

GAMBLING COMMISSION

Statement of principles for licensing and regulation

March 2015

1 Introduction

The purpose of this statement of principles for licensing and regulation

- 1.1** This statement sets out the principles that the Gambling Commission (the Commission) will apply in exercising its functions under the Gambling Act 2005¹ (the Act), as amended by the Gambling (Licensing and Advertising) Act 2014. It also explains how these principles are expected to assist the Commission in its pursuit of the licensing objectives in the Act.
- 1.2** This statement does not apply to the exercise of the Commission's functions in relation to the National Lottery. Information about how the Commission regulates the National Lottery can be found at www.gamblingcommission.gov.uk

The licensing objectives

- 1.3** The licensing objectives are set out in the Act² and are:
- preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
 - ensuring that gambling is conducted in a fair and open way
 - protecting children and other vulnerable persons from being harmed or exploited by gambling.

The duty to pursue the licensing objectives and permit gambling

- 1.4** In exercising its functions under the Act the Commission is under a duty to pursue, and wherever appropriate to have regard to, the licensing objectives, and permit gambling, in so far as the Commission thinks it reasonably consistent with pursuit of the licensing objectives³.

Statutory requirements and better regulation principles

- 1.5** This statement has been prepared in accordance with the requirements of sections: 23, 70, 73, 111, 112, 116 and 128 of the Act.
- 1.6** In drawing up this statement, the Commission has also had regard to the:
- Regulators' Code⁴
 - report of the Hampton Review⁵
 - report of the Macrory Review⁶
 - Enforcement Concordat⁷
 - Cabinet Office Consultation Principles⁸
 - Scottish Improving Regulation Report⁹
 - reports of the Regulatory Review Group in Scotland¹⁰
 - Hampton Implementation Review Report into the Gambling Commission¹¹.

¹ The Commission also regulates the National Lottery, by virtue of the Public Bodies (Merger of the Gambling Commission and the National Lottery Commission) Order 2013, which abolished the National Lottery Commission and transferred the National Lottery Commission's functions to the Gambling Commission. The changes introduced by the Order came into force on 1 October 2013.

² Section 1 Gambling Act 2005

³ Section 22 Gambling Act 2005

⁴ The Regulators' Code (July 2013) which came into force in April 2014

⁵ Reducing Administrative Burdens: Effective Inspection and Enforcement, Philip Hampton, March 2005

⁶ Regulatory Justice: Making Sanctions Effective, Professor Richard B. Macrory, November 2006

⁷ Concordat on Good Enforcement, Cabinet Office, March 1998

⁸ Consultation Principles, Cabinet Office, November 2013

⁹ The Scottish Improving Regulation Report 2008, July 2008

¹⁰ Interim Report from the Regulatory Review Group for the Scottish Group, February 2008; Regulatory Review Group Annual Report, July 2008

¹¹ Gambling Commission: A Hampton Implementation Review Report, April 2009

Statutory requirements and better regulation principles

- 1.7** This statement will be reviewed by the Commission from time to time and revised when appropriate. Before revising the statement, the Commission will consult on its proposed changes in accordance with section 23(5) of the Act.

The Commission's jurisdiction

- 1.8** The Commission's jurisdiction under the Act covers Great Britain – England, Scotland and Wales. This includes the regulation of those supplying gambling from remote gambling equipment located in Britain as well as remote operators contracting with customers in Great Britain. The Commission will maintain appropriate working relationships with each administration and will take account of the differences between them.

The Commission's statutory functions under the Act

- 1.9** The Commission's functions in relation to licensing and regulation under the Act can broadly be categorised as those of licensing, compliance, regulatory enforcement and criminal enforcement.
- 1.10** In particular, the Commission has the power to:
- determine applications for operating and personal licences, specify the (general and individual) conditions to be contained in such licences, limit the duration of such licences¹², and determine applications to vary or renew operating and personal licences
 - undertake activities for the purpose of assessing compliance with the Act and with any licence condition, code of practice or other provision made by or by virtue of the Act, and also for the purpose of assessing whether an offence is being or has been committed under or by virtue of the Act (including the power to request information from operating and personal licence holders under section 122 of the Act, to commence licence reviews under section 116 of the Act, and to carry out inspections under Part 15 of the Act)
 - take regulatory action against an operating or personal licence holder following a review under section 116 of the Act (including the power to issue a formal warning, to attach, remove or amend a licence condition, to suspend or revoke a licence, and to impose a financial penalty for breach of a licence condition), to void a bet and require repayment of any money paid in relation to it
 - to investigate and prosecute¹³ offences committed under the Act.

The framework of policies and procedures

- 1.11** This statement of principles for licensing and regulation underpins the work of the Commission.
- 1.12** The Commission has also developed a number of policies which build on the principles in this document and govern how the Commission will carry out its work, including:
- Licensing, compliance and enforcement policy statement
 - Statement of principles for determining financial penalties
 - Licence Conditions and Codes of Practice
 - Complaints procedure
 - Corporate governance framework
 - Regulatory panel procedures and guidance.

¹² The Commission has not made any determinations regarding the duration of an operating or personal licence, or a specified class of operating or personal licence, under section 111 of the Act. Nor, as a result, has it made any determinations regarding the duration of a renewed operating or personal licence, or a specified class of operating or personal licence, under section 112 of the Act. If any such determinations are made in due course, they will be published as part of a revised version of this statement in accordance with the requirements of sections 111(4) and 112(7) of the Act respectively.

¹³ The Commission has no power to prosecute offences in Scotland. That power rests solely with the Crown Office and Procurator Fiscal Service, to whom the Commission can refer the results of an investigation.

2 General principles

Introduction

- 2.1** The Commission will apply the following general principles in exercising its functions under the Act. These principles have been formulated with a view to ensuring that the Commission regulates gambling in line with Hampton principles of Better Regulation, in a transparent, accountable, proportionate, consistent and targeted manner.

Regulating gambling in the public interest

- 2.2** The Commission regulates gambling in the public interest, having regard to, and in pursuit of, the licensing objectives in the Act. In doing so the Commission will work with licensees and other stakeholders and will ensure that it takes into account:
- the need to protect the public
 - the need to maintain public confidence in the gambling industry and the Commission
 - the importance of declaring and upholding proper standards of conduct and competence by licence holders.

Keeping the Commission's regulatory approach under review

- 2.3** The Commission will keep its regulatory approach under review, and will make changes to that approach when appropriate (for example, to reflect experience or new developments).

Consultation

- 2.4** The Commission will consult on changes to its regulatory approach where it is appropriate to do so, having regard to the Consultation Principles¹⁴ and will ensure that:
- consultation takes place when proposals are still at a formative stage
 - sufficient information is provided to allow consultees to respond meaningfully
 - adequate time is allowed for responses
 - all responses are taken into account in reaching a final decision.
- 2.5** The Commission will adopt a precautionary approach when approaching new developments and interpreting evidence, where this is appropriate, having regard to its duty to promote the licensing objectives in the Act.

The Commission's decision making processes

- 2.6** The Commission will ensure that licensing and regulatory decisions are properly reasoned and evidence-based¹⁵ and taken at the most appropriate level. The Commission will adopt a presumption in favour of decisions being made at the lowest appropriate level within the Commission¹⁶, so that decisions of similar complexity and impact are generally made at similar levels within the Commission.

¹⁴ Consultation Principles, Cabinet Office, November 2013

¹⁵ The kind of evidence to which the Commission will have regard when assessing the integrity, competence and financial or other circumstances of a licence applicant and in considering the suitability of a gaming machine or of other equipment is specified in the *Licensing, Compliance and Enforcement Policy Statement*. The relevant aspects of that document are incorporated into this statement by reference, in accordance with the requirements of sections 70(5) and 70(6) of the Act respectively.

¹⁶ The Commission's practice regarding the delegation of functions in relation to licence applications is specified in its Corporate Governance Policy (as amended from time to time). Those parts which deal with the grant or refusal of licence applications are incorporated into this statement by reference, in accordance with the requirements of section 73(4) of the Act.

Imposing the minimum burden necessary to promote the licensing objectives

- 2.7** The Commission will ensure that its regulatory approach imposes the minimum burden necessary to promote the licensing objectives in the Act – having regard to its impact on different types and sizes of licence applicant and licence holder – and does not unduly hinder economic progress.

Requests for information

- 2.8** The Commission will request only that information which it requires¹⁷ and will avoid duplicating requests by seeking to obtain information from government bodies (for example, the National Crime Agency) and other regulators (for example, the Office of Communications, the Financial Conduct Authority and other gambling regulators) where it is possible, and appropriate, to do so.

Adopting a risk-based approach

- 2.9** The Commission will adopt a risk-based approach to regulation to ensure that its resources are concentrated where they are needed most and can be most effective.

Proportionality

- 2.10** The Commission will generally use the least intrusive regulatory tool to achieve compliance and will ensure that any regulatory action is proportionate to the importance of the matters to which it relates, having regard to its risk assessment.

Promoting economic growth

- 2.11** In deciding what action to take, and whether action should be taken at all, the Commission will have regard to the desirability of promoting economic growth and its duty to permit gambling in so far as the Commission thinks it reasonably consistent with pursuit of the licensing objectives.
- 2.12** The Commission will seek to provide a fair regulatory framework within which existing operators and new entrants can compete and grow with the minimum of regulatory burden compatible with public protection and the licensing objectives.

Focusing on preventative activity

- 2.13** The Commission will focus on preventative activity by keeping the gambling industry fully informed of the requirements of the regulatory regime and providing general information, advice and guidance, both on request and on its own initiative, with a view to aiding regulatory compliance. Where possible, the Commission will also work with licensed operators to prepare public statements about issues which may offer lessons to operators or the public.

Coordinating regulatory action

- 2.14** The Commission will take coordinated regulatory action with government bodies and/or other regulators where it is appropriate to do so.

¹⁷ The Commission's practice in relation to evidence required or accepted in connection with licence applications is specified in *the Licensing, Compliance and Enforcement Policy Statement*. The relevant aspects of that document are incorporated into this statement by reference, in accordance with the requirements of section 73(4) of the Act.

Sharing information

- 2.15** The Commission will share information with other bodies where it is legally required to do so and also where it considers it necessary to, and is legally permitted to, do so. This may include sharing data with relevant public authorities, overseas regulators and law enforcement agencies in order to help the Commission perform its regulatory functions, such as assessing individuals' suitability to be licensed, the prevention and detection of crime or for the purpose of assisting another body to exercise its functions.

Enforcement of gambling contracts

- 2.16** The Commission expects parties to gambling contracts to take action themselves if they consider that the other party has breached the contract. The Commission will not, except in exceptional circumstances, undertake reviews where debt enforcement proceedings could be brought by the parties to a gambling contract. The outcome of such proceedings may be taken into account by the Commission if it gives rise to questions about a licensee's suitability to hold a licence.

Complaints

- 2.17** The Commission will treat complaints about its work seriously and will address them in accordance with its published procedures¹⁸.

¹⁸ See in particular Appendix 13 of the Gambling Commission Corporate Governance Framework (November 2013).

3 Principles for licensing

Introduction

- 3.1 The Commission will apply the following principles in exercising its licensing functions under the Act.

Licence applications

- 3.2 The Commission expects applicants for licences to provide the Commission with all the information it needs in order to determine whether or not they are suitable to hold a licence.
- 3.3 The Commission expects that licence applications will be complete and accurate at the point they are submitted to the Commission. It follows that, whilst applicants may be permitted to make minor changes to their proposals, the Commission will not permit applicants to make material changes to their application during the process. Material changes to an application are likely to result in an applicant being invited to withdraw their application and submit a new application, accompanied by the appropriate fee, or it may result in an application being refused.
- 3.4 The Commission will seek to determine licence applications within a reasonable period of time.
- 3.5 Whilst the Commission will provide assistance to licence applicants, to help them through the application process, the responsibility for providing information rests with applicants. The Commission will treat repeated delays in providing information as a strong contra-indicator of suitability to hold a licence.

Openness and cooperation

- 3.6 The Commission expects applicants to work with the Commission in an open and cooperative way and to disclose anything which the Commission would reasonably expect to know. The Commission will attach significant weight to an applicant's failure to work in an open and cooperative way.
- 3.7 Withholding information from the Commission will also be treated as a strong contra-indicator of an applicant's suitability to hold a licence and the Commission will not grant licences to an operator if there is doubt about their ability to provide the information the Commission needs in order to exercise its functions¹⁹.

Providing facilities for gambling in reliance on an operating licence

- 3.8 The Commission will not normally licence an operator unless the operator has a clear business plan which explains the operator's plans for transacting with consumers in Great Britain or another EEA state. For example, locating remote gambling equipment in Great Britain to trigger the requirement for a licence solely in order to facilitate advertising of remote gambling to customers in other parts of the world would not be considered a sufficient reason for the Commission to grant an application. Operators will need to satisfy the Commission that they have a genuine need to hold an operating licence.
- 3.9 The Commission will not issue licences to people who do not need them. If an operating licence is issued but an operator does not provide facilities for gambling in reliance on that licence within a reasonable period, the Commission may commence a licence review with a view to revoking the licence if that appears necessary.

¹⁹ For example, if the data protection legislation in the jurisdiction from which a remote operator proposed to operate, or the regulator in that jurisdiction, prevented the operator from sharing information with the Commission, that would be a strong contra-indicator of the operator's suitability to hold a licence.

- 3.10** The Commission may grant licences (particularly remote gambling licences) subject to a condition that requires an operator to begin to offer facilities for gambling within a specified timescale.

Failure to declare convictions

- 3.11** The Commission will attach significant weight to failure by a licence applicant to declare a conviction for a relevant offence²⁰ or unspent conviction for any other offence committed by it or a person relevant to the application, in the absence of a reasonable excuse for such failure.

The relevance of criminal convictions

- 3.12** The Commission will determine the weight it will attach to convictions for relevant offences and unspent convictions for other offences committed by licence applicants or persons relevant to applications for operating or personal licences²¹ having regard to the nature and seriousness of the offence and the time which has elapsed since the offence was committed.

Protecting the licensing objectives

- 3.13** The Commission expects licence applicants to be able to explain how the activities they plan to carry out will be conducted in a manner which minimises the risks to the licensing objectives.

The responsibility for protecting the licensing objectives

- 3.14** The Commission will hold an operator's most senior operational staff and directors accountable for regulatory compliance and the protection of the licensing objectives. For that reason the Commission expects licence applicants to make it clear who will fulfil those roles²² if the licence application is granted.

Separation of operational and compliance responsibilities

- 3.15** Where an operator is required to have Personal Management Licence holders in specified management offices, the Commission would normally expect that the person who occupies the Head of Compliance role will not also occupy one of the other specified management offices.

The opportunity to make oral representations

- 3.16** The Commission will provide an opportunity for licence applicants to make oral representations in appropriate circumstances²³.

The suitability of local authorities to run lotteries

- 3.17** The Commission will assume integrity when assessing the suitability of any local authority to run a lottery²⁴.

²⁰ A relevant offence is one listed in schedule 7 to the Act, or certain equivalent foreign offences: see section 126(2)

²¹ Under section 70(9)(b) of the Act, a person is relevant to a licence application if, in particular, he is likely to exercise a function in connection with, or to have an interest in, the licensed activities.

²² The roles referred to in paragraph 3.14 include the specified management offices listed in current licence condition 1.2.1.

²³ The Commission's practice in relation to the holding of oral hearings of licence applications is specified in *the Licensing, Compliance and Enforcement Policy Statement*. The relevant aspects of that document are incorporated into this statement by reference, in accordance with the requirements of section 73(4) of the Act.

²⁴ This assumption is specified in accordance with section 70(7) of the Act. The Commission has not identified a class of gaming machine or other equipment in relation to which it will or may assume suitability under section 70(8) of the Act, and therefore makes no specification in that regard.

Confirming licensing decisions

- 3.18** The Commission will provide applicants and licensees with written notification of licensing and regulatory enforcement decisions, including:
- a clear explanation of the reasons on which the decision is based (in a level of detail proportionate to its impact)
 - details of any appeal mechanism(s).

Publicising licensing decisions

- 3.19** The Commission will publish a register of licensed operators, along with regular statistical updates on its licensing work.
- 3.20** The Commission may also publish details of licence applications that were refused, or withdrawn before they were determined, where it considers it in the public interest to do so. Such information will normally be published 14 days after a decision has been taken, whether or not the decision is the subject of an appeal.

4 Principles for regulation

Introduction

- 4.1 The Commission expects licensees to conduct their gambling operations in a way that does not put the licensing objectives at risk. The Licence Conditions and Codes of Practice are designed to ensure this. The Commission will apply the following principles in exercising its regulatory functions under the Act.

Operating licence holders

- 4.2 The Commission expects operators to:
- conduct their business with integrity
 - act with due care, skill and diligence
 - take care to organise and control their affairs responsibly and effectively and have adequate systems and controls to minimise the risks to the licensing objectives
 - maintain adequate financial resources
 - have due regard to the interests of customers and treat them fairly
 - have due regard to the information needs of customers and communicate with them in a way that is clear, not misleading, and allows them to make a properly informed judgment about whether to gamble
 - manage conflicts of interest fairly
 - work with the Commission in an open and co-operative way
 - disclose to the Commission anything which the Commission would reasonably expect to know.

Senior positions and Personal Management Licence holders

- 4.3 The Commission expects those occupying senior positions, whether or not they hold Personal Management Licences, to:
- uphold the licensing objectives and ensure compliance of operators with the LCCP
 - organise and control their affairs responsibly and effectively
 - have adequate systems and controls to keep gambling fair and safe
 - conduct their business with integrity
 - act with due care, skill and diligence
 - maintain adequate financial resources
 - have due regard to the interest of customers and treat them fairly
 - have due regard to the information needs of customers and communicate with them in a way that is clear, not misleading, and allows them to make an informed judgment about whether to gamble
 - manage conflicts of interest fairly
 - disclose to the Commission anything which the Commission would reasonably expect to know
 - work with the Commission in an open and cooperative way.

Personal Functional Licence holders

- 4.4 The Commission expects those holding Personal Functional Licences to:
- conduct themselves with integrity
 - act with due care, skill and diligence
 - have due regard to the interests of customers and treat them fairly
 - work with the Commission in an open and co-operative way
 - disclose to the Commission anything which the Commission would reasonably expect to know
 - keep their skills and knowledge up to date.

Dealing with issues that put the licensing objectives at risk and voluntary settlement

- 4.5** Where concerns have been raised about a licensee, the Commission may commence an investigation but it will not necessarily commence a licence review unless and until it appears likely that the Commission will need to exercise its formal powers under section 117 of the Act.
- 4.6** As licence reviews can be time consuming and expensive for both the Commission and licensees, the Commission will seek, where appropriate, to fulfil its statutory obligations and pursue the licensing objectives through means that stop short of formal licence reviews under section 116 of the Act. One means for achieving this will be by way of voluntary settlement, which the Commission will consider where a licensee is:
- open and transparent in its dealings with the Commission
 - able to demonstrate that they have insight into apparent failings
 - able to suggest actions that would prevent the need for formal action by the Commission
 - prepared, where appropriate, to publish a statement which would acknowledge failings as well as deterring future non-compliance by others and / or share learning that may be beneficial to the wider industry or other stakeholders including the public
 - prepared to divest itself of any gross gambling yield or cost savings which accrued as a result of the failings
 - prepared to contribute to the direct costs to the Commission of investigating the matter in respect of which voluntary settlement is sought
 - prepared to volunteer a payment in lieu of the financial penalty the Commission might otherwise impose for breach of a licence condition in accordance with the [Statement of Principles for Determining Financial Penalties](#).
- 4.7** Where a licensee is unable or unwilling to meet the requirements above, the Commission may commence a licence review with a view to exercising its formal regulatory powers, where that seems appropriate.
- 4.8** Where a review has started but a licensee makes a full disclosure of all the relevant facts, the Commission will consider whether its investigations need to continue, or whether it is prepared to agree the facts and the nature of the sanction (if any) which ought to be imposed, or in appropriate cases what action short of formal sanction should be taken.
- 4.9** The earlier disclosure is made in the investigation process, the more credit will be given to the licensee for making such a disclosure.
- 4.10** The Commission will set clear and challenging timetables for settlement discussions to ensure that they result in a prompt outcome.

Licence reviews and criminal convictions

- 4.11** The Commission will commence a review under section 116 of the Act where a relevant offence is committed by an operating or personal licence holder or a person relevant to any such licence, except in exceptional circumstances.

Criminal investigations

- 4.12** The Commission will focus on investigating offences under the Act, such as crimes in which gambling is an intrinsic element (for example, illegal gambling) and crimes which affect the outcome of gambling (for example, cheating where that affects other players), together – in conjunction with other bodies and/or other regulators as necessary – with any other offences related to gambling (for example, money laundering offences under the Proceeds of Crime Act 2002 and illegal money lending).

- 4.13** In order to target resources where we can be most effective, investigating crimes against operators will normally be a low priority for the Commission, unless the alleged offence also affected players. In rare instances the Commission may investigate crimes against operators, but ordinarily such allegations will be matters for the police.

Considering the outcome of investigations into offences not related to gambling

- 4.14** The Commission will not itself investigate offences which are not related to gambling, but will have regard to the outcome of investigations carried out by other bodies (for example, burglary of premises licensed under the Act or theft by staff) where they raise issues regarding the continuing suitability of licence holders. The Commission may also pass information about such offences to the police or another relevant prosecuting authority.

Considering the outcome of investigations carried out by other regulators/ government agencies

- 4.15** The Commission expects operators to comply with the law, both in the UK and in other jurisdictions in which they, or related companies, operate. Failure to meet this expectation may raise questions about the continuing suitability of licence holders.

Publication of information relating to the Commission's regulatory functions

- 4.16** The Commission will publish regular statistical updates on its regulatory work.
- 4.17** The Commission will not normally publish details of the information found or the conclusions reached during its investigations. An exception may be made where there is speculation in the public domain and/or where those involved have made public statements which need to be responded to in order to avoid misconceptions arising.
- 4.18** The Commission will normally publish details of all formal regulatory action taken under section 117 of the Act. Such information will normally be published 14 days after a decision has been taken, whether or not the decision is the subject of an appeal.
- 4.19** When investigating criminal matters, the Commission will generally consider making a public announcement when suspects are arrested, when search warrants are executed and when charges are laid. A public announcement may also be made at other stages of the investigation when this is considered appropriate and will normally be made at the conclusion of any trial.
- 4.20** The Commission will, upon request, review any compliance or enforcement-related notices that are published on the Commission's website in order to determine whether continued publication is appropriate, or whether publicity should be removed or amended.

5 Promoting the licensing objectives

Introduction

5.1 The Commission expects the principles set out above to assist the pursuit of the statutory licensing objectives in the following ways.

Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime

5.2 The Commission's licensing, compliance and enforcement processes are designed to prevent gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime, and will ensure that:

- only suitable applicants will be granted operating licences or personal licences
- the suitability of licence holders will be assessed on an ongoing basis as part of the Commission's compliance activities
- compliance activity is targeted where the risks to the licensing objectives are greatest
- the suitability of licence holders will be reconsidered in the light of any subsequent criminal activity or connection with such activity.

5.3 The Commission will take a serious view of applicants and licensees who have convictions for relevant offences. Each case will be considered on its merits, but there will be a presumption in favour of refusing an application or reviewing a licence in such cases.

5.4 The Commission will examine the corporate control structures and ownership of operators to enable the Commission to identify and satisfy itself of the integrity of controllers of companies²⁵ and others relevant to the operation of gambling.

5.5 The Commission will provide advice of a general nature about compliance to licensed operators and potential operators.

5.6 The Commission will provide guidance to local licensing authorities and to British Police Forces.

5.7 The Commission will make available general advice to the public on what activities are permissible without a licence.

5.8 The Commission will employ staff with the necessary skills and knowledge and will delegate to them the necessary powers they need to carry out licensing, compliance and enforcement functions.

5.9 In relation to the prevention, investigation and prosecution²⁶ of offences under the Act, and other offences related to gambling, the Commission will give priority, based on the level of risk posed to the licensing objectives, to:

- crimes in which gambling is an intrinsic element, for example illegal gambling
- financial crimes which operators should seek to prevent, such as money laundering offences under the Proceeds of Crime Act
- crimes which affect the outcome of gambling for other participants.

5.10 Although the Commission will focus on crimes within the Act, rather than those unrelated to the Act such as burglary of gambling-licensed premises or theft by employees, the Commission may have an interest in the outcome of such investigations if they raise issues of relevance to the continuing suitability of persons licensed by the Commission. In appropriate cases the Commission may separately commence a review of the licence.

5.11 The Commission will seek to build and maintain good liaison and working relationships with local authorities, other regulators and law enforcement bodies. The Commission will work

²⁵ Within the meaning of section 422 of the Financial Services and Markets Act 2000

²⁶ In Scotland the power to prosecute offences rests with the Crown Office and Procurator Fiscal Service, to whom the Commission can refer the results of an investigation.

closely with licensing authorities, other law enforcement agencies and other regulators to share relevant information and, where appropriate, investigate offences.

- 5.12** While the Commission recognises that licensing authorities will have the principal role in ensuring that premises based gambling is not a source of disorder, the Commission will also have a key role in this and will advise licensing authorities on the responsibilities that they have in relation to premises licensing. Where the Commission becomes aware that there are problems arising from disorder at gambling premises, the Commission may decide to commence a review of the licence.

Ensuring that gambling is conducted in a fair and open way

- 5.13** The Commission expects that not only is gambling fair in the way it is played, but that the rules are transparent to players and they know what to expect.
- 5.14** The Commission will ensure that the rules are fair and that easily understandable information is made available by operators to players about, for example: the rules of the game, the probability of losing or winning, and the terms and conditions on which business is conducted.
- 5.15** The Commission will ensure that operating and personal licences are issued only to those who are suitable to offer gambling facilities or work in the industry.
- 5.16** The Commission will ensure that appropriate advertising codes continue to be in place to prevent consumers from being misled.
- 5.17** The Commission will require operators to make public the results of events and competitions on which commercial gambling takes place.
- 5.18** The Commission will ensure that the licences it issues, together with the licence conditions it imposes and the codes of practice it publishes, set appropriate standards of conduct for licence holders (for example, in respect of the terms on which gambling is offered and the transparency of such terms) and appropriate technical standards for gaming machines and other equipment used in connection with any licensed activity.
- 5.19** In the event of non-compliance, the Commission will ensure that sanctions are imposed, or other appropriate steps taken, which, among other things, deter future non-compliance on the part of the relevant licence holder and other licence holders more generally.
- 5.20** The Commission will ensure that the investigation and prosecution²⁷ of offences under the Act – including the offence of cheating under section 42 of the Act – are prioritised by reference to the level of risk posed to the licensing objectives.

Protecting children and other vulnerable persons from being harmed or exploited by gambling

- 5.21** The Commission has issued and will from time to time revise its guidance to licensing authorities about how they can ensure that gambling premises are presented in such a way that access by children can be prevented.
- 5.22** The Commission has issued and will from time to time revise a code about access to casino premises in accordance with section 176, and will require persons operating casinos to take measures, such as supervision of entrances and training of staff, to prevent access by children and young persons.
- 5.23** The Commission will require persons operating remote gambling to ensure that there are adequate age verification measures in place to prevent children and young persons gambling on their sites.

²⁷ In Scotland the power to prosecute rests solely with the Crown Office and Procurator Fiscal Service, to whom the Commission can refer the results of an investigation.

- 5.24** The Commission will work with the Committees of Advertising Practice to develop advertising codes on gambling and will ensure that these are backed by effective enforcement action if those codes are breached.
- 5.25** With regard to ‘vulnerable persons’, whilst the following list is not exhaustive, the Commission considers that this group will include:
- people who spend more money and / or time gambling than they want to
 - people who gamble beyond their means
 - people who may not be able to make informed or balanced decisions about gambling, for example because of health problems, learning disability, or substance misuse relating to alcohol or drugs.
- 5.26** Although the Commission’s role does not, for example, extend to treatment or care of those who have gambling problems, the Commission does have an interest in keeping up to date with developments and trends in work of that kind.
- 5.27** The Commission will issue codes that include social responsibility requirements, setting out minimum requirements and outcomes for operators and ordinary code provisions which set out good practice. Operators may adopt alternative approaches to those set out in ordinary code provisions if they have actively taken account of the provisions and can demonstrate that an alternative approach is reasonable in the operator’s particular circumstances; or that to take an alternative approach would be acting in a similarly effective manner.
- 5.28** The Commission will ensure that marketing practices (including advertising and inducements) do not exaggerate the chances of winning or encourage players to gamble more than they can afford or want to.
- 5.29** The Commission will work with other bodies to build and maintain knowledge about problem gambling and the measures that may be taken to reduce the prevalence of problem gambling and will secure regular prevalence data on gambling participation and problematic gambling behaviour.
- 5.30** The Commission will normally rely on external research but may find it helpful to carry out, or commission, applied research on the effectiveness of particular measures – both before they are implemented and to monitor how effective they are in practice. In interpreting the available evidence, the Commission will take a precautionary approach²⁸. For example, caution may be justified where evidence is mixed or inconclusive, and the Commission would not want to restrict its discretion by requiring conclusive evidence that something was unsafe before taking measures to restrict it.
- 5.31** The Commission’s focus will be on identifying best practice in protecting vulnerable people from being harmed or exploited by gambling, and, where appropriate, placing requirements on operators to put particular measures in place and to monitor their compliance. Compliance will be kept regularly under review, with activity by the Commission targeted where the risks to the licensing objectives are greatest.
- 5.32** In the event of non-compliance, sanctions may be imposed which, among other things, are intended to deter future non-compliance on the part of the relevant licence holder and other licence holders more generally.
- 5.33** The Commission will also give priority to the investigation and prosecution²⁹ of offences under the Act – including those offences relating to children under sections 46, 47 and 51 to 57 of the Act – where appropriate, based on the level of risk posed to the licensing objectives.

²⁸ For an example from another regulator see: www.hse.gov.uk/aboutus/meetings/committees/ilgra/pppa.htm

²⁹ In Scotland the power to prosecute offences rests solely with the Crown Office and Procurator Fiscal Service, to whom the Commission can refer the results of an investigation.

Keeping gambling fair and safe for all

For further information or to register your interest in the Commission please visit our website at:
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