sharing any of the above information with us.

Reporting requirements

6.3 The ADR Regulations require ADR providers to complete annual and biennial reports. For ADR in gambling, the reporting period for these reports ends on 30 September each year or every two years. ADR providers must publish the annual report on their websites by 1 November each year.

6.4 We carry out a consistency check on annual and biennial reports. We will confirm with ADR providers the manner and timescales to submit reports to us to ensure providers may publish on their websites by 1 November each year.

- 6.5** Under this policy, we expect ADR providers to submit quarterly activity returns, based on the annual report, containing the following:
- number of domestic GB disputes received
 - types of disputes to which the complaints relate. We will agree a common typology with ADR providers to ensure consistency of reporting.
 - number and percentage disputes upheld in favour of the gambling business – overall and for each type of complaint
 - number and percent disputes upheld in favour of the gambling business – overall and for each type of complaint
 - number and percent disputes settled by the gambling business without an outcome being imposed – overall and for each type of complaint
 - average length of time taken to receive the complete case information from the gambling business
 - average length of time taken to complete the case having received the complete complaint file.
- 6.6** We expect ADR providers to submit this information in the manner and to the timetable we specify. Providers may submit a nil return if they have not undertaken any gambling dispute activity in the quarter.

7 How we will work with ADR providers

Introducing the new standards

- 7.1** These additional standards for ADR providers come into force on 31 October 2018.
- 7.2** Once we have introduced the standards, we will carry out a review of approved ADR providers in the gambling industry against the requirements of the ADR Regulations and the new standards. We will carry out this review during the period November – December 2018.
- 7.3** The review will include checking published information and policies against the requirements. We will also request an internal statement from providers, asking them to demonstrate how they meet parts of the requirements that cannot be evidenced through published information and policy checks. This information should be provided in a form and manner that we will specify.
- 7.4** Where necessary, we will take any remedial action with providers who do not meet the standards during the period January – March 2019.
- 7.5** Where appropriate, we will confirm that an ADR provider meets both our additional standards as well as the requirements of the ADR Regulations by amending the information on our list of approved ADR providers.
- 7.6** In Quarter 4 of 2018 – 19 we intend to consult on a change to our LCCP. This change would require gambling businesses that we license to use only ADR providers who meet the requirements of both the ADR Regulations and our standards.

Ensuring ongoing compliance with the standards and ADR Regulations

- 7.7** We will review providers against the requirements of the ADR Regulations and our additional service standards on an annual basis, in Quarter 3 of the year. This will include a review of the provider's published policies and information, and a request for the provider to submit a revised Statement of internal control, as outlined above.
- 7.8** We sometimes receive complaints about ADR providers from gambling consumers. We cannot get involved with the ADR provider's decision, but we can consider whether the ADR provider has followed the procedures required by the ADR Regulations and the Commission's additional standards. A consumer complaint may therefore prompt us to review the provider outside of the annual schedule. It could also prompt us to take different review action, such as reviewing a sample of resolved disputes to ensure the correct process is being followed.

- 7.9** Where we think a provider is not meeting the requirements of the ADR Regulations, whether as a result of a scheduled review or a consumer complaint, we will take action as described in the ADR Regulations Part 2, Section 13:
- write to the ADR provider to provide notice that we have reason to believe the provider no longer meets one of the requirements in Schedule 3 of the Regulations for a reason that is within the provider's control
 - in the written notice, explain which part of Schedule 3 is not met, and require the provider to meet it promptly or at least within 3 months
 - if the ADR provider fails to meet the requirement within the specified period, and the failure is sufficiently serious, send notice of withdrawal of its approval and remove the provider from the list of approved providers for the sector

- 7.10** Where we think a provider is not meeting the requirements of our additional standards, the action we take will vary depending on the nature and scale of the non-compliance. The activity we might undertake includes:
- conducting reviews of and/or visits to the provider
 - taking remedial or preventative action
 - imposing additional requirements
 - reviewing governance arrangements to ensure independence

- 7.11** Where an ADR provider remains non-compliant with the standards, we will consider revoking the additional approval.

Communication between ADR providers and the Commission

- 7.12** All approved ADR providers will be allocated a named account manager at the Commission. The account manager will:
- be the ADR provider's main point of contact at the Commission
 - handle enquiries from ADR providers in the first instance. This may include referring enquiries on to subject experts within the Commission where necessary.
- 7.13** We provide information for ADR providers on our website, where this document will also be available. We will update the information on our website at intervals, as required.

- 7.14** Via their account manager, ADR providers will need to inform us of any changes to their circumstances that might affect their approved status. This includes changes to ADR officials, who must meet the criteria in the ADR Regulations. The Regulations define an ADR official as “an individual who (solely or with other persons) is involved in the provision of alternative dispute resolution procedures offered by an ADR entity, or ADR applicant, whether as a case handler or in a management capacity.”

ADR provider wishes to surrender approved status

- 7.15** An ADR provider may request to be removed from the list of approved ADR providers. In such an instance, the provider should provide written confirmation of their intent to their account manager as soon as possible.
- 7.16** On receipt of the written confirmation:
- we will agree a notice period with the provider to ensure the provider can complete or hand over any active disputes, and give gambling businesses time to identify a new ADR provider
 - the notice period will vary depending on the number and complexity of outstanding disputes
 - once the notice period expires, we will remove the ADR provider's name from our list of approved providers.

8 Glossary of terms used in this document

Adjudication	A form of alternative dispute resolution where an independent third party looks at the facts and information from both parties in dispute and uses this to decide the dispute.
ADR official	From the ADR Regulations, “an individual who (solely or with other persons) is involved in the provision of alternative dispute resolution procedures offered by an ADR entity, or ADR applicant, whether as a case handler or in a management capacity.”
ADR provider	A person or body that provides alternative dispute resolution for consumers. In the gambling industry, we approve ADR providers.
ADR Regulations	The Alternative Dispute Resolution for Consumer Disputes (Competent Authorities and Information) Regulations 2015
Collegiate body of representatives	A body of composed of representatives of equal standing.
Competent Authority	Any person or organisation that has the legally delegated or invested authority, capacity or power to perform a designated function.
Complete complaint file	The complete complaint file is made up of the relevant information relating to the dispute, excluding any additional comment made by parties to the dispute on the arguments, evidence, documents and facts put forward by the other party to the dispute.
Deadlock letter (final letter)	Gambling businesses should issue a deadlock letter or final letter to tell consumers that they have reached the end of the business’s complaints process and can now escalate their complaint to ADR. This letter should generally be issued no later than eight weeks after the business receives the complaint.
Disputes	Complaints concerning contractual obligations in sales or services contracts or about the customer’s gambling transaction (including management of the transaction and related customer accounts) that have not been resolved through the gambling business’s complaints procedure
Gambling Act 2005	An Act to make provision about gambling and which establishes the Gambling Commission
Gambling Commission	Licenses and regulates the people and businesses that provide gambling in Great Britain including the National Lottery. Also competent authority for alternative dispute resolution in the gambling industry in the United Kingdom.
Gambling (Licensing and Advertising) Act 2014	An Act to make provision about the licensing and advertising of gambling
Gambling related complaint	An expression of dissatisfaction made to the gambling business by any means, about any aspect of the way the

business conducts the activities for which they hold a GB licence

GDPR	General Data Protection Regulation – this came into force in May 2018. The ICO is responsible for enforcing the legislation and issuing guidance on it
ICO	Information Commissioner's Office. Responsible for enforcing the GDPR and issuing guidance on it.
LCCP	Licence conditions and codes of practice. Gambling businesses must follow licence conditions and social responsibility codes of practice in order to hold a licence from us. Ordinary codes of practice do not have the status of licence conditions but set out good practice.
Licensing authorities	Local licensing authorities have regulatory obligations under the Gambling Act 2005 for licensing gambling premises and issuing permits and permissions.
Licensing objectives	<p>Three objectives set out in the Gambling Act 2015. These are:</p> <ul style="list-style-type: none">• Preventing gambling from being a source of crime or disorder, being associated with crime, or being used to support crime• Ensuring that gambling is conducted in a fair and open way, and• Protecting children and other vulnerable persons from being harmed or exploited by gambling. <p>We aim to pursue and have regard to the licensing objectives, and to permit gambling as long as we think it reasonably consistent with the objectives.</p>
Mediation	A form of alternative dispute resolution where an independent third party helps the parties in dispute to reach a solution they all agree on.
National Lottery etc. Act 1993	An Act to authorise lotteries to be promoted as part of a National Lottery, to make provision for running and regulating the National Lottery, to increase membership and extend powers of the Trustees of the National Heritage Memorial Fund, to amend section 1 of the Revenue Act 1898 and the Lotteries and Amusements Act 1976, to amend the law relating to pool betting and for connected purposes.
Non-gambling (non-contractual) complaint	An expression of dissatisfaction made to the gambling business by any means about any matter that is not related to the gambling activities. These complaints, which do not pose a risk to the licensing objectives, do not fall under the scope of this policy.
ODR Platform	A European online dispute resolution platform. This was established under Article 5 of Regulation (EU) No 524/2013 of the European Parliament and of the Council of 21 May 2013 on online dispute resolution for consumer disputes.
Ombudsman scheme	Ombudsman schemes exist to deal with complaints from consumers and ordinary citizens about most public sector bodies and some private sector businesses.

RTP	Return to Player – the average percentage of a stake that is returned to the player in a game.
SAR	Suspicious Activity Report – used to report suspicions of activities related to money-laundering or use of the proceeds of crime to the National Crime Agency.
SBIU	Sports Betting Integrity Unit – part of our intelligence function, dealing with reports of betting-related corruption.
Statutory ombudsman	An ombudsman scheme established by statute. This gives them compulsory jurisdiction over specific types of (usually regulated) businesses.

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Keeping gambling fair and safe for all

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