

Changes to licence condition 8.1 (display of licensed status)

Responses

30 July 2020

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1 Executive summary

- 1.1 In early 2020, we consulted on proposals to update Licence condition 8.1 (Display of licensed status) for gambling operators offering gambling products online (or via remote means).
- 1.2 Our consultation proposals wanted to make changes to Licence condition 8.1.1 and 8.1.2 and to introduce a new licence condition (Licence condition 8.1.3). These changes sought to:
 - standardise the type of information that must be displayed on business-to-consumer (B2C) and business-to-business (B2B) websites and mobile applications about an operator's licensed status, and
 - extend the requirements to non-commercial societies, local authorities and external lottery managers offering access to lottery products online.
- 1.3 Our objective in making these changes is to improve visibility of a licensee's licensed status for consumers of remote gambling products, supporting our work to keep gambling fair and safe.
- 1.4 Standardisation of the form of displayed licensed statuses will also enable us to better use data tools when we carry out compliance activity to check the licensed status of a gambling website or mobile application.
- 1.5 We received 30 written responses to the consultation which ran for 12 weeks. This consultation response document summarises the responses received and explains our final position on each proposal.
- 1.6 The proposals received broad support from the majority of respondents. Several modifications were made to the final licence condition drafting, including changing the information to be displayed from *licence number* to *account number* and extending the new licence condition 8.1.3 to External Lottery Managers.
- 1.7 The changes summarised in this response will take effect on 31 October 2020 and will apply to all remote B2C operators, remote B2B operators, non-commercial societies and local authorities holding society lotteries licences, and external lottery managers.
- 1.8 Alongside the changes to licence condition 8.1, we will be issuing further guidance to coincide with the launch of our new Public Register digital service in autumn 2020,

2 Introduction

The Gambling Commission

- 2.1** We license and regulate commercial gambling within Great Britain, including the National Lottery, with the exception of spread betting which is regulated by the Financial Conduct Authority (FCA).
- 2.2** Our functions include:
- licensing operators and individuals,
 - monitoring compliance with licence conditions and the law,
 - investigation and enforcement, both in relation to licensees and illegal (unlicensed) gambling, and
 - providing advice to central and local government on the incidence, manner, effects, and regulation of gambling.
- 2.3** We have a statutory duty to aim to permit gambling if it is reasonably consistent with the licensing objectives

Consultation proposals and background

- 2.4** In a consultation conducted between 26 February and 20 May 2020, we set out proposals to amend licence condition 8.1 relating to the display of licensed status on screens from which customers can access remote gambling activities (e.g. websites and mobile applications).
- 2.5** Our consultation proposals wanted to make changes to licence condition 8.1.1 and 8.1.2 and to introduce a new licence condition (licence condition 8.1.3). These changes sought to:
- standardise the type of information that must be displayed on business-to-consumer (B2C) and business-to-business (B2B) websites and mobile applications about an operator's licensed status, and
 - extend the requirements to non-commercial societies, local authorities and external lottery managers offering access to lottery products online.
- 2.6** We received 30 written responses to the consultation from the following categories of respondents:
- 20 from licence holders
 - 3 from trade associations
 - 4 from charitable organisations
 - 1 from members of the public
 - 2 from others
- 2.7** A summary of the responses we received to the consultation questions, along with our position in view of those responses, is provided below in Section 3.

Next steps

- 2.8** Changes to the licence conditions and codes of practice (LCCP) will take effect from 31 October 2020.

2.9 These changes will affect:

- all remote casino, bingo and betting licences other than ancillary, host, remote betting intermediary (trading room only), remote general betting (limited) and remote general betting (standard) (remote platform) licences
- all gaming machine technical, gambling software and host licences
- all lottery operating licences issued to non-commercial societies, local authorities or external lottery managers (that offer access to lottery products via a website or mobile application).

2.10 These proposed revisions align with our ongoing work to redesign our Public Registers of licensed operators (including their website domains), personal licence holders and premises. When the new Public Register digital service goes live in autumn 2020, we will be issuing operators new web links to it.

2.11 The form and manner we will require licensees to display that they are licensed and regulated by us and how their account number and link to our public registers are to be displayed, will be published before, or alongside, the issuing of new links to our public register.

2.12 When the new links are issued, we will allow licensees three months to make the required changes to their websites and mobile applications. Specific dates will be in the letters by which we issue the new links to our public register.

3 Summary of responses

Changes to licence condition 8.1 (display of licensed status)

3.1 We proposed to standardise the wording used for our requirements for the display of a licensed status across remote business-to-customer (B2C) (licence condition 8.1.1) and business-to-business (B2B) (licence condition 8.1.2) licensees. We have also extended the requirement to display licensed status to non-commercial society and local authority lotteries offering lottery products remotely. The latter change will improve visibility of a licensee’s licensed status for consumers.

3.2 Standardisation of the form of displayed licensed statuses will also enable us to better use data tools when we carry out compliance activity to check the licensed status of a gambling website or mobile application.

Consultation question

Do you agree with the proposed changes to the licence conditions?

Respondents’ views

General comments

3.3 Within the positive responses, several respondents commented that the proposals were sensible improvements. Others commented that the proposals would provide more clarity for consumers on whether a website or mobile application was licensed by us. It was also stated that the changes would be fairer, ensuring that all licensees

with remote licences (including lotteries) had to display their licensed status. The standardisation of the form of the licensed status to be displayed was welcomed.

- 3.4** Two respondents asked that we avoided placing an undue burden on licensees. They raised technical queries relating to how the link will be maintained and the measures put in place to ensure access to our website would not be blocked by firewalls. Some respondents queried whether there would be indemnification in the event the link failed due to an error with our website. Related to this point, one licensee requested that we did not require licensees to display their full licence number but rather their account number, which was less likely to change from time to time.
- 3.5** Two other respondents suggested that it was not necessary to require licensees to display a licence number, if we also required a direct link to a licensee's record on our public register of licence holders.
- 3.6** The issue of licensees holding multiple licences was also raised. In these cases, it was suggested that we implement the use of a 'dynamic seal'; whereby licensees who hold multiple licences, group these under an assigned B2C licensed entity. The display of licensed status would refer to this entity and not to each of the multiple licences held by the licensee.

Specific comments on the proposal to modify licence condition 8.1.1

- 3.7** In relation to licence condition 8.1.1, one respondent suggested that the display of licensed status was not required on screens where consumers were taking part in a gambling activity and only on screens where players accessed the gambling from. They supported this view by explaining it was more complex to incorporate the display of licensed status on 'play screens' (e.g. the screen of a slot game, or within a bingo lobby) on mobile applications, where the sizing of windows would likely result in the licensed status being out of the main window.

Specific comments on the proposal to modify licence condition 8.1.2

- 3.8** For licence condition 8.1.2, respondents commented that the wording "offering the supply of gaming machines or gambling software on websites" in Licence condition 8.1.2 is misleading and it should be made clearer that games are not available for play on B2B websites (except for demonstration games in some cases).

Specific comments on the proposal to add licence condition 8.1.3

- 3.9** Some respondents queried whether the proposed licence condition 8.1.3 is intended to apply to External Lottery Managers (ELMs). Additionally, accompanying guidance was requested for ELMs who may manage lotteries for multiple society lotteries. Clarification was sought on whether ELMs should display their own licence details or those of all the lotteries they operate, with the former being considered preferable and less burdensome than the latter.
- 3.10** Clarification was requested on whether the requirement to display licensed status would apply to all screens from which a consumer could "access" a lottery product, or only to those screens where a consumer could purchase a lottery product.

- 3.11** It was suggested that a charity website that links through to a society lottery website provided by an ELM, should include a statement explaining what percentage of the lottery sales are received by the charity for spend on charitable purposes.

Our position

General

Overall, respondents supported our proposed changes to licence condition 8.1.

The changes will ensure that, for licensees offering gambling products or services remotely, a licensee's licensed status is displayed in a standard form on relevant screens. The extension of the requirement to display a licensed status to cover non-commercial society lotteries and local authority lotteries will particularly benefit consumers of lottery products when interacting with these organisations. It will improve visibility of a licensee's licensed status for these consumers, supporting our work to keep gambling fair and safe.

Standardisation of the form of displayed licensed statuses will also enable us to better use data tools when we carry out compliance activity to check the licensed status of a gambling website or mobile application. These revisions align with our ongoing work to redesign our public registers of licence holders.

We agree that the short-form version of a licensee's licence number (i.e. a licensee's account number) is more appropriate for display purposes than a full licence number. Account numbers remain constant, whereas licence numbers are incrementally changed when there is a variation in aspects of a licensee's licence. Using an account number instead of licence number will reduce the burden on licensees to update their screens when such changes occur. We have therefore amended the wording in Licence conditions 8.1.1 (1(b)), 8.1.2 (1(a)(ii)) and 8.1.3 (1(b)) to reflect that we will require account numbers to be displayed instead of licence numbers.

However, we do not agree that just a statement and link would suffice, and we will require a licensee's account number to be displayed alongside these. This will ensure that a licensee can be easily referenced by a consumer if the link is not working, for whatever reason. It will also enable us to use data tools, such as web-scraping, more effectively. We have amended the wording in licence conditions 8.1.1 (2), 8.1.2 (2) and 8.1.3 (2) to reinforce this.

Overall, we do not consider that the proposed changes place any undue restrictions on screen design given the limited amount of space required to display the linked licence status and account number.

An up-to-date link to our public register of licence holders will be provided to each licensee by us. Should we update our website or service that hosts this link, we will send a new link to all affected licensees. We will not indemnify licensees against any errors on our part in the provision of the link, although we will take a pragmatic and fair approach in the event such an error occurs.

We agree that our requirement for the display of licensed status relates to screens from which consumers can access gambling facilities but we encourage its inclusion on 'play screens' (e.g. the screen of a slot game, or within a bingo lobby)

where this is feasible, or for the licensed status to be easily accessible for consumers from these screens. Further guidance on the term “easily accessible” is provided within our Remote Technical Standards

During our [Remote Technical Standards consultation](#) in 2017 we issued guidance on interim arrangements for devices, such as mobile phones, where limited screen space made it difficult to display licensed status on every screen. We have reviewed these interim arrangements in view of the sharp increase in gambling on mobile devices. It is apparent from this consultation and the manner in which technology has evolved that previous considerations associated with restricted display devices no longer apply. With effect from the adoption of these amended conditions, we will require licensees to display their licenced status in the form and manner provided by us, that will apply to website and mobile application screens equally.

Licence condition 8.1.1 – remote B2C operators

We recognise that there are some circumstances where B2C licensees hold more than one remote licence. Our default position is that the display of licensed status on screens within a website or mobile application belonging to a licensee with multiple licences, should state all the licensee names and account numbers offered from that website or mobile application.

Licence condition 8.1.2 – remote B2B operators

For licence condition 8.1.2, we have considered the suggestion to mandate additional text which makes clear that games are not available for play on B2B websites. Our view is that the current wording is sufficient, and we do not see a need to unduly lengthen the statement we will require a licensee to display.

Licence condition 8.1.3 – non-commercial societies, local authorities and external lottery managers

Having reviewed the consultation responses, we do now consider that licence condition 8.1.3 should also apply to External Lottery Managers (ELMs). Responses indicate that this approach would make the requirement simpler for the lotteries sector to adopt. Where an ELM is involved in making arrangements for a lottery on behalf of a non-commercial society or local authority, we will require them to display their licensed status on screens they manage on behalf of a non-commercial society or local authority.

We will only require the ELM to display their own licensed status, which will be less burdensome and more practical than requiring them to display the licensed status of all the lotteries they make arrangement for.

We recognise that there are some circumstances where multiple non-commercial society or local authority lotteries licensed by us are operated under a single website or mobile application by a licensee. If the licensee is an ELM, we will require them to display their own licensed status (as detailed above). Where the single website or mobile application is not managed by an ELM, other arrangements for the display of licensed status will be needed. Our default position is that the display of licensed status on screens within a website or mobile application belonging to a licensee with multiple licences, should state all the

licensee names and account numbers offered from that website or mobile application.

The suggestion that a charity website that links through to a society lottery website provided by an ELM should include a statement explaining what percentage of the lottery sales are received by the charity for spend on charitable purposes, is outside the scope of this consultation. See our [Society Lottery Reforms](#) consultation response for further information on this issue.

The display of licensed status is not required on screens from which lottery products cannot be accessed directly (e.g. charity or local authority homepages, or other screens which do not contain lottery-related content), or on those which offer lottery products by non-remote means (e.g. screens offering lottery products via post).

We have added the words “and mobile applications” to licence condition 8.1.3 (1) to clarify that the licence condition will apply to both websites and mobile applications. This ensures that the requirement for lotteries is consistent with the requirements for B2C remote licensees. Similarly, we have amended the wording “lottery ticket” to “lottery product” to improve the definition used.

4 Annex

Summary of changes to licence conditions and codes of practice

Final wording of amended licence condition 8.1.1:
The italicised text highlights the changes from the existing condition

Display of licensed status –~~remote operators~~ Licence condition 8.1.1

All remote casino, bingo and betting licences other than ancillary, host, remote betting intermediary (trading room only), remote general betting (limited) and remote general betting (standard) (remote platform) licences

- 1 Licensees providing facilities for remote gambling must display on every screen from which customers are able to access gambling facilities provided in reliance on this licence:
 - a a statement that they are licensed and regulated by the Gambling Commission; and
 - b *their account number; and*
 - c a link (which will be supplied by the Commission) to their current licensed status as recorded on the Commission's website.
- 2 Such statement, *account number* and link must be in the format, provided by the means, and contain the information from time to time specified by the Commission in its technical standards applicable to the kind of facilities for gambling provided in accordance with this licence or otherwise notified to licensees for the purposes of this condition.
- 3 Licensees may also display on screens accessible from Great Britain information about licences or other permissions they hold from regulators in, or by virtue of the laws of, jurisdictions outside Great Britain provided it is made plain on those screens that the licensee provides facilities for gambling to persons in Great Britain in reliance on their Gambling Commission licence(s).

**Final wording of amended licence condition 8.1.2:
The italicised text highlights the changes from the existing condition**

Licence condition 8.1.2

Display of licensed status – B2B operators

All gaming machine technical, gambling software and host licences

- 1** Licensees offering the supply of gaming machines or gambling software on websites must:
 - a** display the following information on the first page of the website which offers gaming machines or gambling software in reliance on the licence:
 - i** a statement that they are licensed and regulated by the Gambling Commission;
 - ii** their *licence account* number; and
 - iii** a link (*which will be supplied by the Commission*) to their *current licensed status as recorded on the Commission's website*.
 - b** display at least the information at **a** above on each page of the website which offers gaming machines or gambling software in reliance on the licence; and
 - c** where they offer on pages of, or by means of a link from, their website, the supply of gaming machines or gambling software which are not provided in reliance on their licence, clearly distinguish those products which are regulated by the Commission from those which are not.
- 2** *Such statement, account number and link must be in the format, provided by the means, and contain the information from time to time specified by the Commission in its technical standards applicable to the kind of facilities for gambling provided in accordance with this licence or otherwise notified to licensees for the purposes of this condition.*

Final wording of new licence condition 8.1.3:

Licence condition 8.1.3

Display of licensed status – societies and local authorities

All lottery operating licences issued to non-commercial societies, local authorities and external lottery managers

- 1** Licensees offering the supply of lotteries on websites or mobile applications must display on every screen from which customers are able to access lottery products provided in reliance of this licence:
 - a** a statement that they are licensed and regulated by the Gambling Commission;
 - b** their account number; and
 - c** a link (which will be supplied by the Commission) to their current licensed status as recorded on the Commission's website.
- 2** Such statement, account number and link must be in the format, provided by the means, and contain the information from time to time specified by the Commission.

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Keeping gambling fair and safe for all

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