

**Proposed amendments to the social
responsibility provisions in the licence
conditions and codes of practice for all
operators (the LCCP)**

**Consultation document
August 2014**

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Foreword

Gambling elicits a wide range of responses in different people. Debates on gambling are characterised by often polarised and deeply-held views. Evidence is not easy to come by and objectivity can sometimes be in short supply. But we think there are two fundamental concepts that should underpin any serious discussion of gambling policy and regulation:

- first, while most people who gamble do so safely most of the time, gambling causes harm, sometimes serious harm. One does not have to be a gambling addict to experience harm. Harm can arise from excessive 'binge gambling'. It is important to remember that harm can and does impact on friends, families, employers and communities;
- second – and this is a point that is often lost – gambling is fun. People who gamble do so generally because they enjoy it. They make an informed adult choice to gamble because they want to. In an open and free society like ours, that is a decision they are perfectly entitled to make, provided that in doing so they do not impose unacceptable costs on society through harming themselves or others.

These concepts reflect society's attitudes to gambling – where just over half of us tend to disapprove of gambling but well over half of us think that adults should be free to make adult choices¹. It is the impact of evolving consumer preferences and technological innovation on this fundamental tension – that gambling benefits a lot of people a little and harms a few people a lot – that is driving changes in the way many jurisdictions think about gambling regulation.

This consultation on improving the social responsibility provisions in our regulatory regime comes at a key point in the history of gambling regulation in Great Britain. We are on the verge of very significant changes in the way online gambling is regulated, whereby all operators who market to or contract with those in Great Britain will require a licence, wherever they are based. This means the Commission can mandate measures responding to new information without having to persuade other regulators to do likewise, or running the risk of undercutting by competitors from less demanding regimes. We have also seen very active and vocal public debate about a wide range of gambling issues, from the clustering of betting shops to pre-watershed TV advertising to the corruption of sporting events. Technology and consumer preference continue to evolve at an increasing pace. We see a constant stream of new products and innovations.

The policy environment is also changing. There is a growing understanding that a sustainable and successful future for the gambling sector depends on public confidence in its efforts to minimise the harm that its products can and do cause.

Successive governments have positioned gambling as a mainstream leisure activity, recognising that it provides safe enjoyment for millions, jobs for many thousands and a significant contribution to the economy from which the country as a whole benefits.

At the same time, however, public tolerance for gambling, and any growth in gambling, is likely to be sustained only by ensuring, as far as possible, that commercial success is built on the 'good' money coming from normal leisure gamblers choosing to spend money they can afford to lose, and by minimising its income from 'bad' money – money coming from gamblers who have difficulty controlling their gambling, from criminals and from the black economy.

It is for society, not the regulator, to decide where on the spectrum of freedom and control that it wants gambling to be; our role is to help inform that process by advising on the impact of gambling and the likely consequences of policy changes. How far the state should limit exposure or access to different types of gambling is currently a matter of intense public interest. This is evidenced by, for example, growing concerns about the increase in gambling advertising leading to 'normalisation' of gambling and potential societal harm and the controversy over high stakes machines on the high street. In turn this has prompted the Government's review of *Gambling*

¹ [Survey data on public perceptions, January 2014.](#)

*Protections and Controls*² (the Government's Review), the current review of gambling advertising and the voluntary social responsibility codes that have been developed by some sectors of the industry³. Indeed, as a result of public and Parliamentary concern, we have brought forward this consultation on social responsibility measures, having originally planned it to take place following the implementation of the Gambling (Licensing and Advertising) Act 2014⁴ and asked one of our commissioners, Rachel Lampard, to lead it. We are expecting to consult on other measures, focusing on preventing crime, in 2015.

There are inevitably trade-offs in any positioning of the country's approach to gambling regulation. It is important to recognise, however, that society may well opt for more prudential measures if the industry is not seen to be helping reduce gambling harm by producing the evidence and developing, trialling and evaluating new measures to help people manage their gambling effectively. The industry must be seen to be delivering on society's 'red lines' – like preventing children accessing age-restricted gambling products – if it is to avoid prescription and costly supervision.

More specifically, the Commission is clear that the current blanket controls on non-remote gambling – for example those relating to gaming machines – are inefficient in that they restrict gambling whether or not harmful to the individual, and are not likely to be sustainable in a world where increasingly individuals can carry their own unlimited stakes gaming and betting device in their pocket in the form of a mobile phone or its equivalent. However, the replacement of blanket controls by more targeted player protection and anti-money laundering controls depends on developing a far better understanding of what works in terms of reducing the risks of harm from gambling, an objective greatly hindered by the anonymous, cash-based nature of much non-remote gambling and by the slow pace of industry research and development in this area. Indeed, many of the challenges faced by the industry – knowing when and how to intervene with individual customers, preventing underage gambling and implementing effective self-exclusion – are all made harder by the prevailing environment of anonymity.

We have not as yet recommended the removal of anonymity for serious gambling. The benefit of reduced harm from gambling compared to the clear cost to industry of moving to compulsory account-based play⁵ and loss of utility in terms of personal choice and privacy appears too uncertain. There is research now in progress that may help inform that debate, but if it becomes clear that the only timely way to build up the evidence on what works in terms of mitigating harm is to have comprehensive player data collection – linking players, how they gamble and the effectiveness of different measures – we may need to move from encouraging account-based machine play to recommending the Government considers mandating it on prudential grounds in order to address continuing societal concerns about the potential harm arising from harder gambling products.

It is important to bear in mind that trade-offs are not static – they change with, for example, consumer preference and attitudes, and the availability and cost of technology. While many customers still value anonymity, it is also true that wider trends in society are tending to work in the opposite direction – the generations that have grown up with the internet and e-commerce are already well used to having a relationship with the suppliers of goods and services which is anything but anonymous. Often driven by convenience, those generations are increasingly comfortable with the idea of setting up personalised accounts with retailers. The retailers in their turn are happy to oblige – the information they obtain helps them better tailor the product to the customer and to develop or maintain a competitive edge. The gambling industry is not isolated from these pressures, of course – online gambling is account-driven, and even in the land-based sectors, loyalty cards or equivalents are being made available more frequently. However, there are real questions to be asked about whether gambling regulation should simply keep pace with those trends, or whether in fact it should set the pace in the interests of protecting the vulnerable.

² [Gambling Protections and Controls](#), April 2014.

³ [Association of British Bookmakers' Code for Responsible Gambling and Player Protection](#) and [National Casino Forum's Playing Safe Principles](#).

⁴ [Gambling \(Licensing and Advertising\) Act \(2014\)](#).

⁵ By 'account-based' we mean any method which links player data to particular players.

This consultation is proposing a sharper focus on long-standing principles, with a clearer explanation of why they are important. Nevertheless, we also want to inform and shape the current debate about the place of gambling in Great Britain today, so the public, the industry and regulators can have goals within which to develop and deliver an effective regulatory framework.

Ultimately, society is much more likely to accept a gambling industry that is unequivocally pursuing means of limiting harm arising from its products. We hope that this consultation will generate valuable input from those with serious views about gambling and help wider society decide where on the spectrum of freedom and control it wishes to be.



A handwritten signature in black ink, appearing to read 'Philip Graf', with a horizontal line underneath it.

Philip Graf – Chairman
Gambling Commission

1 Introduction

- 1.1** The Gambling Commission's licence conditions and codes of practice⁶ ('the LCCP'), together with the Gambling Act 2005⁷ as amended ('the Act') itself and associated regulations, statutory guidance to licensing authorities, and the Commission's formal statement of principles, forms a central part of the framework for regulating commercial gambling. The LCCP comprises licence conditions, which are mandatory obligations⁸ on the holders of gambling operating licences, and two types of code – social responsibility codes, which have the force of licence conditions, and ordinary codes, which, although not mandatory, set out good practice that responsible operators are expected to follow. Operators should adopt alternative approaches in areas covered by ordinary code provisions only where they can demonstrate that to do so would be equally effective in achieving the desired objective.
- 1.2** The LCCP is based on the principle that the primary responsibility for delivering the licensing objectives – keeping crime out of gambling, ensuring it is fair and open and protecting children and vulnerable people – rests with gambling operators. The Commission's duty is to permit gambling subject to reasonable consistency with those licensing objectives and to provide advice to central and local government on the impact of gambling and its regulation. The Commission has licensing, compliance and enforcement powers to ensure reasonable consistency with the licensing objectives; and the LCCP, its suite of licence conditions and code provisions, is a key part of its approach to keeping gambling fair and safe for all.
- 1.3** The LCCP requires operators to put in place effective policies and procedures for managing a range of risks to the licensing objectives, and to assure themselves that what they are doing is actually working. It was first published in 2007, to coincide with the coming into force of the Act, itself the first major reform of gambling regulation since the 1960s. We are now consulting on proposals that reflect developments in social responsibility practice and significantly improved understanding of risk since 2007.
- 1.4** Reflecting what was at that time a new Act and the move into relatively unknown territory for operators and regulators alike that it represented, the LCCP in many areas sets out the headline aspirations, expecting good practice and experience to develop over time and be incorporated in subsequent versions. In providing further detail, however, the Commission tries to strike the right balance between over-prescription (which can result in a 'tick-box' response by operators) and the need to discourage the less responsible from undercutting the responsible by cutting corners or ignoring good practice.
- 1.5** Not all the proposals in this consultation are for specific changes to the LCCP at this stage, although many are. Some are proposed to stimulate a wider debate on a number of key issues, for example, how to deal with the commercial pressures arising from the different gaming machine entitlements associated with different premises or operating licences. In this respect, the consultation raises the issue of using bingo licences to make category B3 machines available in pubs. The Commission still intends to ensure that gaming machines are only made available in appropriate environments, although recent cases have led the Commission to reassess the best ways of achieving that aim.
- 1.6** Other proposals are more suited to the Commission's statutory Guidance to Licensing Authorities as we seek to assist local regulators make the best use of the powers at their disposal. We intend to consult on specific revisions to the guidance later in the year, reflecting the context provided by the Department for Communities and Local

⁶ [Licence conditions and codes of practice](#) (May 2014).

May 2014 version which came into force on the 4 August 2014.

⁷ [Gambling Act \(2005\)](#) as amended by the Gambling (Licensing and Advertising) Act 2014.

⁸ One mandatory obligation, imposed by licence condition 2, is that operators comply with the Commission's technical standards and requirements for the timing and procedure for testing. These include gaming machine technical standards and remote gambling and software technical standards, both of which therefore have the force of licence conditions.

Government's current technical consultation on planning.⁹ The new guidance is likely to bring out much more strongly the need for the industry to work with licensing authorities to prevent gambling harm in a local context.

1.7 In addition, we have a much better picture now of some of the key risks that operators must address, arising from high profile casework and wider industry engagement. For example:

- performance on restricting access to age-restricted products leaves much scope for improvement across wide sections of the industry, particularly in relation to machine gambling. In some sub-sectors it is undeniably poor. We have made very clear that if the industry is to avoid much greater prescription about how its products are supervised – and indeed, enforcement action – it needs to raise its game significantly. We will continue to work with licensing authorities to support test purchasing to assess and – often – expose poor performance;
- the industry has faced challenges in making a reality of effective customer interaction, particularly where there are no overt behavioural signs of problematic gambling (for example, aggression) or in relation to 'high value' customers; and
- the range of tools being made available to help customers manage their own gambling effectively is currently very limited. The technology now available in some sectors would permit at least the prototyping and evaluation of a much broader range of measures than is currently on offer.

1.8 We are also witnessing a change in appetite on the part of leaders in the industry to improve social responsibility controls, for example, in the production of voluntary codes, the development of embryonic cross-sector or inter-business self-exclusion schemes, the linking of executive pay to the delivery of social responsibility objectives and a growing acceptance that customer data could be put to much better use to prevent gambling harm. Improving the regulatory architecture in the way we propose would, we believe, complement this new focus.

1.9 One of the key issues is that of anonymity, particularly in relation to land-based gambling. Many of the challenges faced by the land-based industry – for example, in working out which customers may be experiencing or are at risk of harm, or developing effective self-exclusion systems – are made more difficult by customer anonymity. Historically, gambling harm has been addressed through control systems that seek to reduce harm by limiting the amount of gambling – the so called 'total consumption model'. The main problem with such systems is that they tend to affect normal leisure gamblers more than problem gamblers or those at risk of harm. For gambling regulation to be truly effective and proportionate we need to find systems that bear down hard on gambling-related harm, providing help and effective interventions for people who really need it, while leaving normal gambling as untouched as possible and providing space for the industry to innovate and compete safely.

1.10 That is why we are expecting the Responsible Gambling Trust's (RGT's) current core machines research programme to offer valuable insights into the scope for tailoring gambling regulation much more closely to the individual customer. The translation of the results of this research into effective and evaluated harm reduction measures, is however, likely to require some time to come to fruition.

1.11 The programme is likely to be enriched by operators seeking to pool data (both between businesses and across sectors) to improve our understanding of gambling and gamblers, and actively promoting the development of predictive data analytics to prevent gambling related harm. The approach we have taken to date has been to encourage operators to make data available and there have been some encouraging, early steps in this direction,

⁹ [Department for Communities and Local Government - Technical consultation on planning.](#)

for example, in the RGT's research programme and other projects being sponsored directly by individual operators. There remains a serious question, however, about the extent to which regulation should be used to accelerate the pace of these initiatives, and in particular encourage or mandate the sharing of data to develop new insights and tools.

- 1.12** We hope that the gambling industry and wider interest groups will engage constructively with the questions raised in this consultation.
- 1.13** Where changes are proposed to LCCP provisions we have shown additions in bold and deletions as strikethrough.
- 1.14** Chapter 14, page 92 outlines how to respond to this consultation and Appendix B (page 95) provides a full summary of the consultation questions.

2 Relationships with other initiatives

2.1 This consultation is focused mainly on how the Commission might improve the delivery of social responsibility in gambling by improving its own framework of regulation, manifested in the licence conditions and codes of practice¹⁰ ('the LCCP') and, although more of the detail will come in a later consultation, our statutory Guidance to Licensing Authorities (GLA).¹¹ It is work we had originally planned to take place following the implementation of the Gambling (Licensing and Advertising) Act 2014.¹² We have brought it forward, as explained earlier, in response to public and Parliamentary concern.

2.2 In fact that concern has meant that perhaps more than at any time since the implementation of the Gambling Act 2005¹³, the work of the Gambling Commission is placed in the context of a range of co-ordinated activities delivered by various bodies and organisations. This section explains the main elements and how they fit together.

2.3 In addition to this consultation on social responsibility measures focused largely on the LCCP, the following initiatives and developments are relevant. They are presented in broadly chronological order; the list is not exhaustive.

- The Government's review of **gambling protection and controls**:

Published in April this year, the review sets out a range of measures focused mainly, but not exclusively, on gaming machines in betting shops. Some of those measures (such as limit-setting on gaming machines) are reflected in this LCCP consultation; others are being taken forward separately (more detail below).

- Changes to the **use class order** system for betting shops:

The **Department for Communities and Local Government** is consulting this summer on measures that would require planning permission to be sought in a wider range of circumstances for conversion of business premises to betting shops.¹⁴

- Regulatory changes restricting the **use of cash to pay for B2 gaming machine play**:

A central plank of the Government's review: those wishing to play B2 gaming machines for stakes in excess of £50 will no longer be able to insert cash into the machine without a specific authorisation. The Department for Culture, Media and Sport (DCMS) is preparing regulations to be laid before Parliament in the autumn.

- Consultation by the **Gambling Commission** on the **statutory guidance to licensing authorities (GLA)**:

This is likely to seek to embed more firmly the principle that licensing authorities have wide discretion to manage local gambling provision, subject to the statutory requirement to 'aim to permit' gambling. It will affirm the view that licensing authorities should expect to receive sufficient information from businesses to ensure that the licensing objectives are upheld at a local level. It will encourage the formation of partnerships between licensing authorities and businesses. It will re-emphasise the importance of statements of licensing policy and showcase a range of emerging best practice.

¹⁰ [Licence conditions and codes of practice](#) (May 2014).

¹¹ [Guidance to Licensing Authorities](#).

¹² [Gambling \(Licensing and Advertising\) Act \(2014\)](#).

¹³ [Gambling Act \(2005\)](#).

¹⁴ [Department for Communities and Local Government- Technical consultation on planning](#).

We expect to issue the GLA for consultation in late autumn this year

- Consultation by the **Gambling Commission** on **primary gambling activity**:

The recent First Tier Tribunal decision in relation to Luxury Leisure¹⁵ has indicated that the licence condition relating to primary gambling activity in betting premises is not sufficient to achieve the Commission's policy objective of ensuring that gaming machines are only made available in appropriate environments. It did, however, confirm that both licensing authorities and the Commission have overlapping powers to impose conditions in this area. More generally, ensuring that gaming machines, with strictly limited exceptions for pubs and clubs, are only made available in appropriate distinct licensed environments remains a policy priority. We therefore intend this autumn to consult on improved means for delivering our objectives, which may include more prescriptive tests of primary gambling activity.

- The Government's **four strand review of gambling advertising**:

The review seeks to ensure that the current regulatory controls are properly examined, especially in relation to children and other vulnerable people. The four strands of work focus on:

- a. potential changes to the industry voluntary code (including the suitability of the 9pm watershed arrangements)
- b. evaluating the latest evidence in relation to gambling advertising and problem gambling and the resultant regulatory implications
- c. the proportionality, robustness and consistency of enforcement action
- d. ensuring that all gambling advertising continues to support the licensing objectives.

- Emerging findings from the **Responsible Gambling Trust's core machines programme** expected in November this year:

The results this autumn should begin to inform the trialling of ways to help players control their play and establish what might be effective in reducing gambling related harm; a process likely to inform policy making in the coming months and years.

- A review of **remote gambling and software technical standards (RTS)**:

In 2015, following implementation of the Gambling (Licensing and Advertising) Act 2014 the Commission will review the provisions set out in RTS. The review will consider all aspects of RTS to ensure it is fit for purpose including requirements in relation to restricted display devices, and the ISO 27001 security requirements.

- A later review of LCCP provisions and other guidance in relation to **anti-money laundering and other aspects of crime**:

With the 4th EU anti-money laundering Directive as context the Commission intends to capture lessons learned from relevant casework and other sources in revised LCCP provisions. We expect this work to commence before the end of 2014/15.

- Implementation of the EU Directive on **Alternative Dispute Resolution (ADR)** and the Regulation on Online Dispute Resolution:

¹⁵ [First Tier Tribunal decision note](#) and [judgement on costs](#).

The Directive and Regulation are due to be implemented by July 2015 and the Government is expected to finalise its approach to UK implementation of the Directive in the coming months. ADR entities will have to be registered by one or more competent authorities in the UK and there is likely to be a centralised helpdesk to signpost customers to the best source of help for their dispute. It is possible that the Commission may become a competent authority under the Directive.

- 2.4** Taken together these developments will provide a coherent and more effective framework within which gambling provision can develop in a socially responsible way. The LCCP is not a static document, but evolves over time taking account of developments such as those outlined above.

A note on voluntary industry codes

- 2.5** Over the course of the last year or so, some parts of the industry have developed and implemented voluntary social responsibility codes. Notable among them are the Association of British Bookmaker's (ABB's) social responsibility code and the National Casino Forum's (NCF's) *Playing Safe* codes.¹⁶ The Commission sees such codes as potentially helpful developments.
- 2.6** Some leading operators have called on the Commission to make the industry's voluntary codes mandatory so that they bind on all operators in a particular sector or across different sectors. At the same time, the Commission was asked by the Secretary of State for Culture, Media and Sport to examine whether the codes should be made mandatory and tougher in certain areas.
- 2.7** The Commission is unable to recommend or mandate the adoption in the LCCP of any particular industry voluntary code in its entirety. The evidence underpinning the codes is in some areas ambiguous, and in others has simply not been evaluated and or simply rests on assertion.
- 2.8** However, this need not be an impediment to the adoption of particular areas of the code. In fact, much of the material in the betting industry code is a reaffirmation of its commitment to delivering existing duties and obligations already set out in the LCCP, for example in relation to underage access to gambling.
- 2.9** In some areas, however, the proposed revisions to the LCCP strengthen protections further than would be the case if left solely to voluntary codes. While not exhaustive, the following is a summary of such areas detailed later in this consultation document:
- pre-commitment – where we are proposing to require that all customers of B2 machines in betting shops must set financial and/or time limits before play; and we are consulting on whether such requirements should extend beyond the betting sector and to other types of category B gaming machines;
 - underage access to gambling – where we propose to mandate third party testing for larger operators; and
 - self-exclusion – where we expect operators to participate in the development of cross-operator and cross-sector self-exclusion schemes and will bring into force a code provision that will require participation in such schemes once developed.
- 2.10** We want to explore as part of this consultation how the relationship between voluntary industry codes and the LCCP might be expected to develop.

¹⁶ [Association of British Bookmakers' Code for Responsible Gambling and Player Protection](#) and [National Casino Forum's Playing Safe Principles](#).

3 Access to gambling by children and young persons

Introduction

- 3.1** Section 47 of the Gambling Act 2005 ('the Act') makes it an offence to allow a child or young person to enter certain gambling premises, while section 46 of the Act creates an offence if a child or young person is allowed to participate in certain forms of gambling. These offences underpin the licensing objective of protecting children from being harmed or exploited by gambling. The Commission has the strategic goal of ensuring that it becomes a rare event for licensed operators to allow children and young people to gamble on age-restricted products.
- 3.2** These legislative requirements are supplemented by the licence codes and conditions of practice ('the LCCP'), which contains a number of social responsibility code provisions in relation to the prevention of underage gambling. One of the key social responsibility code provisions applying to most operating licences is that licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.¹⁷

The role of licensing authorities

- 3.3** While the Commission focuses its regulatory efforts on the sections of the gambling industry it is best placed to regulate (for example, operators and issues that have a national or regional significance where the impact of non-compliance would be greatest), licensing authorities, our regulatory partners, focus on issues and operators of local significance¹⁸, and have a key role in ensuring that licensees fulfil their responsibility to prevent underage gambling. The Commission works with licensing authorities by providing best practice information and guidance, and will often provide direct support to local authorities when they conduct underage test purchasing at gambling premises.
- 3.4** Some licensing authorities have attached a range of conditions to premises licenses, and many of these measures, while introduced with other objectives in mind, such as the prevention of crime and ensuring the health and safety of staff, are likely also to help prevent underage gambling in specific circumstances. Such conditions have included:
- providing more than one staff member on duty at certain times;
 - using CCTV to monitor customers at all times;
 - formalising Think 21 arrangements;
 - compulsory third-party test purchasing with results submitted to the authority; and
 - the use of controlled-access 'maglocks' to prevent entry to premises.
- 3.5** It is important that all licensing authorities are equipped with an effective and proportionate range of control measures to help prevent underage gambling. We therefore aim to strengthen our statutory Guidance to Licensing Authorities (GLA) by outlining such measures that might be considered by licensing authorities (see paragraph 3.25 below) and this consultation will help us develop and refine that Guidance.

Current concerns

- 3.6** Test purchasing is a means by which many operators demonstrate the effectiveness of their policies and procedures on underage gambling. Licensing authorities and the

¹⁷ [Licence conditions and codes of practice](#) (May 2014).

¹⁸ [Concordat agreement for working with licensing authorities](#)

Commission will use test purchasing¹⁹ as a means of assessing cross-industry risks and levels of gambling operators' compliance with the provisions of the Act and the LCCP.

3.7 Test purchasing data provided by gambling operators and trade associations and acquired from licensing authorities²⁰ has given rise to serious concern that there are major weaknesses in some parts of the gambling industry in adhering to the requirements of the Act and the LCCP outlined above, and in particular the ability to challenge a child or young person before they use a gaming machine.

3.8 Throughout our engagement with stakeholders on these issues, one of the key themes we have encountered is that improving performance on preventing underage gambling is highly dependent on the extent to which operators engender a culture of compliance that permeates all its staff, with those staff members on the shop floor being the gatekeepers for challenging those who appear to be underage.

3.9 However, even the best staff cultures can be hampered by other factors. Test purchasing conducted in 2013 and 2014 by licensing authorities and supported by the Commission provides evidence that structural and systemic weaknesses in the way some gambling premises are operated often lead to failures to challenge. Such vulnerabilities are therefore causing, or contributing to, limitations in the prevention of underage gambling. The factors that can influence the strength or weakness of underage gambling controls at gambling premises include:

- the **proximity of a staff member to the entrance of premises**: where staff members are positioned close to the entrance of the premises, with unobstructed views of each customer entering the site, they are more likely to challenge for age before a customer accesses gambling products;
- the **will and competence of staff**: a number of test purchases exposed the possibility that staff were unaware of their responsibilities in relation to underage gambling or, in some instances when the young tester had been seen or even acknowledged by staff, they had little regard for their responsibilities;
- **whether staff are aware of the presence of new customers on the premises**: in a number of test purchases young people were able to enter premises and access gambling products with the staff appearing to actively ignore their presence and choosing not to challenge (as opposed to being simply unaware of them due to, for example, being engaged in other duties at the time). In some other test purchases, there were no staff present to make a challenge;
- the **siting of gaming machines on premises**: it was identified in some tests that the positions where staff were routinely located (for example, at the counter or cash desk) had a permanently obstructed view of some or all of the machines on the premises. Conversely, stronger underage gambling controls were demonstrated at premises where staff had clear lines of sight; and
- **executing a robust Think 21 policy**: a Think 21 policy seemed to work effectively, but only in instances where staff members were positioned near to the premises entrance or when staff were aware of and reacted instantly to the presence of an underage customer.

3.10 Where there are serious failings or widespread vulnerabilities in the underage gambling controls of an individual operator, the Commission will consider taking formal regulatory action against that operator in addition to any action being taken by the licensing authority in relation to the premises licence. However, in order to ensure better compliance with the legal requirements by the industry as a whole, we are consulting on a range of measures

¹⁹ [Gambling Commission- Approach to Test Purchasing.](#)

²⁰ [LA underage gambling controls.](#)

that could be introduced to strengthen underage gambling controls. These are outlined below.

Proposals for social responsibility code provisions

Visibility and supervision of customers on gambling premises

- 3.11** The Commission considers that the layout of gambling premises should be designed in such a way that staff members are able to supervise access to the premises and to gambling products on the premises. The Commission therefore proposes to make clear in the relevant social responsibility code provision that licensees must ensure that the layout of premises facilitates the effectiveness of the licensees' policies and procedures designed to prevent underage gambling.
- 3.12** As a means of monitoring the effectiveness of their underage gambling controls, many operators choose to commission third-party test purchasing and provide their results to the Commission on a regular basis, or are involved in a test purchase scheme administered by their trade association.
- 3.13** As stated in paragraph 3.3 above, the Commission focuses its regulatory efforts on sections of the gambling industry that it is best placed to regulate (for example, operators that have a national or regional presence where the impact of non-compliance would be greatest). We are concerned that many national or regional operators are not providing the Commission with any evidence that they are assuring themselves as to the effectiveness of their underage gambling procedures. To reiterate, test purchasing is a means of demonstrating that the effectiveness of controls are being monitored – it provides a risk indicator for the likelihood of underage gambling – but some operators are not providing the Commission with any evidence of how their underage controls are monitored.
- 3.14** In 2013, the Commission consulted on whether test purchasing should be mandated as a social responsibility code provision or should be introduced as good practice under an ordinary code provision. The Commission considers that it is no longer tenable to have a situation whereby certain operators with a national or regional presence are seeking to monitor the effectiveness of their underage gambling controls in accordance with their licence condition, and demonstrate this to the Commission, whereas other operators of a similar size choose not to do the same.
- 3.15** To reiterate, all licensees have a responsibility to manage the underage gambling risks that their businesses present. However, the Commission now considers that mandating the use of test purchasing is necessary for national and regional operators (those in fee category C and higher), given the weaknesses in underage gambling controls that are being exposed throughout the sectors of the gambling industry and the fact that many such operators do not evidence how their controls are being monitored. Smaller licensees (those in fee categories A and B) must continue to monitor the effectiveness of their controls, for example through a test purchasing programme administered by their trade association. Where a smaller operator does not demonstrate that the effectiveness of their controls are being monitored, they may be subject to test purchasing exercises conducted directly by a licensing authority (often with the Commission's support) and will therefore put themselves at a greater risk of being subject to regulatory action if their controls are found to be poor.
- 3.16** The Commission proposes to introduce a social responsibility code provision to formalise its expectation that operators in fee category C or above use test purchasing (whether organised by the operator itself, or through participating in a collective test purchase programme) and provide their results to the Commission (the results are used by the Commission as a means of assurance that robust systems are in place, and to inform our discussions with licensing authorities in focusing test purchasing efforts on filling in the evidence gaps). This will present no additional burden to operators that already have test

purchasing conducted at their premises and where those results are submitted to the Commission.²¹

Proposals for ordinary code provisions

3.17 The Commission is also consulting on measures that could be introduced via ordinary code provisions. We are seeking views on how staff training requirements could be made more robust in light of the test purchase evidence, that staff sometimes are unaware of their responsibilities, and on whether Think 25 policies may be more beneficial than the existing Think 21 ordinary code provision (3.2.2(4)).

Staff training and awareness

3.18 The current social responsibility code provision (3.2.3(5)) states that ‘Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover the legal requirements on returning stakes and not paying prizes to underage customers.’²²

3.19 In light of the view expressed by stakeholders that the key to preventing underage gambling is for operators to engender a culture of compliance among staff, the Commission is seeking views on how it might supplement the above social responsibility code provision. In particular, we are seeking views on how robust good practice could be introduced via an ordinary code provision to ensure that comprehensive and appropriate training is provided to staff and, most importantly, to ensure that staff maintain constant vigilance in relation to underage gambling risks.

3.20 Data provided to the Commission by one of the major providers of third party testing, suggests that attentiveness on the part of staff, and associated early eye contact with customers may be one of the most important factors in improving performance. The data provided shows that early eye contact related in a 74% challenge rate, compared with a challenge rate of only 31% where eye contact was not made. However, the ultimate responsibility for preventing underage gambling must of course rest with the licensee as the operating licence holder rather than be delegated to individual staff members.

Think 25

3.21 The current ordinary code provision (3.2.2(4)) suggests licensees (except society lotteries) put into effect procedures that require their staff to check the age of any customer who appears to them to be under 21. In the Government’s review *Gambling Protections and Controls*, it states that the Government will ‘work with industry to explore how a Think 25 initiative could help prevent underage access to gambling products across the gambling landscape.’²³ Many supermarkets now employ a Think 25 policy to prevent the sale of alcohol to minors and Think 25 already applies to alcohol sales in Scotland (following a 2011 amendment to the Licensing (Scotland) Act 2005).

Case study – alcohol sales

The Retail of Alcohol Standards Group (RASG) recently produced a report (*Rising to the Challenge – A report into the application and impact of Challenge 25 2014*)²⁴ which outlines the development from Think 21 to Think 25 in the off-trade alcohol sales sector. It states that poor test purchasing results in the alcohol sector led to intervention by

²¹ We do not propose to specify a minimum frequency for test purchases as we consider this to be a matter for operators to determine as part of an overall risk assessment.

²² [Licence conditions and codes of practice](#) (May 2014).

²³ [Gambling Protections and Controls](#), April 2014.

²⁴ [Rising to the Challenge – A report into the application and impact of Challenge 25](#) The Retail of Alcohol Standards Group (RASG) 2014.

government and the RASG formed in response with a view to eradicating underage sales of alcohol.

Research was commissioned into the prevalence of underage sales and the key finding was that checkout staff found it incredibly difficult to guess the age of a person, and so often made mistakes. Additionally, some staff were wary about confrontation and found it difficult to challenge people, particularly as some customers can become aggressive or violent when challenged.

RASG therefore developed and adopted Challenge 21 (and later Challenge 25) as a way of giving staff a buffer zone, should they not be able to accurately assess the age of a customer. This was on the basis that if a member of staff wrongly assesses someone to be 21, they are less likely to make a mistake and serve someone underage than if they were taking 18 as the initial benchmark. Staff were given detailed training on the scheme and support with additional training such as conflict resolution. In addition to signage and training, managers were trained not to overrule staff who had made challenges, to ensure that staff felt properly supported.

It was considered that increasing the buffer zone could improve the impact of Challenge 21. The national off-trade retailers, co-ordinated by RASG, therefore voluntarily moved up to 25, while the on-sales trade continued to operate Challenge 21.

The RASG report provides evidence on the relative test purchase failure rates for the on-trade alcohol sector (where Challenge 21 is more prevalent) and the off-trade (where Challenge 25 is more prevalent). Serve Legal, the test purchasing company, released a report (*Checked Out: the role of ID checks in controlling underage drinking*, Serve Legal, 2012) that showed the differential in failure rates between the off and the on trade.

- Serve Legal carried out 33,400 off-trade and 6,000 on-trade site visits in 2011. The off-trade pass rate was 79% compared to 69% for the on trade;
- That 10% gap had been maintained during the first five months of 2012, with pass rates of 81% for the off-trade, and 71% for the on-trade.

The RASG report references further research conducted by Community Alcohol Partnerships, which found that an average of 10,000 test purchases were made on the off-trade each year, with a failure rate of around 13%, and by the Scottish Government which found that the test purchase failure rate for the off-trade was 9.3% (79/841) compared to 17.4% for the on-trade (8/46).

3.22 It is unlikely that any 'think/challenge' policy alone would be sufficient to remedy the structural and systemic weaknesses that have been evidenced at gambling premises through test purchase data. However, some stakeholders have expressed to the Commission the difficulties they have in assessing the age of young people. A Think 25 policy may therefore be useful for some licensees and their staff members where they are unable to estimate on a customer's age.

Social media platforms

3.23 The Commission is also concerned about the exposure of children and young people to gambling marketing via social media platforms. The 2013 Advertising Standards Authority (ASA) report²⁵ (ASA compliance survey - Children and advertising on social media websites) suggested that children register on social media under false ages, meaning that they may receive gambling adverts by virtue of their being falsely registered as over 18. The Government review also states its concern about young people receiving gambling marketing, and opportunities for social gambling through social media and network

²⁵ [ASA Compliance survey - Children and advertising on social media websites.](#)

websites.²⁶ In addition, we note that advertising regulations in Germany require social media platform providers to adopt a 'Think 21' approach when marketing age-restricted products via online social networks. Only people registered as aged 21 or over may be treated as 'of age' without further verification.

- 3.24** We will continue to engage with the Department for Culture, Media, and Sport (DCMS), the ASA and the gambling industry to explore how a Think 21 or Think 25 approach might be beneficial in reducing the risks of exposing children to the marketing of age-restricted gambling.

**Proposed additions to social responsibility code provisions 3.2.1, 3.2.3, 3.2.5, and 3.2.7
Access to gambling by children and young people**

The proposed additions will apply to all non-remote casino, adult gaming centre, bingo, family entertainment centre, betting and remote betting intermediary (trading rooms only) operating licences. In the example below the code provision relevant to betting licences is used.

- 1** Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.
- 2** This must include procedures for:
 - a** checking the age of apparently underage customers
 - b** removing from adult-only licensed premises anyone who appears to be underage who tries to access the gambling facilities and cannot produce an acceptable form of identification
 - c** taking action when there are attempts by under-18s to enter adult-only premises
 - d** refusing entry to any adult-only area of a track to anyone unable to produce an acceptable form of identification
 - e** taking action when there are unlawful attempts to enter the adult-only areas.
 - f** **ensuring that the layout of licensed premises facilitates the effectiveness of the licensee's policies and procedures designed to prevent underage gambling.**
- 3** **Licensees must conduct test purchasing or take part in collective test purchasing programmes as a means of monitoring the effectiveness of their policies and procedures designed to prevent underage gambling, and must provide their test purchase results to the Commission. Licensees must be able to demonstrate how they have satisfied themselves that their underage gambling controls are effective across their estate of licensed premises.**
- 4** Licensees must not deliberately provide facilities for gambling in such a way as to appeal particularly to children or, except in the case of football pools, young people, for example by reflecting or being associated with youth culture.
- 5** In premises restricted to adults, service must be refused in any circumstances where any adult is accompanied by a child or young person.
- 6** Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover the legal requirements on returning stakes and not paying prizes to underage customers.
- 7** Licensees must only accept identification which:
 - a** contains a photograph from which the individual can be identified
 - b** states the individual's date of birth
 - c** is valid
 - d** is legible and has no visible signs of tampering or reproduction.

²⁶ [Gambling Protections and Controls](#), April 2014.

- 8 In the case of non-remote pool betting licensees, where pool entries or payments are collected door to door by the licensee or the licensee's authorised agent the licensee's procedures must include procedures for:
- a checking the age of apparently underage entrants to the pool; and
 - b taking action when there are unlawful attempts to enter the pool.

Consultation questions

- Q1.** What are your views on the proposed changes to social responsibility code provisions 3.2.1, 3.2.3, 3.2.5 and 3.2.7 which make explicit the requirement that the layout of premises must support and facilitate the effectiveness of policies and procedures to prevent underage gambling?
- Q2.** What are your views on introducing a requirement via a social responsibility code provision for licensees to conduct underage test purchasing or to take part in a programme of test purchasing?
- Q3.** Do you agree that small operators (category A and B) should be excluded from this requirement to conduct underage test purchasing?
- Q4.** How can the Commission's existing social responsibility code provision (3.2.5) in relation to training staff in underage gambling responsibilities be improved and strengthened, using good practice in an ordinary code provision, to ensure that operators and staff maintain a constant vigilance and are better able to prevent underage gambling?
- Q5.** What are your views on the potential effectiveness of a Think 25 policy for the prevention of underage gambling at premises (relative to the existing Think 21 ordinary code provision in the LCCP)? Should Think 25 replace Think 21 as a standard within ordinary code provision?

Specific measures for strengthening underage gambling controls

- 3.25** There are a number of specific control measures that operators might deploy at gambling premises to improve their underage gambling controls. Some of those potential measures are set below at paragraph 3.26 and the Commission is seeking views on their effectiveness. The Commission proposes to incorporate reference to these specific measures within our GLA as examples of how operators could assure licensing authorities that underage gambling can be prevented at gambling premises, or as possible conditions that licensing authorities may attach to premise licences to achieve that goal.
- 3.26** In advance of this the Commission welcomes initial stakeholder views on each of the measures outlined below. The following is an indicative list of measures rather than exhaustive:
- **permanent door supervision:** to prevent young people entering the premises unnoticed.²⁷ Such weaknesses could be remedied by ensuring that a staff member is permanently positioned in the vicinity of the entrance so that they can see customers entering;²⁸

²⁷ Figures from regulatory returns (excluding casinos where door supervision is a requirement by LCCP) demonstrate that challenging on entry is significantly more common than challenging a young person once they have gambled. The Commission recognises that at quieter times, premises may be single staffed.

²⁸ At times where premises are staffed by only one person, it will not be possible for that person to be permanently positioned by the entrance. The licensee will need to give consideration to how underage gambling can be prevented, how customer interaction can be delivered etc, in such instances and consider the range of control measures.

- **maglocks:** this is essentially an electromagnetic lock that could be used at the entrance of premises and which prevents the door from being opened by the public until a staff member has disabled the magnetic lock. Staff could therefore control access to the premises and, by being required to use the maglock to allow customer entry, would be more likely to have sight of the customer as they enter;
- **audio alerts or 'door chimes':** devices that signal to staff members that customers are either entering or existing the premises;
- **CCTV:** where the structure of the premises does not afford staff member's permanent lines of sight to all sections of the premises, CCTV is often used so that 'blind spots' can be monitored. The Commission welcomes views on how effective CCTV is in preventing underage access to, and gambling at, premises; and
- **sufficient staffing levels:** this matter will of course already be at the forefront of operators' minds as part of their commercial decision-making, but operators must also give consideration to the number of staff that may be required on gambling premises in order to meet regulatory requirements. For example, licensees are not only required to prevent underage gambling but are also required to put into effect procedures for customer interaction. As the responsibilities for executing these requirements on the 'shop floor' will fall on staff members, operators will need to judge the appropriate staffing levels needed to fulfil both commercial and social responsibility objectives.

Consultation questions

- Q6.** What are your views, in terms of costs, benefits and feasibility, for introducing each of the following measures at gambling premises?
- permanent door supervision
 - maglocks
 - audio alerts or 'door chimes'
 - CCTV
 - additional staffing levels?
- Q7.** Are there any other measures that the Commission could introduce into the Guidance to Licensing Authorities (or which licensing authorities could use as conditions on premises licences) that might be effective in preventing underage gambling?

Acceptable forms of identification for age verification

- 3.27** The Commission's ordinary code provisions (3.2.2, 3.2.4, 3.2.6 and 3.2.8) on access to gambling by children and young people set out good practice on the types of identification which the Commission considers acceptable means of non-remote operators verifying the age of their customers. At the time of writing the existing provisions, armed forces personnel were not permitted to use their military identification cards as proof of age, and therefore the code provisions did not include reference to such cards. In March 2011, the Government announced that from that time military identification cards could be used as proof of age. *The Home Office Guidance on False ID* (July 2012)²⁹ reflects this change. The Home Office Guidance also makes clear that military identification can be held by 16 and 17 year old members of the military and operators must therefore ensure that the date of birth on military identification cards is checked in the same way as the other acceptable forms of identification listed, such as a driving licence.

²⁹ [Home Office Guidance on False ID](#) (July 2012).

3.28 The proposed amendments drafted below are intended to clarify that military identification cards can be used as proof of age. Furthermore, we propose to amend the provision to make clear that this list of acceptable identification is not intended to be exhaustive, and could change over time – for example should the Home Office guidance be amended in future.

Ordinary code provisions 3.2.2, 3.2.4, 3.2.6 and 3.2.8

Access to gambling by children and young people

All non-remote casino licences, AGC, FEC, non-remote betting and remote betting intermediary (trading rooms only) licences

- 1 The Commission considers acceptable forms of identification to include **but not be limited to** any identification carrying the PASS logo (for example Citizencard or Validate); **a military identification card**, a driving licence (including a provisional licence) with photocard; or a passport.

Consultation question

- Q8.** Do you have any comment on the changes proposed for the ordinary code provisions relating to acceptable forms of identification (3.2.2, 3.2.4, 3.2.6 and 3.2.8) to include military identification cards and to make clear that other forms of identification may also be considered appropriate?

4 Information to players on responsible gambling

- 4.1 Providing consumers with the information they need to manage their own gambling effectively is an important component of the approach to regulation in Great Britain. Operators should be satisfying themselves that the gambling products they offer are fair, open, and accompanied by sufficient information to help all customers understand how they operate.

Current research, developments and practice

- 4.2 The Responsible Gambling Trust's Operator-based harm minimisation review ('The Trust's review') provides a summary of the key research that has been undertaken to date in the areas of:
- personal behavioural information; and
 - game transparency information.
- 4.3 While the review outlines that there are a number of limitations in the current evidence base, the Commission agrees with the authors' view, that 'the gambling industry should take an active role in providing this information to customers'³⁰ and that the provision of clear and transparent information to customers is an important means by which operators can ensure effective delivery of the second licensing objective.³¹
- 4.4 The Commission has been in discussion with regulators, academics and other stakeholders as we have begun to develop our thinking in this area. We have given consideration within this process to work that has been undertaken relating to the provision of messaging to customers. For example, in Australia, a live trial³² was conducted on gaming machine messaging.
- 4.5 This trial found that the messages that had the most impact with customers were those that related to both spend and affordability.³³ Around half of respondents reported that in response to the messages they reduced their play intensity on taking a break.

The current position

- 4.6 The Commission expects operators to utilise and make available a range of technologies and tools, to be able to assure themselves that their customers are able to make **fully informed choices** about their gambling. Operators will seek to ensure that:
- players are provided with sufficient information to understand the potential consequences of their gambling;
 - players do not suffer from misconceptions about the nature of the gambling product;³⁴
 - players understand how a particular gambling product is likely to behave and the risks they are exposed to by gambling on that product; and

³⁰ [Błaszczynski, Parke, Parke and Rigbye \(2014\) Operator-based approaches to harm minimisation in gambling: summary review and future directions \(Report prepared for the Responsible Gambling Trust\).](#)

³¹ Ensuring that gambling is conducted in a fair and open way.

³² [Trial of Dynamic Warning Messages on Electronic Gaming Machines", Australian Department of Social Services, 6 June 2014, Communio.](#)

³³ For example, have you spent more than you can afford? Only spend what you can afford to lose.

³⁴ An example here is of the player who chases losses in the belief that a gaming machine will eventually 'pay out'.

- players have sufficient information about their own gambling behaviour to help them avoid harm and keep their gambling fun.

4.7 Whilst there are some current general requirements around providing gambling information to players within the licensing codes and conditions of practice ('the LCCP'), regulations and (for gaming machines) the technical standards, these were developed before September 2007, and were somewhat limited by the technology available at the time. There is now much greater scope for the industry to deliver the requirements of the existing code provision on responsible gambling information, but there is also a need to provide clearer information to players in order to ensure that players are able to make fully informed choices about their gambling, as outlined in 4.6 above. Such information may relate to gambling products themselves, or, as is the case with the new measures now introduced on B2 gaming machines, by providing information on a customer's own play.

4.8 The provision of responsible gambling information to players can be divided into a number of categories:

- **general social responsibility messaging:** information made available to players about how to gamble responsibly and how to seek help with gambling problems. Examples include responsible gambling leaflets and posters, or general 'pop-up' messages on gaming machines or online gambling products;
- **play information:** quantitative information provided to players about their actual play, for example the time or money they have spent over a particular period or session; and
- **product information:** information provided to customers about how certain gambling products might be expected to behave. Examples of this type of information would include the 'return to player' percentage on gaming machines, game rules, information on odds and house edge.

General social responsibility messaging

4.9 The principle underpinning the existing requirements on the availability of social responsibility information is that it should be **displayed prominently** – so that it can be viewed without needing to be sought out – and that licensees should take steps to ensure that information is **accessible discreetly**, so that it can be viewed by an individual who may be seeking help without providing the potential barrier to access created by others being aware. We intend to maintain this principle.

4.10 Evidence on the effectiveness of responsible gambling messaging remains mixed. Since the LCCP was first formulated in 2007 no new compelling direction of travel has emerged. The Trust's review notes, however, that providing, for example, problem gambling information only on a reactive basis when players request it, is of limited value (because a large proportion of problem gamblers do not seek help), but the proactive provision of responsible gambling information by licensees might assist in enhancing informed player choice before significant harm is experienced by the player.

4.11 However, the reference in the LCCP solely to posters and leaflets has become somewhat dated and does not reflect the range of methods now available, as technology and consumer preference (by which social responsibility messaging might be delivered) have changed. We therefore intend to update the existing social responsibility code provision to reflect these changes.

4.12 In this context, we also note that that the Association of British Bookmaker's (ABB) code for socially responsible gambling sets out some requirements for the improved provision of information to players, such as the increased visibility of responsible gambling messages on machines receipts, and more information on the responsible gambling pages of

machines. The National Casino Forum's (NCF) statement of principles for responsible gambling also aims to deliver consistent messages about responsible gambling through gaming machines and electronic gaming products alongside printed materials.

- 4.13** We are seeking views from respondents as to whether operators should be required to **actively promote** social responsibility materials, rather than simply making them available.³⁵ We do not propose to make any changes to the LCCP at present. Were operators to actively promote material and information, this would need to be done in a way that was sensitive to customers and did not cause embarrassment or offence. One way to achieve this might be to be open about the types of behaviour that might elicit a customer interaction ('if you are doing x or y, we may discuss this with you to see whether you are experiencing any problems').

Location of Automated Teller Machines (ATMs)

- 4.14** We will also amend the existing code provision to clarify the provision of information in relation to the location of Automated Teller Machines (ATMs).
- 4.15** The existing code provision (3.3.1) requires that 'information must be available in all areas where gambling facilities are provided and adjacent to ATMs where these are not located in the gambling area.' The existing mandatory conditions for premises licences require that customers wishing to use an ATM on gambling premises must cease gambling in order to do so. These provisions take account of the increased risk to players of accessing large amounts of cash with which they can gamble by seeking to ensure that they take a break from gambling (so that they are able to reflect on their gambling behaviour before accessing more cash) and that where they do access cash on premises they are presented with socially responsible gambling information at the ATM itself. We note that ABB members are removing ATMs from their betting shops in line with the association's code for responsible gambling.
- 4.16** The Trust's review notes that one of the approaches used by players to help manage their own gambling is to take set amounts of cash to venues while leaving credit and debit cards at home. In contrast, problem gamblers often seek to obtain additional funds to continue gambling once their initial budget has been exhausted, leading them to spend more than they had intended. Problem gamblers are at least three times more likely to withdraw from ATMs to fund continuing gambling than are recreational gamblers.
- 4.17** The report also notes that the removal of ATMs from gambling venues would not address the possibilities of accessing ATMs outside a venue, albeit this would constitute a break in gambling. It advises that a balance needs to be struck between facilitating player control and inconveniencing recreational gamblers by removing ATMs from venues (with daily withdrawal limits on the ATMs as a suggested compromise between these). While the principle of restricting withdrawal limits on ATMs may be worth future consideration, we are not currently proposing to consult on this potential measure, given that most bank customers are likely to have existing daily cash withdrawal limits in place already (via their bank).
- 4.18** There are therefore risks to some players in having access to cash in licensed premises; however, there are also personal safety risks if players going into licensed premises or using nearby ATMs are carrying large amounts of cash.
- 4.19** The Commission therefore proposes to amend paragraph 4 of the existing social responsibility code provision 3.3.1 to read as follows:

³⁵ A key element of the recent RGSB advice on self-exclusion was the active promotion, by operators, of self-exclusion as a tool.

Social responsibility code provision 3.3.1

Responsible gambling information

All licences, except gaming machine technical, gambling software, ancillary remote bingo and ancillary remote casino licences

- 1 Licensees must make information readily available to their customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling.
- 2 The information must cover:
 - a. any measures provided by the licensee to help individuals monitor or control their gambling, such as restricting the duration of a gambling session or the amount of money they can spend
 - b. timers or other forms of reminders or 'reality checks' where available
 - c. self-exclusion options
 - d. information about the availability of further help or advice.
- 3 The information must be directed to all customers whether or not licensees also make available material which is directed specifically at customers who may be 'problem gamblers'.
- 4 For gambling premises, information must be available in all areas where gambling facilities are provided and adjacent to ATMs ~~where these are not located in the gambling area~~. Information must be displayed prominently **using methods** appropriate to the size and layout of the premises. **These methods may include the use of posters, the provision of information on gambling products, or the use of screens or other facilities in the gambling premises. Information must also be** contained in leaflets that may be taken away **or made available through the use of links to be accessed online or using smart technology**. Licensees must take all reasonable steps to ensure that this information is also readily accessible in locations which enable the customer to obtain it discreetly.

Consultation questions

- Q9.** Do you have any comments on the proposal to update social responsibility code provision 3.3.1 to ensure information is displayed prominently using methods appropriate to the size and layout of the premises, eg screens, links and smart technology?
- Q10.** Should operators be required to actively promote social responsibility information? And if so, how?

Play information and statements

- 4.20** Paragraph 2 of the current social responsibility code provision 3.1.1 requires licensees to make available information that covers 'any measures provided by the licensee to help individuals monitor or control their gambling'³⁶. As part of ensuring that individuals are able to make fully informed choices about their gambling, operators will want to provide them with sufficient information about their own gambling behaviour to help them to stay in control and to avoid harm. Play information has the potential to help individuals in this regard by providing, for example, a message relating to the length of time an individual has spent gambling or the amount of money they have spent, won or lost in a session, ie quantitative information about the player's personal gambling activity.
- 4.21** As the Trust's review³⁷ suggests, the primary objective of providing detailed information to players about their monetary and time expenditure is to limit gambling-related harm through

³⁶ [Licence conditions and codes of practice](#) (May 2014).

³⁷ [Błaszczynski, Parke, Parke and Rigbye \(2014\) Operator-based approaches to harm minimisation in gambling: summary review and future directions \(Report prepared for the Responsible Gambling Trust\)](#).

enhancing the player's informed choice during the gambling process. It is therefore a harm minimisation measure that attempts to increase the individuals' self-awareness and allow them to evaluate their behaviour.

4.22 Remote gambling operators are required by the Remote Technical Standards (RTS) to provide customers with easy access to their account and gambling history, for example, via statements including details of money staked, turned over and amounts won or lost, and must provide facilities to assist customers to keep track of the time they have spent gambling. Operators of gaming machines in Great Britain have been unable to provide similar levels of gambling history information to customers because data is not usually collected by session, and progress on linking what data there is to the corresponding customers has been limited. Increasing migration to server-based play has the potential to enable new ways of making play information available. It is worth noting that some progress in relation to account-based play information on gaming machines has been made in other jurisdictions where state corporations with a monopoly on gambling provision have been able to provide play data linked to identified customers.

4.23 There is a broader debate to be had about the provision of account-based play on gaming machines, as a potential means of providing more targeted player protection and improved anti-money laundering controls through the reduction in the proportion of anonymous gambling. While anonymity remains the norm for machine gambling, however, we expect the industry to provide all players with measures to assist them to keep in control of their gambling. The technological capability of gaming machines to provide player information has greatly improved in recent years, for example through digital and server-based terminals. The Commission is therefore consulting on how the provision of play information on gaming machines might be improved in the British context.

4.24 In the light of the Trust's review into the effectiveness of providing information to players about their own gambling, which analyses the research around 'personal behavioural information' and facilitating consumer awareness about their gambling behaviour, the Commission is now requesting input from stakeholders on the practicalities of providing play information, and any further insights into the likely benefits or unintended consequences.

4.25 In particular, the Commission welcomes views on:

- the merits of providing customers with information about their play;
- the information that should be provided to players:

As noted above, the remote technical standards require players to be given information including their total money staked, turned over and the amounts they have won or lost, and must provide facilities to assist customers to keep track of the time they have spent gambling. As a minimum we would expect all gamblers to be provided, or be able to access, their sessional net win or loss, but are seeking views on what other types of information could be provided to players;

- the form that player information might be provided in:

For example, whether time and spend information should be provided 'on-screen' for gaming machines, issued via gaming machine receipts at the end of a session (where the machine has the functionality to do so) or other means that might be suitable;

- the accessibility and delivery of the information:

For example, how information can be provided proactively; whether the information should be provided at the end of a machine gaming session or whether the session should be interrupted with 'real time' messages about time and spend. That is,

players being given ‘reality checks’ whereby their cumulative in-session time and spend information might be provided to the gambler during their session of play to allow them to consider their gambling behaviour. The Trust’s review notes that it is important to provide and frame player information in such a way that it interrupts the individual’s focus on gambling itself and draws his attention away from it, in order for any kind of reflection to be achievable;

- the range of products it might be connected to:

For example, how such information might be provided on digital or server-based gaming machines and terminals, whether it can be provided on other types of machine, and how it might be provided for other types of gambling.

Consultation question

Q11. What are your views on how play information could be provided to individuals? Please consider this in reference to:

- a. the merits of providing customers with information about their play
- b. the information that should be provided to players
- c. the form in which player information should be provided
- d. the accessibility and delivery of information
- e. the range of products it might be connected to

Product information: gaming machines

4.26 The Commission has been in discussion with a range of stakeholders about how customers might be better helped to understand the behaviour of gambling products in particular areas, primarily gaming machines, where there is considerable scope for improving the transparency around game characteristics and what they may mean to the individual player. Many of these characteristics also apply to other virtual gaming platforms such as online casino and slot games.

4.27 The Commission’s technical standards set out a number of requirements relating to information on gaming machines. In summary, the standards require that information is provided in connection with gaming machines as follows:

- whether the machine is random or compensated³⁸ (if the latter, then to explain what the consequences of that compensation might be);
- that the outcome of any single game or feature may not reflect the odds displayed;
- any limits on prize payout (maximum and minimum);
- a description of the circumstances that will void the game; and
- importantly for the purposes of this consultation, the average percentage payout, otherwise known as the percentage payout or return to player (RTP).

4.28 The gaming machine technical standards also require the following information to be available to the player at all times the machine is available for play:

³⁸ A compensated game continuously tries to meet its target payout percentage by adjusting the chance of winning a prize (or the value of any prize) based upon the amount previously paid out as prizes. A random machine, in contrast, will operate purely by chance ie every single game will offer a player the same chance of winning as all previous games, irrespective of prizes paid.

- all possible winning outcomes, or a link to where this information may be viewed, for example on a help menu; and
- win amounts or odds given for each possible winning outcome, or a link to where this information may be viewed, for example on a help menu. The win amount may be displayed as a multiple of the bet or may be shown indirectly by describing the method by which wins are awarded.

4.29 The Commission considers that players would benefit from being provided with simple, clear and easy to understand information about how the following characteristics relating to gaming machines (and virtual gaming where relevant) may influence their own play sessions:

- RTP percentage;
- the volatility of the game; and
- the odds of winning the maximum prize.

4.30 Concepts such as RTP and game volatility are complicated, and while some consumers of these products will have greater levels of understanding, it is important that all consumers are provided with information that helps them to understand these concepts and to make informed decisions about their gambling. Indeed, many such consumers may have misunderstandings or false perceptions about the meaning or implications of such gaming characteristics. Other gambling regulators have sought for ways to explain these complexities, particularly RTP, and finding simple messages remains a challenge across jurisdictions. However, in seeking to provide simple explanations about their meaning and how they may relate to the individual player's gaming experience, any such explanations or statements must remain accurate. There is a balance to reach between over-simplicity and detailed accuracy.

Return to player

4.31 RTP has been the central indicator of machine behaviour for many years. While it has some benefits in terms of simplicity as a statement of long-term game behaviour, the RTP percentage measurement by itself means very little for individual players' gaming sessions. RTP is an average typically measured over many hundreds of thousands of spins, whereas the typical play session will involve only a tiny fraction of that number. Relying on RTP as the sole measure of machine performance therefore masks the range of outcomes to which a player might be exposed, including outcomes between accruing significant total losses by the end of a gaming session to winning large sums. Given that one of the key messages in relation to responsible gambling is that players should only gamble what they can afford to lose, it is important that players should be provided sufficient information to make reasonable judgements about the losses to which they might be exposed over a typical period of play.

4.32 The Responsible Gambling Trust (following discussions with Responsible Gambling Advisory Board (RGSB) and the Commission) has recently commissioned a small-scale piece of qualitative research to test players' understanding of RTP. The research is underway and is expected to be published later this year. The outcome of this piece of research will both contribute to the overall evidence base, and provide a helpful basis for further discussions between the Commission, the RGSB and stakeholders in this area.

Game volatility

4.33 RTP statements also do not enable players to determine whether they are more likely to experience small wins with relative frequency or whether the game is more likely to pay relatively infrequent but larger wins, and the chances of achieving those wins. The

probabilities of an individual player winning any certain prize amount are determined by the game's design and set out in the game's 'pay table'. Pay tables can vary significantly from game to game. The differences and extremities of such probabilities can be described as the volatility of a game.

4.34 A game which pays lots of small prizes on a relatively regular basis can be described as 'little and often' in terms of payout and will normally produce a low volatility game for a player. Conversely, games which pay infrequent but high value prizes will normally produce high volatility game. The key issues therefore are not only that game volatility may greatly affect an individual's experience of their gaming session in terms of the wins or losses they might incur; but importantly, players are currently provided very little information about volatility, meaning that their actual experience of their gaming session may bear little resemblance to their expectations before starting to gamble.

Odds of winning the maximum prize

4.35 As stated above, the machine technical standards require information to be made available to the player in relation to the odds of winning outcomes, for example, via help menus. However, while a player would have to search for information in relation to the 'chances' of winning a jackpot prize on a reel-based slot game, the actual jackpot prize amount is universally advertised on the machine itself or in the shop front of premises that make the machines available, eg £500 wins. Promoting the jackpot prize but not giving the odds against it prominently is arguably misleading.

4.36 In accordance with the licensing objective to ensure that gambling is conducted in a fair and open manner, the Commission considers that gaming machine customers should be provided with prominent and transparent information about the odds of winning the advertised maximum prizes for each game.

Consultation questions

Q12. What simple, educational messages could be provided to players to allow them a better understanding of the gaming characteristics (RTP, volatility, odds of winning a jackpot) and how those characteristics may affect their experience of their own gaming sessions?

Q13. Do you have any comments on whether advertisements for gaming machine jackpots should be accompanied by a clear statement as to the odds of a player winning that maximum prize amount (and how this might be best communicated given that the odds of winning that prize might differ by the amount staked and amount of time spent gaming)?

5 Customer interaction

- 5.1** The system of regulation in place in Great Britain places primary responsibility for minimising gambling-related harm on gambling operators themselves. The aspiration of our regulatory system is that gambling operators should only accept business from people who are making informed decisions to gamble money they can afford to lose as part of normal leisure activities.
- 5.2** Conversely, the expectation is that operators should not generally seek to profit from people who are being harmed by their gambling, or who are at potential risk of harm (and on a closely related point, who may be disposing of criminal funds). Furthermore, operators are expected to be prepared to take steps to minimise harm where it is being experienced by individual gamblers.
- 5.3** Central to the realisation of these expectations is the concept of customer interaction. Whilst there is some ongoing debate regarding the nature of customer interaction, for the purposes of this review and consultation, the Commission regards customer interaction as embodying those mechanisms for identifying players who are potentially experiencing harm (or at risk of harm) and intervening to reduce the harm (or the risk).
- 5.4** The Commission considers that this is a key area for development in terms of the social responsibility code provisions, where significant strengthening of the code provisions is warranted. This view is supported by the Responsible Gambling Trust's Operator-based harm minimisation review ('the Trust's review').

Background

- 5.5** The LCCP social responsibility code provision (3.4.1) requires licensees to 'put into effect policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate problem gambling'. At present, the LCCP does not go further and set out in detail what those policies and procedures should cover.
- 5.6** When the Commission first consulted on customer interaction in 2007 it was anticipated that good practice, at that stage somewhat thin on the ground, would develop over time. In practice, this is an area where the industry still experiences significant challenges with implementation, both in terms of development and delivery of effective customer interaction.
- 5.7** From engagement with operators and customers over the last few years, the Commission considers that the industry's ability to deliver effective customer interaction will be enhanced by ensuring that policies and procedures contain additional material covering the following key points:
- behavioural and other triggers for customer interaction;
 - use of data to guide customer interaction;
 - dealing with difficult customers; and
 - recording and reporting.

Behavioural and other triggers for customer interaction

- 5.8** One of the greatest areas of challenge, and perhaps one of the most difficult that operators face, is deciding when to initiate a customer interaction with an individual player. The range of behaviours displayed by gamblers differs by individual and what is normal for one customer might be an indicator of significant harm in another. Behaviour that might appear indicative of harm in one player may, for another player, reflect a well-controlled and

rewarding leisure experience. What does appear clear, however, is that well trained staff and an effective escalation system, aligned to effective ongoing monitoring and evaluation, are key to successful implementation of customer interaction.

- 5.9** To date, operators have tended to rely on a fairly narrow range of overt behavioural indicators to guide staff in making interventions. Those indicators have focused in the main on obvious signs of distress, agitation or aggression (with a particular emphasis to physical risks to shop staff, and potential or actual damage to shop premises). The ability to identify and mitigate harm is enhanced by an understanding of consumer behaviour. While international evidence is inconclusive on methods of identifying problem gamblers or those who may be at risk of harm, or in identifying trigger points for interventions, some larger operators have set out their own criteria for intervention (and potential trigger points for customer interactions), and sought to embed them in staff training.
- 5.10** However, across an operator's customer base, there are likely to be a significant number of customers displaying a range of other behaviours that, although less overt, may well indicate a customer who is experiencing (or is at risk of experiencing) significant gambling-related harm. Relying on overt indicators based on obvious physical behavioural indicators risks, therefore, missing a considerable number of customers who are potentially experiencing some level of harm.
- 5.11** Again, some larger operators have undertaken recent work in this area, seeking to define a wider range of behaviours that might indicate the presence of gambling-related harm (or risk of harm).³⁹ This is a welcome step, but more could be done, both to identify and to monitor customers who are potentially at risk of harm (or already experiencing harm).
- 5.12** At this stage, the Commission proposes to update the social responsibility code provision to make clear that operators' policies and procedures on customer interaction must make specific provision for identifying customers potentially experiencing harm but who are not displaying overt physical behaviours. The proposed changes are set out at the end of this chapter (along with the proposed change to ordinary code provision outlined in the paragraph below).
- 5.13** The Commission also proposes to introduce a new ordinary code provision, to promote the sharing of experience and good practice across operators as to what works. To give an illustrative example, training material developed in the betting sector to support the rollout of the Association of British Bookmaker's (ABB) voluntary code is based on indicators that include the following:
- increase in stakes wagered;
 - noticeable changes to betting patterns and frequency of visits to gambling premises;
 - continual loading of cash into a gaming machine;
 - increase in the length of time spent on a gambling premises;
 - increase of frequency of visits to a gambling premises;
 - gambling to obvious extinction of available funds; and
 - a customer ceases play, but remains in the vicinity of gaming machines or subsequent players.

³⁹ Introduced as part of the training packages on the ABB voluntary code, prior to roll out in March 2014.

Using data to guide customer interaction ‘high value customers’

- 5.14** Since the LCCP was first published in 2007, the Commission has developed a body of casework in relation to social responsibility and anti-money laundering controls. One key theme that has emerged is that information available to operators for commercial purposes (for example, for the purposes of a loyalty scheme, or to make decisions about commercial risk) has not been routinely made available to help guide decisions about customer interaction. In addition, we have found across a range of operators that staff involved in managing ‘VIP’ or ‘high value’ customers have tended to be somewhat insulated from the social responsibility obligations applying elsewhere in the business. This has led in some circumstances to regulatory failings where operators have been reluctant to interact with commercially valuable customers on social responsibility or prevention of crime grounds for fear of losing them to competitors.
- 5.15** We therefore propose to update the social responsibility code provision (3.4.1) in the following ways:
- to require specific provision for making use of all information about customers, whatever the source, to guide customer interaction; and
 - to require specific provision for managing potential conflicts of interest when managing customers of particular commercial value.

Dealing with difficult customers

- 5.16** The industry has frequently drawn the Commission’s attention to the challenge of performing an effective customer interaction where a customer may be demonstrating signs of agitation, distress, intimidation, aggression or any other behaviour which might inhibit the undertaking of a customer interaction. This has been reflected in real cases encountered by the Commission.
- 5.17** In line with the requirement set out at paragraph 5.15 above, however, the Commission considers that it is vital that operators have clear strategies to deal with such customers and situations, not least because in many cases the difficult behaviour may be linked direct to the customer experiencing gambling-related harm. The Commission’s experience suggests that practice in this area varies widely across the industry at present, with some operators having a well-established process of escalation, but other operators making no specific provision for these circumstances.
- 5.18** Furthermore, our experience also suggests that this type of behaviour is much more likely to be classed as a security issue rather than as a potential indicator of gambling-related harm. The Commission proposes, therefore, to update the social responsibility code provisions as set out in the following paragraphs:

Recording customer interactions

- 5.19** Operators are currently required to report the total number of customer interactions, and the number of individuals included in the customer interaction log through regulatory returns. This drives many operators’ systems for recording customer interactions. Whilst the Commission does not intend to make any immediate changes to the LCCP on this subject, it is an area that we wish to explore further with stakeholders. In light of other customer interaction developments, one area that the Commission will wish to explore in due course will be the keeping of a record of decisions not to intervene when an operator’s policies and procedures might otherwise have suggested that an interaction should take place (perhaps as a result of the customer exhibiting difficult behaviours).
- 5.20** In this scenario, the Commission considers that the recording of a decision not to interact with the customer on one or more occasion might make ongoing customer interaction more effective, as it might allow for interaction to be made with a customer at a more appropriate time, for example when the customer is calmer, and more approachable. One approach

that is currently used by at least one major operator is summarised below for illustrative purposes. The Commission would welcome views from a range of stakeholders on this topic, both on how this issue is currently managed and suggestions for improvements.

Example of potential approach to customer interaction

Interaction - any conversation with a customer relating to responsible gambling (whether or not this leads to any further action – such as provision of information, or progression to initiation of self-exclusion process)

Observation - recording customer behaviour where there is cause for concern, but where an interaction is neither appropriate nor possible at that time

Review - escalation to, and discussion with, area manager on specific areas for concern relating to a customer (even where this results in ‘no further action’ being required).

5.21 As noted in paragraph 2.3 above, the Commission intends in due course, to revisit regulatory returns, and would also therefore welcome views on the following (in part to explore and ensure consistency across the industry over time):

- what do individual operators class as a customer interaction, and why do they classify this way; and
- what other indicators (not currently recorded) might operators wish to record, and the reasons why.

5.22 This links in part to the use of customer data point above, and includes (but is not limited to) examples such as exception reporting, real time transactions, and commercial measurements for the purposes of social responsibility.

Society lotteries

5.23 The society lottery sector has traditionally been founded on low-frequency subscription lotteries⁴⁰ and occasional monthly or annual lotteries, which are widely considered to be of very low risk in terms of problem gambling. Society lotteries are subject to statutory limits designed to prevent the offer of ‘life changing’ prizes. As a result, the typical society lottery player is motivated largely by the opportunity to donate to a particular cause rather than by an opportunity to gamble. Society lotteries are, however, bound by the same requirements for customer interaction as much harder forms of gambling.

5.24 The Commission considers these requirements to be disproportionate for operators selling low frequency lotteries and occasional monthly or annual lotteries in a retail environment. We therefore propose to reduce the burdens on most society lotteries by refocusing our requirements for customer interaction on ticket volumes. We consider that the operators of such lotteries need only have arrangements in place for interaction when a customer purchases a significant volume of tickets in a single transaction. We intend to implement this proposal by removing non-remote lottery operating licences from the scope of the customer interaction conditions and code provisions through the introduction of a new social responsibility code provision, which would require lottery operators to make arrangements for customer interaction based on significant ticket sales in a single transaction.

5.25 This is also designed to improve the arrangements in place for the use of credit cards to pay for lottery tickets and further detail is set out at chapter 13.

⁴⁰ A ‘low frequency lottery’ is a series of lotteries promoted on behalf of the same non-commercial society in respect of which there is a period of at least two days between lotteries.

5.26 However, the Commission notes that there is a degree of public concern about the increasing prevalence of scratch cards, a much faster and potentially harder form of gambling. We are seeking views on whether the changes we are proposing should be limited only to traditional, draw-based products, with scratch cards subject to the more demanding requirements that would apply to other forms of gambling.

Consultation questions

- Q14.** Do you agree with our proposals to change customer interaction requirements for non-remote society lotteries so that they focus on significant individual transactions?
- Q15.** Do you agree that these changes should apply to all society lottery products or should different arrangements apply to scratch cards?

Proposed changes to social responsibility code and new ordinary code provision

Social responsibility code provision 3.4.1

Customer interaction

All licences, except non-remote lottery operating licences, gaming machine technical and gambling software licences

- 1 Licensees must put into effect policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate harm (or risk of harm) as a result of their gambling behaviour. The policies must include:
 - a. identification of the appropriate level of management who may initiate customer interaction and the procedures for doing so
 - b. the types of behaviour that will be logged/reported to the appropriate level of staff and which may trigger customer interaction at an appropriate moment
 - c. the circumstances in which consideration should be given to refusing service to customers and/or barring them from the operator's gambling premises
 - d. training for all staff on their respective responsibilities, in particular so that they know who is designated to deal with problem gambling issues
 - e. **specific provision for making use of all relevant sources of information to ensure effective decision making, and to guide and deliver effective customer interactions, including in particular**
 - o **provision to identify at risk customers who may not be displaying obvious signs of, or overt behaviour associated with, problem gambling: this should be by reference to indicators such as time or money spent**
 - o **specific provision in relation to customers designated by the licensee as 'high value', 'VIP' or equivalent**
 - f. **specific provision for interacting with customers demonstrating signs of agitation, distress, intimidation, aggression or other behaviours that may inhibit customer interaction**
- 2 But such policies and procedures must be consistent with, and implemented with due regard to, licensees' duties in respect of the health and safety of their staff.

Proposed new ordinary code provision

Customer interaction

All licences

- 1 **Operators should work together to share experience and deliver good practice across the full range of social responsibility requirements for customer interaction.**

2 Operators should keep a record of customer interactions, and where an intervention has been ruled out, the reasons for this. Where an interaction has taken place at a later date, this should also be recorded.

Consultation questions

- Q16.** What are your views on the proposal for a specific provision to be added to social responsibility code provision 3.4.1 (customer interaction) about making use of all relevant sources of information to ensure effective decision-making and to guide and deliver effective customer interactions?
- Q17.** What are your views on the proposal for a specific provision to be added to social responsibility code provision 3.4.1 (customer interaction) about interacting with customers demonstrating signs of agitation, distress, intimidation, aggression or other behaviours that may inhibit customer interaction?
- Q18.** What are your views on the proposal for a new ordinary code provision inviting operators to:
- a.** work together to share experience and deliver good practice across the full range of social responsibility requirements
 - b.** keep a record of customer interactions, and where the intervention has been ruled out, the reasons for this.
 - c.** keep a record of where an interaction has taken place at a later date?

6 Gambling management tools

- 6.1** Gambling-related harm tends to manifest itself through the uncontrolled loss of more money and/or time than the customer can reasonably afford. An individual does not need to be a 'pathological gambler' to experience harm in this way; acute episodes of rapid uncontrolled loss – 'binge gambling' – are also likely to result in harm. It is also important to bear in mind as context that harm is not limited to the individual – it affects families, friends, employers and communities.
- 6.2** The Commission sees the provision of effective tools to help customers manage their gambling better as a key component of any strategy to minimise gambling-related harm. Gambling management tools can cover a range of concepts but here we are referring to those tools which enable and, in some cases, require customers to make decisions before or during gambling to manage the amount of time and/or money they spend.
- 6.3** In this chapter we seek views on the requirements which should be set by the Commission on the availability of, or the mandatory use of, gambling management tools.
- 6.4** During the passage of the Gambling (Licensing and Advertising) Act 2014, we identified the need to review and update our remote gambling and software technical standards (RTS) provisions in relation to time limits, reality checks and financial limits. The RTS are mandatory obligations, imposed by licence condition 2 and therefore have the force of licence conditions. We have also committed to reviewing auto-play within the overall process of the implementation of the Gambling Act 2005 ('the Act'). This chapter therefore includes proposals to amend the RTS (see paragraphs 6.31 onwards).
- 6.5** The RTS provisions are structured differently to the conditions and codes contained within the LCCP. Alongside the requirements sits implementation guidance, on how the requirements might be met in different circumstances and also reflect any good practice.
- 6.6** Elsewhere in this consultation document, we assess a number of closely-related responsible gambling measures, including information to customers to help players to make informed decisions about their gambling and customer interaction where an operator interacts with a customer based on observed behaviour. These issues are closely connected because information about their gambling may help a customer to decide to set limits on their gambling; similarly information about a customer's approach to their own gambling limits can provide a possible indicator that customer interaction should be considered.

Setting monetary and/or time limits

- 6.7** Gambling management tools are widely available across the remote gambling sector. The Commission's existing remote framework⁴¹ requires that all remote gambling operators must make it possible for customers to set a financial limit for a set time period (such as 24 hours) at registration or first deposit. Other remote gambling jurisdictions impose similar requirements for the availability of financial limits, though the exact form of these limits varies between jurisdictions.
- 6.8** In the remote environment, these limit-setting tools are offered in the context of the customer having a gambling account with a gambling operator which enables such limits to be implemented **over time** rather than over just one gambling session.
- 6.9** In land-based gambling, limit-setting is currently less ubiquitous than online, although it is becoming more prevalent. Norway, for example, requires account-based play and player cards on all games except scratch tickets for both remote and non-remote gambling (including interactive video terminals or gaming machines).

⁴¹ [Remote gambling and software technical standards](#), August 2009.

- 6.10** In the UK there has been recent development in relation to B2 gaming machines. Included within the Association of Bookmaker's (ABB) code for responsible gambling⁴² are measures which allow for customers to set both voluntary time and monetary limits for each individual gambling session. When these limits have been reached, the code states that the customer will receive a message asking if they wish to stop playing, together with a break in play for 30 seconds, during which responsible gambling messages are displayed. When the customer reaches their limit, an alert behind the counter also informs staff, which may lead to a customer interaction. The ABB's code also states that a player will receive a mandatory message when they have lost £250 or played for 30 minutes, regardless of whether the customer has set other limits for the session.
- 6.11** Although the LCCP (and accompanying remote technical standards) have required remote operators to offer limit-setting opportunities, there has not been a similar requirement for non-remote operators to provide limit-setting facilities on gaming machines. Limit-setting in the remote environment has the advantage that it is account-based, so limits can be set for a longer period than a single session, thus allowing the customer to manage their spending over time (although it is recognised that it is possible for someone gambling online to switch to another site).
- 6.12** In the public debate about limit-setting, driven in part by the development of industry codes, there has been some inconsistency in describing various measures as 'voluntary' or 'mandatory'. In fact, implementations of limit-setting measures may contain elements of both. For example, an operator may be required to offer the facility to set limits (mandatory provision) but it might remain a voluntary act on the part of the customer to make use of the facility (voluntary limit setting), possibly subject to externally imposed maxima (a hybrid model).

Time and monetary limits – category B gaming machines

- 6.13** Given that there are potential harm minimisation benefits from being able to set limits even within a single session, as indicated in the Government's review of *Gambling Protections and Controls*, the Commission is proposing to require customers to set limits before playing B2 machines in betting shops (including when using the machines to play on B3 content).
- 6.14** There are arguments that mandatory limit-setting can be counterproductive. The arguments suggest it could lead to players effectively avoiding any real limit by choosing high values and then being tempted to play up to them. It might therefore be more effective to encourage rather than require limit-setting by the way in which the choices are offered, for example by making lower limits the default choice and 'no limit' the one requiring most effort. Others argue that limit-setting should be compulsory with an upper limit on how much can be spent in a session.
- 6.15** We are also seeking views, therefore, in the context of gaming machine play, on whether, under the proposed mandatory limit setting there should be a cap⁴³ on the amount of time and monetary value that an individual should be able to choose as the pre-commitment value. This would be an attempt to avoid individuals setting an excessively high pre-commitment level and then gambling to that point.
- 6.16** We are not, however, proposing at this stage to mandate the 30 second pause in play specified in the ABB's code. It has been suggested that very short pauses may in fact be counter-productive. It is worth bearing in mind that Germany, for example, has recently introduced corresponding breaks of five minutes, although the impact on revenue has been marked and as yet there is no evidence of a reduction in gambling-related harm. Given the absence of evidence and risk that a short pause might not be effective, we would encourage operators to trial and evaluate different approaches.

⁴² [Association of British Bookmakers' Code for Responsible Gambling and Player Protection](#)

⁴³ in the Commission's Machine Technical Standards.

- 6.17** We are also seeking views, therefore, on what should happen once a pre-commitment level has been reached. The options would include the player simply receiving a message informing them that they have reached their limit; breaks in play (with corresponding questions about the length of such breaks); forcing the player into a process of re-setting a limit (and how onerous that should be); or forcing a customer interaction.
- 6.18** We would also welcome views on whether, as a reasonable harm minimisation measure, this requirement should be extended to all category B machines across all sectors. Category B1 and B3 machines provide fast machine gaming with significant prizes (£10,000, with the option of a maximum £20,000 linked progressive jackpot on a premises basis only, and £500 respectively) with scope to lose around £230 an hour on average but potentially much more.⁴⁴ Stakes on B3 games already constitute well over a fifth of the money spent on machines in bookmakers and the proportion is growing.
- 6.19** The proposed options of introducing social responsibility code provisions requiring limit setting options on B2 machines in bookmakers only or alternatively on all category B machine in any venue are set out below:

Proposed new social responsibility code provision

Tools to manage gambling

All non-remote betting licences and remote betting intermediary (trading rooms only) licences

- 1** Licensees must ensure that any B2 machines that they make available for use require customers to set time and monetary limits in line with the Commission’s machine technical standards.

Or:

Social responsibility code provision

Tools to manage gambling

All non-remote licences and remote betting intermediary (trading rooms only) licences, but not gaming machine technical and gambling software licences

- 2** Licensees must ensure that any category B machines that they make available for use require customers to set time and monetary limits in line with the Commission’s machine technical standards.

Consultation questions

- Q19.** What are your views on the introduction of a social responsibility code provision which would require customers to set time and/or monetary limits before playing B2 machines in betting shops, including when used to play B3 content?
- Q20.** What are your views on extending such a requirement to category B machines in other gambling environments (eg B1 or B2 machines in casinos or B3 machines in arcades or bingo halls)?
- Q21.** Do you consider that the Commission should amend its gaming machine technical standards to impose mandatory caps on time and/or monetary limits? If so, what should the cap be for a) time and b) money?
- Q22.** What should happen once a pre-commitment level has been reached?

⁴⁴ [Letter to Secretary of State - Triennial review of stake and prize limits on gaming machines.](#)

'Time outs'

- 6.20** In paragraph 7.5 we discuss our view that self-exclusion is a tool for those who have decided that the best way for them to manage the harm they are experiencing is to abstain from gambling entirely for an extended period. Some customers, however, may be better served by taking lesser, but nevertheless helpful action, because they are deterred by the finality or stigma that full self-exclusion might represent to them. Under such circumstances, the introduction of shorter exclusions – 'time outs' – might offer another potentially useful tool – one that also can help those potentially at risk from developing harmful gambling habits.
- 6.21** The Responsible Gambling Trust's *Operator-based harm minimisation review* (the Trust's review) tends to support this view, suggesting that 'flexibility in duration of agreement may also promote self-control rather than enforcing abstinence and abdication of personal responsibility. Such flexibility may also increase uptake and the range of gamblers willing to consider it as an option for staying in control and avoiding harm.'⁴⁵ It is important that those at risk of harm select the most appropriate exclusion or gambling control arrangement for them so information provided by either staff or on a licensee's website should clearly explain the features of 'time out' and self-exclusion.
- 6.22** The Responsible Gambling Strategy Board (RGSB) advice also suggested the Commission consider allowing shorter duration for self-exclusion arguing that it is possible that a long minimum duration may deter people from entering agreements altogether. We intend therefore to consult upon the introduction of a social responsibility code provision, applying to remote operators, requiring that 'time out' periods of 24 hours, one week and one month must be offered. These arrangements would not constitute full self-exclusion, with the usual cessation of all marketing, as the short time period would make that impractical, but it would offer players some help in exercising control. We would welcome views on this approach and the suitability of these time periods.
- 6.23** We accept that operational issues in the non-remote environment (for example, the volume of records, including photos, which would need to be kept) would not currently allow for this requirement to be extended to individual operators let alone consistently between operators or across sectors. However, recognising the direction of travel, if individual operators considered that they could successfully administer such an arrangement, the Commission would encourage them to do so.

Proposed new social responsibility code provision

Remote gambling management tools – social responsibility code

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and remote betting intermediary (trading rooms only) licences

- 1 Licensees should offer the facility for customers to exclude themselves from gambling via a 'time out' for durations of:**
- a) 24 hours;**
 - b) one week; and**
 - c) one month**

Consultation questions

- Q23.** What are your views on the introduction of a social responsibility code provision which would require remote operators to offer their customers a 'time out' facility?

⁴⁵ [Blaszczynski, Parke, Parke and Rigbye \(2014\) Operator-based approaches to harm minimisation in gambling: summary review and future directions \(Report prepared for the Responsible Gambling Trust\).](#)

Q24. What are your views on the suggested durations of the ‘time out’ periods to be offered?

Exclusion by product

- 6.24** The RGSB’s advice note on self-exclusion which was informed by the Trust’s review advised that ‘with the exception of some remote gambling sites, individuals are currently unable to self-exclude just from particular activities (for example, only from gaming machines). It is possible that the current inflexible ‘all or nothing’ approach may dissuade individuals from taking steps to control their gambling by self-excluding. The practicality of allowing individuals to exclude from particular products/activities could be further explored.’⁴⁶
- 6.25** In the past, the Commission has considered and consulted on self-exclusion by product in this way. However, we have not to date put in place a requirement to offer exclusion by product (sometimes referred to as partial self-exclusion). This is because many operators have told us persuasively that it is much more difficult to administer exclusions by product than it is to exclude customers from gambling.
- 6.26** In addition, we had concerns that a requirement to offer partial self-exclusion in the non-remote environment could reduce the overall effectiveness of self-exclusion by making it more difficult to recognise excluded players.
- 6.27** Some stakeholders also have concerns that where an individual is experiencing problems with their gambling, it would be more beneficial to have a complete cessation of gambling for a significant period of time during which the customer could reassess their gambling and receive treatment if appropriate.
- 6.28** In the light of RGSB’s advice however, we are now seeking views on how valuable exclusion by product might be for people who may be at risk of harm from their activities in relation to particular products. We want to explore this by setting out a possible ordinary code provision that could encourage remote operators to offer exclusion by product. Operators would also need to monitor the behaviour of such partly excluded players as partial self-exclusion may be an indicator of someone at risk, a point that has been confirmed through the Commission’s casework. We are also interested in views about how marketing should operate in the context of such partial product-based exclusions, asking the question, for example, whether someone who self-excludes from online poker could and should be removed from marketing material about online poker. We explore this point further in chapter 11 on marketing and advertising.
- 6.29** As explained above, it is important that those at risk of harm select the most appropriate exclusion arrangement for them so information provided by the operator (for example, directly by staff or through a website) should explain the benefits and features of different types of self-exclusion, whether full or partial.
- 6.30** Again, we accept that operational issues would not currently allow for the requirement to offer partial self-exclusion to be extended consistently across all land-based gambling. However, if individual operators considered that they could successfully administer such an arrangement, the Commission would encourage them to do so.

Proposed new ordinary code provision
Remote gambling management tools – ordinary code
All remote licences (including ancillary remote betting licences),
except gaming machine technical, gambling software, ancillary remote bingo, ancillary
remote casino and remote betting intermediary (trading rooms only) licences

⁴⁶ [RGSB Advice note on self-exclusion.](#)

1 Licensees should offer the facility for customers to exclude themselves from particular product types

Consultation question

Q25. What are your views on the introduction of an ordinary code provision suggesting that remote operators should offer the facility to players to exclude themselves from particular product types?

Financial limits (remote technical standard 12)

- 6.31** As noted above, the Commission's technical standards currently require operators to offer customers the opportunity to set a financial limit but do not require that the customer actually sets a limit. The purpose of this provision is to provide the customer with facilities that may assist them in sticking to their personal budgets for gambling with the operator. Following extensive consultation at the time of the introduction of the technical standards, and taking account of stakeholder views, we decided it was more appropriate to require customer-led limits to be offered, rather than require that all customers set a financial limit. Customers can set, for example, deposit limits, spend limits or loss limits and the period or duration of the limits should be no less than one day.
- 6.32** When a customer reaches the financial limit he or she must wait for the limit period or duration to expire before continuing to gamble. Alternatively, he or she may request the operator to increase the limit, but any increase may only be implemented after a 24 hour cooling-off period. The current provision (at RTS 12B) requires that, 'Where it is practicable to do so, the customer should be required to confirm that they still wish to increase the limit at the end of the cooling-off period.'⁴⁷ Experience in other jurisdictions suggests that many players apply to increase their limits in heat of the moment and, if required to confirm the increased limit after time to reflect, very often leave their original limits in place.
- 6.33** We propose to strengthen RTS 12B to make it a requirement that before a customer's financial limit is increased they must confirm that they still wish to increase the limit at the end of the cooling-off period. This is therefore elevated from implementation guidance to requirement in the draft below.
- 6.34** We also propose to state that operators should offer customers the choice of selecting the time periods over which a financial limit applies and these should include 24 hours, 7 days and one month.
- 6.35** The proposed amended technical standard is set out below:

Proposed amendment to remote technical standard 12 RTS 12 Financial limits All gambling

RTS aim 12

To provide customers with facilities that may assist them in sticking to their personal budgets for gambling with the operator.

RTS requirement 12A

The gambling system must provide easily accessible facilities that make it possible for customers to impose their own financial limits. Customers must be given the opportunity to set a limit as part

⁴⁷[Remote gambling and software technical standards](#) - August 2009.

of the registration process (or at the point at which the customer makes the first deposit or payment).

For lotteries, where the customer's spend is controlled through subscriptions, additional facilities do not have to be provided.

RTS implementation guidance 12A

- a. For telephone gambling (except lotteries), customers should be asked if they would like to set a deposit or spend limit when they register. Customers should be able to request a limit at any point after registration. The limit should be implemented as soon as practicable after the customer's request. The customer should be informed when the limit will come into force.
- b. For other access media (including internet, interactive TV and mobile), customers should be offered the opportunity to select a deposit/spend limit from a list which may contain a 'no limit' option or to enter a limit of their choice as part of the registration or first deposit process. The 'no limit' option should not be the default option.
- c. Limits could be in the form of:
 - i. deposit limits: where the amount a customer deposits into their account is limited over a particular duration
 - ii. spend limits: where the amount a customer spends on gambling (or specific gambling products) is restricted for a given period – this type of limit may be appropriate where the customer does not hold a deposit account with the operator
 - iii. loss limits: where the amount lost (ie winnings subtracted from the amount spent) is restricted (for instance when a customer makes a £10 bet and wins £8, the loss is £2).
- d. The period/duration of the limits **on offer** should be:
 - i. 24 hours;**
 - ii. 7 days; and**
 - iii. one month.**
- e. In addition:
 - i. limits may be implemented per customer, per account, or other means
 - ii. limits could also be implemented across all products or channels or for individual products or channels
 - iii. financial limit facilities should be provided via a link on the home page
 - iv. facilities should be available on deposit pages/screens or via a link on these pages/screens.

RTS requirement 12B

All reasonable steps must be taken to ensure that customer-led limits are only increased at the customer's request, and only after a cooling-off period of 24 hours has elapsed **and only once the customer has taken a positive action at the end of the cooling off period to confirm their request.**

RTS implementation guidance 12B

- a. Increases should not be implemented until a cooling-off period of at least 24 hours from the point at which the request to increase the limit was received. ~~Where it is practicable the~~ **The** customer should be required to confirm that they still wish to increase the limit at the end of the cooling-off period.
- b. Where possible (for instance, unless systems/technical failures prevent it) limit reductions are to be implemented within 24 hours of the request being received. **In addition, at the point at which the customer requests a decrease in their limit, they should be informed when the limit reduction will take effect.**

Consultation questions

- Q26.** Do you agree with the Commission's proposal to ensure that remote gambling customers who have reached their financial limit and wish to raise it are given a further reality check by being required to reconfirm at the end of the 24 hour cooling-off period that they still wish to increase their limit, rather than allowing the limit to be increased automatically at the end of the 24 hour cooling-off period? (proposal to amend RTS requirement 12B)
- Q27.** Do you agree with the Commission's proposal to amend RTS 12A implementation guidance to specify that customers should be able to choose a financial limit over a 24 hour, 7 day and one month period?

Time requirements and reality checks (RTS 13)

- 6.36** The current provision (RTS 13A) requires that where a full screen client application obscures the clock that the client application must display the time of day or the elapsed time since the application was started, wherever practicable. The purpose of this requirement is to help customers keep track of the time they spend gambling.
- 6.37** The Commission intends to retain this provision. However, as noted above, the Commission proposes to extend it to require operators to use the more enhanced tools that now exist that can assist a player to keep track of the time they spend gambling.
- 6.38** The Commission therefore proposes to introduce an RTS requirement that operators must provide facilities that enable customers to set reality checks. A reality check is an on-screen display that informs the customer that they have been gambling for a period of time and is an additional tool that a consumer can use to keep track of their gambling.
- 6.39** In common with the approach taken to financial limits we propose that facilities to set a reality check should be offered to customers and the customer can choose whether or not to set a reality check.
- 6.40** We also acknowledge that reality checks are not appropriate in all forms of online gambling (for example, peer-to-peer gaming) where an interruption as a result of a reality check can impact adversely on the game to the detriment of the customer. We intend, therefore, to apply this reality check requirement to remote gaming, including bingo but excluding peer-to-peer gaming. The Commission notes that it is possible for operators to provide interactive instant win games (eg, some online scratchcards) in reliance on a remote casino licence or a remote lottery licence.⁴⁸ We therefore intend that operators that offer interactive instant win games on reliance on a these licences should be subject to requirements relating to reality checks.

Proposed amendment to remote technical standard 13

RTS 13 – Time requirements and reality checks

**In respect of requirement RTS 13A – All remote gambling except telephone gambling
In respect of RTS 13B – Remote gaming (including bingo but excluding peer to peer gaming) and remote instant win lotteries**

RTS aim 13

To provide customers with facilities to assist them to keep track of the time they spend gambling.

⁴⁸ Section 17(3)(g)&(4) [Gambling Act \(2005\)](#).

RTS requirement 13A

Where the gambling system uses full screen client applications that obscure the clock on the customer's device the client application itself must display the time of day or the elapsed time since the application was started, wherever practicable.

RTS implementation guidance 13A

- a. Time of day should either be taken from the customer's own device or 'server time' and should be displayed in hours and minutes.
- b. Operators will not be expected to detect whether or not customers have hidden their clocks.
- c. Elapsed time should be displayed in minutes and hours.
- d. For restricted display devices, time of day or elapsed time should be displayed where the device supports it.
- e. In addition, customers may be offered the ability to set a session or game-play duration reminder.

RTS requirement 13B

The gambling system must provide easily accessible facilities that make it possible for customers to set a frequency at which they will receive and see on the screen a reality check within a gaming session. A "reality check" means a display of the time elapsed since the session began. The customer must acknowledge the reality check for it to be removed from the screen.

RTS implementation guidance 13B

- a. **The customer should be offered the opportunity to set a reality check and select a frequency at which the reality check will appear on the screen prior to selecting game play. The customer should be offered a range of time periods from which to select.**
- a. **The reality check should continue to appear at the selected time intervals until the customer's gaming session ends.**
- b. **The reality check should offer the facility to exit the gambling session.**

Consultation questions

- Q28.** Do you agree with the Commission's proposal to extend RTS 13 to include the requirement that customers be offered the facility to set reality checks such as displaying time elapsed since the start of the gambling session?
- Q29.** Should the reality check also include information relating to their gambling activity such as balance, win or loss during the session?
- Q30.** Do you agree that new requirement (RTS 13B) relating to reality checks should only apply to casino and machine style games (including bingo but excluding peer to peer gaming)?

Controls on auto-play functionality (RTS8)

- 6.41** The purpose of RTS8 (which relates to auto-play functionality) is to ensure that the customer is still in control of their gambling where auto-play is used. During preparation for the implementation of the Gambling (Licensing and Advertising) Act 2014, we agreed, in the light of representations about the difficulties of immediate compliance, to suspend the requirement to meet the numerical limit of auto-plays pending the outcome of this

consultation. This was to reflect that operators in jurisdictions from which operators can operate legally in the British market have significantly different technical standards in relation to auto-play. By enabling operators in the interim to continue to offer these products it also meets our aim to ensure a smooth transition for British facing operators.

6.42 The Commission proposes to require that players must set an auto-play management control measure – at a minimum the control on maximum loss limit – when using auto-play functionality. These controls will automatically stop the auto-play if triggered and enable the player to assess their gambling. Alongside these measures we are also proposing to cap the number of auto-plays permissible within a single batch to a maximum of 100.

6.43 The following are player protection controls that we propose will stop the auto-play functionality if triggered:

- loss limits, ie where the player selects an option to not lose more than X where X is an amount that can be selected by the player;
- single win greater than Y where Y is an amount that can be selected by the player; and
- jackpot wins (where applicable).

6.44 We have made clear and reiterate here that whilst we will not require compliance with RTS8 at this time, we will still expect licence holders to comply with the licence conditions and codes of practice and other RTS requirements that are intended to protect customers from harm. This means an operator is expected to monitor the play of their customers and if unusual or excessive gambling activity occurs the operator should take appropriate action. Operators that do not currently implement auto-play management controls should take particular care to monitor the activity of players using auto-play functionality.

Proposed amended technical standard RTS 8 – Auto-play functionality Remote Gaming

RTS aim 8

To ensure that the customer is still in control of the gambling where auto-play functionality is provided.

RTS requirement 8A

The gambling system must provide easily accessible facilities that make it possible for auto-play to be implemented in such a way that the customer is able to control the amount gambled through selecting the stake, the number of auto-play gambles and at least the loss limits control of the following control measures which stop auto-play functionality when they occur:

- 1. single win greater than X where X is an amount that can be selected by the player**
- 2. loss limits ie where the player selects an option to not lose more than Y where Y is an amount that can be selected by the player**
- 3. jackpot wins (where applicable)**

The number of auto-play gambles must not exceed **25 100** in one batch. During auto-play the customer must be able to stop the auto-play regardless of how many auto-play gambles they initially chose or how many remain.

RTS implementation guidance 8A

- a. The customer should choose the stake, the number of auto-play gambles and at least the loss limits from the other control features 1 to 3 above.**

- b.** Auto-play should not override any of the display requirements (for example, the result of each gamble must be displayed for a reasonable length of time before the next gamble commences, as set out in RTS 7E).

Consultation question

- Q31.** Do you agree with the Commission's proposal to amend its auto-play requirement to require at least the setting of a loss limit if the player is offered the auto-play option and to increase the number of auto-plays allowed?

- 6.45** We have covered a number of potentially useful gambling management tools in this chapter. However, the Commission is conscious that many in the industry are thinking actively about how to prevent gambling related harm. We are interested in hearing about any developments not covered in this chapter that may be of wider use.

Consultation question

- Q32.** Are you aware of any other potentially helpful gambling management tools that are not covered in this chapter?

7 Self-exclusion

Introduction

- 7.1** Self-exclusion is widely accepted as an important harm minimisation tool for those that have recognised that they have a problem with their gambling. This is further supported by the Responsible Gambling Trust Report on *Self-exclusion as a Harm Minimisation in Great Britain: An Overview of the Academic Evidence and Perspectives from Industry and Treatment Providers* (the Trust's report on self-exclusion). The Trust's report on self-exclusion states that: 'removing the opportunity to gamble from those who struggle with self control in a gambling related context will help minimise at least some gambling-related harm.'⁴⁹
- 7.2** One of the principal benefits of self-exclusion is the formal acknowledgement by the individual that they are experiencing problems with their gambling and wish to take steps to address these problems. The individual is expected to make a serious commitment to abide by their self-exclusion agreement. While the self-exclusion agreement confers responsibility on both the self-excluder and the operator, the onus remains on the individual not to breach their self-exclusion agreement. The Commission's priorities for further improvements to self-exclusion schemes are that:
- schemes must be effectively promoted so that customers who may benefit are aware of the facility;
 - it must be as straightforward as possible for someone that wishes to self-exclude to do so, and;
 - if an individual who has self-excluded attempts to gamble, reasonable precautions have been taken that they will be identified and prevented from doing so.

Background

- 7.3** The requirement for all licensees to have and put into effect procedures for self-exclusion (and to take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling) has been included in the LCCP from the outset. The relevant social responsibility code provision (3.5.1) is supported by further detail and examples of good practice included within ordinary code provisions. We are reviewing these existing requirements and ordinary code provision in light of operators' experience of administering them since their introduction in 2007, together with the academic work undertaken in this area. We have been informed in this review by the Responsible Gambling Strategy Board's (RGSB) advice to the Commission on self-exclusion, and by the Responsible Gambling Trust's *Operator-based harm minimisation review* ('the Trust's review').
- 7.4** When we refer to 'self-exclusion' in this document, we are referring to a tool for those that wish to stop gambling for a significant period of time and not gambling management tools for those that wish to continue gambling. While self-exclusion is very important, and this consultation proposes some significant developments, it should also be seen as a form of protection mechanism invoked by people who have reached the point at which they consider that mechanisms that fall short of withdrawing from gambling altogether are likely to be ineffective.
- 7.5** It is considerably more efficient, in the Commission's view, to ensure that effective harm prevention measures are in place to deal with problems before they arise and to offer players tools to help manage their gambling responsibly. Tools such as 'time outs' for those that wish to exclude at particular times of the week or month, or the facility to be able to

⁴⁹ [RGT report on self-exclusion](#).

exclude from particular products but to continue to gamble at other times or on different products are discussed in chapter 6, gambling management tools. These tools are potentially valuable as if used successfully the customer may not reach the point where they consider full self-exclusion to be necessary.

Multi-operator self-exclusion

- 7.6** Currently if an individual wishes to self-exclude entirely from gambling they need to do so separately with each operator they gamble or might gamble with. Similarly, a significant criticism highlighted in the Trust's report on self-exclusion in relation to both-land based and online gambling, is the ease with which consumers can continue to gamble at other venues, sites, operators, sectors or jurisdictions, undermining its effectiveness as a tool. The Trust's review states that 'we find compelling justification for continuing to explore the opportunities for connecting self-exclusion across venues and operators. This in our view represents a key priority for strengthening self-exclusion and harm minimisation more generally.'⁵⁰ Both the Government and the Commission are keen for effective multi-operator self-exclusion schemes to be developed.
- 7.7** The Commission recognise that there are complexities in creating both remote and non-remote multi-operator self-exclusion arrangements; with legal, operational and technical issues to resolve in their development. For example, for non-remote schemes there will be legal issues to consider in relation to the distribution of self-exclusion agreements to other operators within a local area.
- 7.8** The creation of multi-operator arrangements will also lead to consideration of associated enhancements in areas such as marketing. The existing requirement is for both remote and non-remote operators to remove someone who self-excludes from marketing materials. When multi-operator schemes are in place we would wish for that arrangement to be extended across operators, so that a self-excluded individual is removed from marketing by all operators. We would like this to happen in the most straightforward way possible. For example, the national online self-exclusion scheme would seem an appropriate vehicle to help ensure that those individuals do not receive marketing. However, although this is our preferred option it might not be possible with the necessary data protection requirements the national scheme would need to have in place. We will continue to consider this as we develop the national online scheme.

Multi-operator self-exclusion – remote

- 7.9** In relation to online gambling, the Commission is committed to making significant progress by the autumn on the establishment of a National Online Self-exclusion scheme. The Gambling (Advertising and Licensing) Act 2014 – which requires all remote betting and gaming operators who wish to provide gambling facilities to the British market to be licensed by the Commission – provides the framework for such a national system to be established effectively for the first time.
- 7.10** We are proposing as part of this consultation the introduction of a social responsibility code provision requiring all Commission licensees offering online gambling to participate in a national online self-exclusion scheme. This will allow customers to self-exclude in one place from all online gambling legally offered to consumers in Great Britain.
- 7.11** The Commission and the Remote Gambling Association (RGA) have established a Working Group to determine how such a scheme will work in practice. The Group is working through the practicalities of a national system and interactions with other gambling software, and identifying the feasibility of a fully automated system with the database of self-excluded individuals being interrogated at every login.

⁵⁰ [Błaszczynski, Parke, Parke and Rigbye \(2014\) Operator-based approaches to harm minimisation in gambling: summary review and future directions \(Report prepared for the Responsible Gambling Trust\).](#)

Multi-operator self-exclusion – non-remote

- 7.12** The Government's review *Gambling Protections and Controls*, which sets out its policy response to concerns about the clustering of betting shops, B2 machines and the volume of advertising, stated that 'the Commission would work with the industry to oversee the introduction of an advanced system of voluntary self-exclusion. This will allow customers to make a single request to exclude themselves from betting shops on a wider basis than is currently possible.'⁵¹
- 7.13** We are therefore consulting on the introduction of a social responsibility code provision for all sectors to be required to offer multi-operator self-exclusion at the local level, firstly on a sector-wide basis and then a cross-sector basis. This would create a nationally-available scheme of multi-operator self-exclusion at the local level. Given that the industry will need some time to develop effective systems our expectation is that this social responsibility code provision, if adopted following consultation, would come into force in October 2015 for the sector-wide scheme and October 2016 for the cross-sector scheme. We seek respondents' views of this timetable as part of this consultation. To underpin the necessary development work in this area we are proposing the introduction of an ordinary code provision providing that operators should participate in the development of an effective scheme.
- 7.14** It is acknowledged that improving the existing non-remote arrangements is not as straightforward as in the online environment because the benefits of account-based play present online are not generally available in land-based gambling, which is still largely cash based and anonymous (whilst loyalty cards are being promoted by some operators they are not compulsory). In addition, unlike the online scheme where the central list of self-excluders will not be shared, there will be a need for operators to share details and photos of self excluded individuals with other operators.
- 7.15** In the absence of being able to link a customer to an account, existing systems are principally reliant on staff identifying self-excluded individuals from previously supplied photos. There is therefore recognition by the Commission that unless an enhanced system of self-exclusion is confined to local areas that scheme would be less effective in practice (as staff would have an impractically large number of photos to consider making identification impossibly difficult). Our expectation is that non-remote multi-operator self-exclusion would be available across Great Britain.
- 7.16** The Commission will not seek to determine the 'local area' but the scheme would need to be customer-focused and allow for customers to suggest the areas that they wished to be excluded from, for example local areas in which they live or work, but with an understanding that this would be restricted to areas much smaller than national or regional.
- 7.17** There is potentially a similar consideration in the short term about whether to require the enhanced arrangements to extend between sectors. Our expectation would be that a multi-operator cross-sector self-exclusion scheme at the local level should be the goal to aim for as quickly as possible. We know from the British Gambling Prevalence Surveys and recent Health Survey for England and the Scottish Health Survey results that problem gamblers and those at more serious risk tend to participate in a wide range of activities.
- 7.18** The industry has explored options for addressing this issue through the possibility of using technological solutions which are not reliant on account-based play. This has focused principally on facial recognition technology and payment card blocking. Facial recognition is still in its relative infancy for commercial use. This may develop over time but the point at which it could be as cost effective as account based play (with the additional 'know your customer' and scope for player control benefits that the latter brings) is likely to be some way off.

⁵¹ [Gambling Protections and Controls](#), April 2014.

7.19 Card blocking, where an individual notifies either their financial provider or the operator that they do not wish their payment card to be used for gambling transactions, is potentially helpful. According to the Trust's report on self-exclusion 'evidence suggests that problem gamblers are more likely seek access to additional funds and make multiple withdrawals within a gambling session and for this reason, exploring in addition all restrictions for self-excluders on 'in-venue options' for accessing additional funds warrants further examination.'⁵² Card blocking may deliver a beneficial interruption to gambling. Of course, that individual could continue to gamble with cash elsewhere and there is a question about how many individuals who might benefit from this service would wish to reveal to their bank/building society that they needed it.

Proposed addition to social responsibility code provision 3.5.3

Self-exclusion – remote operators

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and remote betting intermediary (trading room only) licences

To come into force following the establishment of a national multi-operator self-exclusion scheme

- 1 Licensees must participate in the national multi-operator self-exclusion scheme**

Proposed addition to social responsibility code provision 3.5.1

Self-exclusion (multi-operator schemes) – non-remote operators

All non-remote casino, bingo and betting licences and holders of gaming machine general operating licences for adult gaming centres

To come into force on 1 October 2015

- 1 Licensees must offer customers with whom they enter into a self-exclusion agreement in respect of facilities for any kind of gambling offered by them the ability to self-exclude from facilities for the same kind of gambling offered in their locality by any other holder of an operating licence to whom this provision applies, by participating in one or more available multi-operator self-exclusion schemes.**

Proposed addition to social responsibility code provision 3.5.1

Self-exclusion (multi-operator schemes) – non-remote operators

All non-remote casino, bingo and betting licences and holders of gaming machine general operating licences for adult gaming centres

To come into force on 1 October 2016

- 1 Licensees must offer customers the ability self-exclude from any or all gambling facilities offered in their locality by any other holder of an operating licence to whom this provision applies by participating in one or more available multi-operator self-exclusion schemes.**

Proposed addition to ordinary code provision 3.5.2

Self-exclusion (multi-operator schemes) – non-remote operators

All non-remote casino, bingo and betting licences and holders of gaming machine general operating licences for adult gaming centres

⁵² [RGT report on self-exclusion.](#)

1 Licensees should contribute to and participate in the development of multi-operator self-exclusions schemes with the aim of making available to customers the ability to self-exclude from operators within their local area(s).

Consultation questions

- Q33.** What are your views on the Commission's proposal to introduce a new social responsibility code provision requiring remote gambling operators to participate in a national online self-exclusion scheme?
- Q34.** Do you agree that all non-remote gambling operators should be encouraged to participate in the development of multi-operator self-exclusion scheme by the introduction of a new ordinary code provision?
- Q35.** Do you have any comment on the Commission's proposals to require all non-remote business to customer operators to offer customers the ability to self-exclude from operators, within their sector, in the customers local area by October 2015 and cross-sector by October 2016?

Optimum duration of a self-exclusion period

7.20 There are three key considerations in relation to time periods for a self-exclusion period:

- the impact of the time frames for self-exclusion on the take up of the self-exclusion tool;
- what is effective for the individual to help them cease or take control of their gambling? and
- what is effective for the operator, particularly for identification of self-excluders before they gamble?

7.21 Some view a long minimum time period as a barrier to the take up of self-exclusion for those that may need it. Others consider that a period of less than six months (or even longer) does not provide a sufficiently long break from gambling to have any discernible effect. In relation to overall length of a self-exclusion period, operators generally view long self-exclusion periods as having a negative impact on being able to successfully identify individuals, because of the total number of self-exclusions they are administering. There is no academic consensus on the optimum length of a self-exclusion agreement.

7.22 The current wording in the LCCP ordinary code provision (3.5.2) is that the self-exclusion period should be a minimum of six months and give customers the option of extending this to a total of at least five years. Six months was introduced in the ordinary code provision because the Commission was advised by problem gambling organisations that self-exclusion periods must last long enough to give the individual sufficient time to address the problems they were experiencing with their gambling, perhaps by seeking treatment. We balanced this against the desire to encourage those who would find self-exclusion to be useful to take up that option. For example, we considered that only offering lifetime self-exclusion would deter those who need help and support in managing their gambling from seeking help to do so, quite apart from the operational difficulties of keeping records for that length of time.

7.23 Six months has continued to be the commonly accepted minimum time period. We wish to explore as part of this consultation whether self-exclusion should be required to last a minimum of six months by promoting this from an ordinary to social responsibility code

requirement. RGSB advised that the Commission should consider allowing shorter self-exclusion periods. The Commission's view is that full self-exclusion should be a reasonably significant step and should be characterised by a corresponding significant minimum duration. However, in recognition of the strength of RGSB's advice we are proposing measures in relation to shorter periods of exclusion ('time outs'), as discussed in chapter 6 on gambling management tools.

7.24 We will also be seeking views on whether to introduce a social responsibility code provision that requires that operators do not set a minimum self-exclusion period for a period longer than 12 months. This is to clarify that operators should not have self-exclusion policies that have long minimum durations as we understand that these would act as a potential barrier to take-up. This period aligns with current practice for the largest non-remote operators, which they have found to be operationally effective.

7.25 We discuss later in this chapter the desirability of operators putting systems in place that make it easier for staff to identify self-excluders by highlighting those most likely to breach. We know that many in the betting sector consider that it is more operationally effective to identify self-excluders by offering twelve month exclusion periods, with the facility to extend this for a further twelve months without having to enter premises, to reduce the number of photos that staff are required to view. We seek views on whether at the time of self-excluding an individual should be informed that their photo will get less priority once it is over a year old. The self-excluder would have the option to engage with the operator so their self-exclusion maintains its priority, although they would not be required to do so and their self-exclusion agreement would remain in place. While there is a limited harm minimisation rationale for amending the existing ordinary code provision recommending that operators should offer self-exclusion periods for up to at least five years, we will seek views on whether for operational effectiveness the requirement to offer up to at least five years should be reduced in the non-remote environment to three years.

7.26 The same considerations do not apply for remote operators and we will propose that the existing ordinary code provision (3.5.2), 'the self-exclusion period is a minimum of six months and give customers the option of extending this to a total of at least five years', is elevated from ordinary to social responsibility code provision in its entirety.

Photographs

7.27 The existing systems are reliant principally on photographs (staff attempting to identify individuals from previously provided photographs). As a result, it is much more difficult for an operator to identify a self-excluded person without a photo. With the proposed introduction of multi-operator self-exclusion, it will become even more necessary that photos are provided to enable operators and staff who may not have met the customer before to take steps to enforce a self-exclusion agreement. We will be seeking views on whether we should clarify that a photo must accompany every self-exclusion agreement (which operators will be required or encouraged to facilitate if the customer cannot easily produce one).

Barriers to self-exclusion

7.28 The Trust's review sets out a number of barriers to self-exclusion uptake, including that:

- a requirement to enact a self-exclusion agreement in person (or through phoning customer services in the case of remote gambling) may cause embarrassment thereby acting as a disincentive; and
- self-excluding in the gambling venue could be considered to put the individual in a position of unnecessary further exposure to gambling. This may also apply to remote gambling where the gambler is required to visit the website.

7.29 We are therefore proposing to amend the relevant codes as set out at the end of the chapter to confirm our expectation that it should be possible to establish a self-exclusion arrangement without visiting premises, and, in the case of remote gambling, that it should be possible to do so both via customer services or equivalent and through an automated system. We are proposing to promote the remote provision from an ordinary to a social responsibility code provision.

Risk assessment of those excluding from gambling

7.30 In the paragraphs above we have described some of the difficulties for staff of the existing arrangements. On the basis of RGSB's advice, we are consulting on the introduction of a social responsibility code provision to the effect that non-remote operators include measures in their policies and procedures in place to bring more prominently to the attention of staff individuals most at risk of breaching a self-exclusion agreement (for example, former regular customers, those living in the vicinity, recently self-excluders, or individuals known to have previously attempted to breach their agreement). The aim of this provision is to improve the likelihood that self-excluders will be identified and prevented from gambling.

7.31 In the long term, this will also be one of the particular benefits of multi-operator self-exclusion schemes, with operators at a local level sharing information about individuals who are most likely to breach, including specifically those that have recently attempted to breach. We expect that in order to manage these arrangements effectively there will need to be improvements to some operators existing information management systems, replacing paper-based systems with a database accessible by venue staff.

Staff training

7.32 RGSB advised that the existing social responsibility code provision (3.5.1) should be extended to provide staff training on providing information on self-exclusion to customers, and on the process of administering and implementing an agreement. While we had always taken this provision to cover these areas and refer to the administration of the entire system, this is not currently explicit. We therefore propose to amend the existing wording to clarify the position.

Ease of account closure and removal from marketing

7.33 Customers sometimes use self-exclusion as a means of opting out of marketing or of closing their account. This gives rise to two issues. Customers may enter into self-exclusion when this is not the option which suits them best; the numbers of exclusions that operators have to manage at any one time become inflated and, as a result, the schemes become less effective. We are therefore consulting on the introduction of an ordinary code provision to the effect that remote operators make it clear and transparent to customers how they can close their account. In chapter 11 on marketing and advertising, we seek views upon the introduction of an ordinary code provision that customers should be allowed to remove themselves from receiving marketing material at any point, not just during account set up.

Signposting

7.34 As the Trust's report on self-exclusion explains, 'In some jurisdictions, self-exclusion agreements are linked with treatment, either by referring self-excluders to sources of help, by mandating attendance at treatment sessions prior to reinstatement or by offering ongoing treatment and support as an integral part of the self-exclusion agreement. There is mixed support for whether operators should play a more active role. While there is some support that self-excluders would value signposting, other evidence suggests that taking the step to self-exclude was sufficient for managing their gambling.'⁵³

⁵³ [RGT report on self-exclusion](#).

7.35 RGSB's advice note states that 'self-exclusion is typically more successful in the context of counselling, family support and other assistance. Consideration should be given to standardising and mandating the provision of information (on counselling/support services) at registration.'⁵⁴ While we recognise that this type of signposting is already likely to take place in many circumstances, to deliver consistency in an important area we propose to make it a requirement by amending the relevant social responsibility code provisions.

Dealing with circumstances where self-excluders use proxies to breach self-exclusion agreements

7.36 The Commission is clear that self-exclusion is a tool to be used by individuals to help them manage gambling problems by withdrawing themselves from gambling. Where individuals seek to evade their own self-exclusion, the primary responsibility must rest with them. However, the Commission has encountered through its casework instances where an individual has sought to breach a self-exclusion agreement by persuading others to gamble on their behalf and where the operator's response has made it relatively easy for them to do so. Examples of such circumstances would include:

- where an operator has interpreted self-exclusion as exclusion from premises rather than exclusion from gambling (and have regarded it as sufficient to prevent the individual entering the premises even where there was reason to suggest that the individual was gambling through proxies – in some instances actually recognising the individual in the immediate vicinity of the premises, or where the individual is passing money for gambling to associates over the threshold of the premises); and
- where an operator has continued to collect information for commercial purposes about a high value self-excluded gambler, suggesting that the operator had reason to think that the self-excluder was still gambling through proxies.

7.37 We therefore propose to require that operators' policies and procedures on self-exclusion make specific provision for circumstances in which the individual tries to use proxies to breach a self-exclusion agreement. We also propose to clarify that a self-exclusion agreement relates to exclusion from gambling rather than just from premises (although in practice we recognise that in most circumstances exclusion from premises may be sufficient, we wish operators to consider circumstances in which it may not).

Disallowing winnings

7.38 The Responsible Gambling Council (RGC) (an Ontario-based independent non-profit organisation dedicated to problem gambling prevention) have recently published a report about the withholding of winnings as part of self-exclusion agreements. It sets out the rationale for a policy of disallowing winnings from gamblers who are self-excluded from gaming venues as follows: 'At an intuitive level, it makes sense that if self-excluded gamblers could not keep their winnings, they would be less inclined to breach their bans. After all, winning money is one of the most common reasons that people cite for gambling at casinos.'⁵⁵

7.39 Leisure gamblers tend to view winning as a potential benefit but not the primary reason to gamble. A significant shift occurs for people at risk of developing a problem and for those with moderate or severe gambling problems. The RGC report goes on to state that 'These individuals are much more inclined to see gambling as a way to acquire money. The practice of disallowing winnings from self-excluded individuals is intended to take away a prime motivation for breaching a self-exclusion agreement.'⁵⁶

7.40 The RGSB advice to the Commission on self-exclusion suggested that 'Operators could be required to check anyone who claims a large payout against their database of self-excluded persons, with the prize being withheld (and given to charity) if they are on it.

⁵⁴ [RGSB Advice note on self-exclusion.](#)

⁵⁵ [Responsible Gambling Council \(RGC\) Report.](#)

⁵⁶ [Responsible Gambling Council \(RGC\) Report.](#)

This, and other consequences of breaches, need to clearly be spelt out in the self-exclusion agreement.⁵⁷

- 7.41** We are therefore proposing to introduce a social responsibility code provision (3.5.1) that would require winnings to be withheld from those who have breached a self-exclusion agreement and the associated stake or participation fee forfeited. The benefit of this measure would be to provide individuals who had self excluded with a disincentive to breach their agreement. To be effective, the practice would need to be widely publicised and transparent to anyone entering into a self-exclusion agreement. Gambling companies should seek to ensure they did not benefit financially from breaches of self-exclusion, however, for example by donating the winnings and the stake to charities. This condition would need to be included in each self-exclusion agreement.

Proposed amendments to the code provisions

- 7.42** The social responsibility and ordinary code provision changes as described earlier in this chapter are set out below.

Social responsibility code provision 3.5.1

Self-exclusion - non-remote SR code

All non-remote licences and remote betting intermediary (trading rooms only) licences, but not gaming machine technical and gambling software licences

- 1** Licensees must have and put into effect procedures for self-exclusion and take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling (**including where they might attempt to breach their exclusion without entering a premises eg by using proxies**).
- 2** Licensees must, as soon as is practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer.
- 3** Licensees must take steps to remove the name and details of a self-excluded individual from any marketing databases used by the company or group (or otherwise flag that person as an individual to whom marketing material must not be sent), within two days of receiving the completed self-exclusion notification.
- 4** This covers any marketing material relating to gambling, or other activities that take place on the premises where gambling may take place. However, it would not extend to blanket marketing which is targeted at a particular geographical area and where the excluded individual would not knowingly be included.
- 5** Licensees must close any customer accounts of an individual who has entered a self-exclusion agreement and return any funds held in the customer account. It is not sufficient merely to prevent an individual from withdrawing funds from their customer account whilst still accepting wagers from them. Where the giving of credit is permitted, the licensee may retain details of the amount owed to them by the individual, although the account must not be active.
- 6** Licensees must put into effect procedures designed to ensure that an individual who has self-excluded cannot gain access to gambling. These procedures must include:
 - a.** a register of those excluded with appropriate records (name, address, other details, and any membership or account details that may be held by the operator)
 - b.** photo identification (~~where available and in particular where enforcement of the system may depend on photographic ID~~), and a signature
 - c.** staff training to ensure that staff are able to **administer enforce effectively** the systems
 - d.** the removal of those persons found in the gambling area or attempting to gamble from the premises.

⁵⁷ [RGSB Advice note on self-exclusion.](#)

- 7 Licensees must have effective risk-based systems so that venue staff are informed about which self-excluded individuals are most at risk of attempting to breach in their venue.
- 8 Licensees must when administering the self-exclusion agreement signpost the individual to counselling and support services.
- 9 Licensees must include within their self-exclusion agreements a provision that winnings (and the associated stake or participation fee) will be withheld from any self-excluded individual who has breached their agreement. This arrangement should be widely publicised and individuals clearly informed when they are considering entering a self-exclusion agreement. All qualifying monies should be passed to charities supporting research, education and treatment.

*** Paragraph 10a is currently part of the ordinary code provision. We propose it be elevated to social responsibility code***

- 10 Licensees must ~~should~~ take steps to ensure that:
 - a. **The minimum self-exclusion period offered must be no less than six months and no more than 12 months.**

Consultation questions

- Q36. Do you agree that the Commission should introduce as social responsibility code provision a requirement that operators have policies and procedures in place that effectively address the risk of proxies being used to breach a self-exclusion agreement and to clarify that a self-exclusion should cover exclusion both from gambling and from entering premises?
- Q37. Should the Commission clarify that a photo must accompany every self-exclusion agreement?
- Q38. What are your views on making staff training on self-exclusion more explicit in terms of providing information on self-exclusion to customers, and on the process of clearly administering and implementing the self-exclusion agreement?
- Q39. What are your views on the proposal that operators should develop risk based systems so that venue staff are informed about which self-excluded individuals are most at risk of attempting to breach in their venue?
- Q40. Should there be an explicit requirement through a social responsibility code provision for operators to signpost to support services those who have chosen to exclude?
- Q41. Should the Commission make it a requirement that the minimum self-exclusion period is 6 months by promoting this existing best practice guide from ordinary to social responsibility code provision?

Ordinary code provision 3.5.2

Self-exclusion – non-remote ordinary code

All non-remote licences and remote betting intermediary (trading rooms only) licences, but not gaming machine technical and gambling software licences

- 1 Self-exclusion procedures should require individuals to take positive action in order to self-exclude. This can be a signature on a self-exclusion form.

- 2 ~~Wherever practicable,~~ Individuals should be able to self-exclude without having to enter gambling premises.
- 3 Before an individual self-excludes, licensees should provide or make available sufficient information about what the consequences of self-exclusion are.
- 4 Licensees should take all reasonable steps to extend the self-exclusion to premises of the same type owned by the operator in the customer's local area. In setting the bounds of that area licensees may take into account the customer's address (if known to them), anything else known to them about the distance the customer ordinarily travels to gamble and any specific request the customer may make.
- 5 Licensees should encourage the customer to consider extending their self-exclusion to other licensees' gambling premises in the customer's local area.
- 6 Customers should be given the opportunity to discuss self-exclusion in private, where possible.
- 7 Licensees should take steps to ensure that:
 - a. ~~the self-exclusion period is a minimum of six months and give customers the option of extending this to a total of at least five years~~ **customers are given the option of extending self-exclusion agreements to a total of at least three years**
 - b. **customers are informed when entering a self-exclusion agreement that their exclusion will not receive the same priority after 12 months unless they actively refresh it with the operator (although the agreement remains in place)**
 - c. a customer who has decided to enter a self-exclusion agreement is given the opportunity to do so immediately without any cooling-off period. However, if the customer wishes to consider the self-exclusion further (for example to discuss with problem gambling groups) the customer may return at a later date to enter into self-exclusion
 - d. at the end of the period chosen by the customer (and at least six months later), the self-exclusion remains in place, unless the customer takes positive action in order to gamble again. No marketing material should be sent to the individual unless the individual has taken positive action in order to gamble again, and has agreed to accept such material
 - e. where a customer chooses not to renew the self-exclusion, and makes a positive request to begin gambling again, the customer is given one day to cool off before being allowed access to gambling facilities. The contact must be made via telephone or in person.
- 8 The licensee should retain the records relating to a self-exclusion agreement at least until the agreement has been formally ended.
- 9 (Please note that the Commission does not require the licensee to carry out any particular assessment or make any judgement as to whether the previously self-excluded individual should again be permitted access to gambling. The requirement to take positive action in person or over the phone is purely to a) check that the customer has considered the decision to access gambling again and allow them to consider the implications; and b) implement the one day cooling-off period and explain why this has been put in place.)

Consultation questions

- Q42. Should the existing ordinary code requirement to offer customers to extend their self-exclusion period to 5 years be reduced to 3 years?
- Q43. To aid the identification of self-excluded individuals, should someone who wishes to self-exclude be informed when they enter a self-exclusion agreement that their exclusion will not receive the same priority after 12 months unless they actively renew it?
- Q44. Do you agree with our proposal to remove the words 'where practical' from the existing ordinary code provision about the facility to self-exclude without having to enter premises?

Social responsibility code provision 3.5.3

Self-exclusion – remote SR code

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and remote betting intermediary (trading rooms only) licences

- 1 Licensees must have and put into effect procedures for self-exclusion and take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling.
- 2 Licensees must, as soon as practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer.
- 3 Licensees must take steps to remove the name and details of a self-excluded individual from any marketing databases used by the company or group (or otherwise flag that person as an individual to whom marketing material must not be sent), within two days of receiving the completed self-exclusion notification.
- 4 This covers any marketing material relating to gambling. However, it would not extend to blanket marketing which is targeted at a particular geographical area and where the excluded individual would not knowingly be included.
- 5 Licensees must close any customer accounts of an individual who has entered a self-exclusion agreement and return any funds held in the customer account. It is not sufficient merely to prevent an individual from withdrawing funds from their customer account whilst still accepting wagers from them. Where the giving of credit is permitted, the licensee may retain details of the amount owed to them by the individual, although the account must not be active.
- 6 Licensees must put into effect procedures designed to ensure that an individual who has self-excluded cannot gain access to gambling. These procedures must include:
 - a. a register of those excluded with appropriate records (name, address, other details, and any membership or account details that may be held by the operator)
 - b. a record of the card numbers to be excluded
 - c. staff training to ensure that staff are able to **administer** ~~enforce~~ **effectively** the systems
 - d. the removal of access from those persons found to have gambled or who have attempted to gamble on the facilities.
- 7 **Licensees must when administering the self-exclusion signpost the individual to counselling and support services.**

*** Paragraphs 8 and 9 are currently ordinary code provisions. We propose they are elevated to social responsibility code as written below***

- 8 **Customers must ~~should~~ be given the opportunity to self-exclude by contacting customer services and in addition, where technically possible, by entering an automated process using remote communication. In order to avoid inadvertent self-exclusion it is acceptable for an automated process to include an additional step that requires the customer to confirm that they wish to self-exclude. The licensee should ensure that all staff who are involved in direct customer service are aware of the self-exclusion system in place, and are able to direct that individual to an immediate point of contact with whom/which to complete that process.**
- 9 Licensees must ~~should~~ take all reasonable steps to ensure that:
 - a. The minimum self-exclusion period offered must be no less than six months and no more than 12 months.
- 10 Licensees must include within their self-exclusion agreements a provision that **winnings (and the associated stake or participation fee) will be withheld from any self-excluded individual who have breached their agreement. This arrangement should be**

widely publicised and individuals clearly informed when they are considering entering a self-exclusion agreement. All qualifying monies should be passed to charities supporting research, education and treatment.

Consultation questions

- Q45.** Should the Commission make it a requirement that remote gambling customers must be given the opportunity to self-exclude by means of an automated process as well as by contacting customer services by promoting this existing good practice guide from ordinary to social responsibility code provision?
- Q46.** Do you agree that for remote and non-remote, the minimum self-exclusion period offered must be no less than 6 months and no more than 12 months?

Ordinary code provision 3.5.4

Self-exclusion – remote ordinary code

All remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino and remote betting intermediary (trading rooms only) licences

- 1 Self-exclusion procedures should require individuals to take positive action in order to self-exclude:
 - a. over the internet; this can be a box that must be ticked in order to indicate that they understand the system
 - b. by telephone; this can be a direct question asking whether they understand the system.
- 2 Before an individual self-excludes, licensees should provide or make available sufficient information about what the consequences of self-exclusion are.
- 3 Licensees should encourage the customer to consider extending their self-exclusion to other remote gambling operators currently used by the customer.
- ~~4 Customers **must** should be given the opportunity to self-exclude by contacting customer services and in addition, where technically possible, by entering an automated process using remote communication. In order to avoid inadvertent self-exclusion it is acceptable for an automated process to include an additional step that requires the customer to confirm that they wish to self-exclude. The licensee should ensure that all staff who are involved in direct customer service are aware of the self-exclusion system in place, and are able to direct that individual to an immediate point of contact with whom/which to complete that process.~~
- 5 Within the licensee's information about self-exclusion policies, the licensee should provide a statement to explain that software is available to prevent an individual computer from accessing gambling internet sites. The licensee should provide a link to a site where further information is available.
- 6 Licensees should take all reasonable steps to ensure that:
 - ~~a. the self-exclusion period is a minimum of six months and give customers the option of extending this to a total of at least five years~~
 - a. a customer who has decided to enter a self-exclusion agreement is given the opportunity to do so immediately without any cooling-off period. However, if the customer wishes to consider the self-exclusion further (for example to discuss with problem gambling groups) the customer may return at a later date to enter into self-exclusion
 - b. at the end of the period chosen by the customer (and at least six months later), the self-exclusion remains in place, unless the customer takes positive action in order to gamble again. No marketing material should be sent to the individual unless the individual has taken positive action in order to gamble again, and has agreed to accept such material
 - c. where a customer chooses not to renew the self-exclusion, and makes a positive request to

begin gambling again, the customer is given one day to cool off before being allowed access to the gambling facilities. The contact must be made via telephone or in person; re-registering online is not sufficient.

- 7** The licensee should retain the records relating to a self-exclusion agreement at least until the agreement has been formally ended.
- 8** (Please note that the Commission does not require the licensee to carry out any particular assessment or make any judgement as to whether the previously self-excluded individual should again be permitted access to gambling. The requirement to take positive action in person or over the phone is purely to a) check that the customer has considered the decision to access gambling again and allow them to consider the implications; and b) implement the one day cooling-off period and explain why this has been put in place.)

8 Local risk assessments

- 8.1** Local licensing authorities are required, under Section 153 of the Gambling Act⁵⁸ (2005), to aim to permit the use of premises for gambling; as long as they consider the provision of gambling will be in accordance with the codes of practice issued by the Commission, the *Guidance to Licensing Authorities*⁵⁹ ('GLA'), and reasonably consistent with the licensing objectives and the authority's own licensing policy statement.
- 8.2** As a means of assisting licensing authorities in determining whether the provision of gambling facilities at premises will be, and will remain, consistent with the licensing objectives, the Commission considers that premises licence holders should have policies and procedures in place to mitigate the local risks to the licensing objectives arising from the provision of gambling at their premises. In particular, applicants for premises licences or variations of those licences should be required to assess and evaluate those risks when submitting their applications. Those assessments should also be revised where there are significant changes to the local environment that might change the level of risk posed by gambling premises.
- 8.3** This approach would be consistent with the Commission's existing policy of ensuring that licence holders have the main responsibility for the protection of the licensing objectives. Operators should have already conducted such an assessment prior to submitting their application for a premises licence, and licensing authorities should have a risk assessment methodology in place for gambling premises to inform their analysis of applications and their ongoing inspection and compliance activity.
- 8.4** Licensees may therefore be required by an authority to consider how they intend to manage risks in relation to, for example, the potential for underage access to their premises (based on the proximity of premises to a local school or youth club); levels of homelessness or alcohol-related anti-social behaviour in the vicinity (and any associated risks to the objectives of preventing gambling-related crime and protecting vulnerable people); any concerns raised by public health authorities, the police, social services or local councillors etc. The licensee may also be required to demonstrate what control measures will be introduced for mitigating the risks.
- 8.5** Local risk assessments should therefore offer a means of addressing local concerns about gambling premises which remains consistent with the aim to permit gambling, whilst avoiding the more resource-intensive and lengthy hearings should an application be refused or be subject of a review. It may also go some way to allay concerns or correct misunderstandings as to how gambling operators are conducting their business in a socially responsible manner, and should offer a means for licensing authorities and gambling licensees to work collaboratively with a view to minimising risks within the 'aim to permit' framework.
- 8.6** We expect to provide advice in the GLA that licensing authorities request licensees to make their local risk assessments available as part of their application for a new premises licence or variation of an existing premises licence, to assist in the licensing authorities' execution of their functions under Section 153. However, with regard to requesting risk assessments from existing premises licensees, we expect our GLA to focus licensing authorities towards only requesting them in circumstances where there is significant environmental change (for example, where the area in which the premises are situated later becomes more strongly associated with crime). This is to ensure that licensing authorities do not request the provision of risk assessments in every case and only where it is proportionate to do so. The Commission would therefore expect licensing authorities to consider the risks and the extent of those risks that it seeks licensees to mitigate, and to

⁵⁸ [Gambling Act \(2005\)](#).

⁵⁹ [Guidance to Licensing Authorities](#).

make clear their expectations and the circumstances in which a risk assessment would be required via, for example, their Statement of Policy⁶⁰.

- 8.7** The Government's review *Gambling Protections and Controls* set out the intention to 'ensure betting shop operators set out how they plan to comply with social responsibility codes when applying for a gambling premises licence.'⁶¹ As stated in the review, the government 'wants Licensing Authorities to feel empowered to protect their communities from the potentially harmful impacts that gambling can have by holding operators to their social responsibility commitments'. The proposal for the introduction of a local assessment would be one method by which the Government's stated aim could be achieved. However, the Commission seeks to ensure that any proposal to facilitate better use of local authority regulatory powers applies more widely than betting shops alone. Depending on the location, gambling premises of different types may present a greater or lesser degree of risk to the licensing objectives. The Commission is therefore consulting on a proposal which would go further than the government's aim by applying the concept to all gambling premises.

New social responsibility code provision

Assessing local risk

All non-remote licences, except gaming machine technical and gambling software licences

- 1 Licensees applying for a new premises licence, or a variation of an existing premises licence, must assess the local risks to the licensing objectives posed by the provision of gambling facilities at their premises, taking into account local circumstances, and have plans for mitigating those risks.
- 2 When there are significant changes (as defined in the licensing authority's statement of policy) to the local area in which the licensee's gambling premises are situated, licensees must reassess any risks posed to the licensing objectives by the provision of gambling facilities at their premises, and their plans for mitigating those risks.

New ordinary code provision

Seeking advice from responsible authorities on assessing local risk

All non-remote licences, except gaming machine technical and gambling software licences

- 1 In making local risk assessments, licensees should seek advice from responsible authorities, particularly the licensing authority, the police and any body designated to advise about the protection of children and harm in accordance with section 157(h) of the Gambling Act, and must have regard to the local authority's licensing policy statement. Licensees may also consider the formation of local partnerships as an element of best practice.
- 3 Licensees should share with the licensing authority the risk assessment referred to in the social responsibility code provision upon request by the local authority.

Consultation questions

- Q47.** What are your views on the concept of a local and premises-based assessment of risks to the licensing objectives?
- Q48.** What are your views on the proposed new social responsibility code provision on assessing local risk?

⁶⁰ Section 349 of the Act requires licensing authorities to publish a [statement of licensing policy](#) every three years

⁶¹ [Gambling Protections and Controls](#), April 2014.

Q49. What are your views on the proposed new ordinary code provision on seeking advice from responsible authorities on assessing local risk?

9 Information requirements (regulatory returns and the introduction of an Annual Assurance Statement)

- 9.1** As part of this review, the Commission has considered the existing information requirements of the licence codes and conditions of practice ('the LCCP'). While we concluded that there was currently no need to amend the existing provisions in relation to '*Reporting of suspicious offences*' or '*Reporting of key and other reportable events*' (both of which were amended for the LCCP May 2014 version), we did want to examine further Section 15.3.1 'General and regulatory returns'.
- 9.2** Under this section, licensees are required to provide the Commission with such information as the Commission may require about the use made of facilities provided in accordance with their licence, and the manner in which gambling authorised by their licence and the licensee's business in relation to that gambling are carried on, including in particular information about:
- the numbers of people making use of the facilities and the frequency of such use;
 - the range of gambling activities provided by the licensee and the numbers of staff employed in connection with them; and
 - the licensee's policies in relation to, and experiences of, problem gambling.
- 9.3** Licensees satisfy this requirement in a consistent way through the submission of regulatory return data, which provides important information to the Commission about both individual operators and trends within sectors and the industry as a whole. We use this data to inform our understanding of an operator's performance and to compile the industry statistics that we publish. We wish confirm the importance we attach to the Regulatory Returns by requiring one key position holder to be accountable for the return. For Small-scale Operators⁶² this will mean someone in a 'Qualifying Position'⁶³. For larger operators we will require the sign off from the holder of one of these three 'specified management offices'⁶⁴:
- a the overall management and direction of the licensee's business or affairs
 - b the licensee's finance function as head of that function
 - c the licensee's gambling regulatory compliance function as head of that function
- 9.4** The existing requirement is that two key position holders for non-small scale operators sign the certification statement. However, when the Commission introduced the online regulatory returns system, this requirement fell into abeyance for returns submitted online, although the hard copy form still included the requirement. We will create for the online return a section that provides us with confirmation about which key position holder is accountable for the return.
- 9.5** The Commission is proposing, as a subsequent exercise to this LCCP review, to re-evaluate the existing regulatory return data to ensure that the information collected effectively informs the Commission, the industry and the wider public about performance of licensees against the licensing objectives.
- 9.6** One option we wish to consult upon now is the introduction of a requirement for the largest gambling operators to provide an Annual Assurance Statement, analogous to the "statement of internal control" or similar, with which many larger operators will be familiar for financial accounting purposes. The Annual Assurance Statement would provide one mechanism by which senior management of major gambling operators can demonstrate their focus on the risks to the licensing objectives within their business, and to evidence

⁶² For the definition of a 'small-scale operator' please see that ascribed in the [Gambling Act 2005](#) (definition of a small-scale operator) Regulations 2006.

⁶³ For the meaning of 'qualifying position' please see that ascribed in the [Gambling Act 2005](#) (definition of a small-scale operator) Regulations 2006.

⁶⁴ More information on 'specified management offices' is set out in the [LCCP](#) under section 1.2 (Personal Licences).

that to the Commission. As with a statement of internal control, it would take the form of a short document setting out the operator's own view of where it was performing well against the licensing objectives, and where it needed to make progress. We would consider the Annual Assurance Statement to be an important information requirement and to reflect this we intend to make it a condition that it is signed off by the key position holder occupying the 'specified management office' for 'the overall management and direction of the licensee's business or affairs'.

- 9.7** We consider that this requirement to submit Annual Assurance Statements should apply to the very largest operators, including those operators that form a group company⁶⁵ who together would be classified as very large. The very largest operators taken together would represent approximately 85% of the total current gross gambling yield of licensed operators. It is important to have assurance that these operators – who have the greatest impact on consumers – are focusing on identifying risks to the licensing objectives and improving practices to mitigate those risks. We consider that the requirement to supply Annual Assurance Statements would apply equally to sizeable business to business (B2B) operators because of the importance of their contribution to the gambling industry and the need for them to focus upon the licensing objectives in respect to the product they supply to the market.
- 9.8** We believe that genuine integration of the licensing objectives into operators' corporate culture will help create an environment to ensure that the industry is seeking to continuously develop effective ways to improve performance against the licensing objectives. The provision of such a return would formalise how operators describe they are meeting that challenge, and provide the Commission with assurance that they are doing so.
- 9.9** Guidance on how to complete the Assurance Statement will be provided, but it will require qualifying operators to describe (including reference to the regulatory return data submitted over the last 12 months):
- the control systems and governance arrangements they have in place to enable them to objectively and critically evaluate their performance against each of the licensing objectives over the preceding 12 months;
 - the difficulties they have faced in relation to meeting the aims/requirements of those objectives;
 - their specific plans for improving performance in those difficult areas; and
 - their overall plans for improvement over the following year.

Estimating revenues from problem or at-risk gamblers

- 9.10** As we set out in the foreword to this consultation, the Commission considers that the public are more likely to accept a successful gambling industry if that success is built on money coming from normal leisure gamblers and not from those experiencing harm or at risk of harm. Conversely operators' long term sustainable profits will depend on maximising their reliance on the former.
- 9.11** There have been previous attempts to calculate the proportion of revenues coming from problem and at-risk gamblers across the industry as a whole: the Australian Productivity Commission Inquiry report on gambling⁶⁶ and secondary analysis of the BGPS 2010 data

⁶⁵ A company is a 'group company' in relation to a licensee if it is the holding company of, subsidiary of, or shares a common holding company with, the licensee. For these purposes 'holding company' and 'subsidiary' have the meanings ascribed to them by section 1159 of the Companies Act 2006 or any statutory modification or re-enactment thereof.

⁶⁶ [Australian Government Productivity Commission, Productivity Commission Report: Gambling 2010.](#)

which provided estimates of the proportion of gross gambling yield from individual activities which are derived from problem or moderate risk gamblers⁶⁷.

- 9.12** As is widely recognised, while such estimates are built on a number of somewhat stretching assumptions, they do have value in providing a way of looking at an operator's business and considering to what extent the revenue might come from problem and at-risk groups. This is likely to depend on a number of factors, including, but not limited to, the product mix offered by the operator, customer demographics, location of premises and, importantly, the effectiveness of controls. Such an analysis in turn helps operators consider where they should be focusing their player protection and harm minimisation efforts.
- 9.13** The Commission is considering whether operators should provide an assessment of the amount of money they receive from problem and at-risk gamblers, together with the particular factors about their business that might influence that amount. Importantly, such an assessment would be accompanied by an account of the action that operators are taking to bear down on the figure, by addressing the contributing factors specific to its business.
- 9.14** At this stage we are seeking views on the generality of this proposition. We may seek to conduct a further short consultation to provide for more detailed discussion.

Consultation questions

- Q50.** What are your views on the Commission's proposal for the introduction of a licence condition to require the largest operators to provide an Annual Assurance Statement and for this to be signed off by the key position holder occupying the 'specific management office' for 'the overall management and direction of the licensee's business or affairs'?
- Q51.** What are your views on the proposed content of the Annual Assurance Statement (as set out in paragraph 9.9)? Please comment on the potential requirement to report on the specific items set out below:
- a.** the control systems and governance arrangements in place to enable operators to objectively and critically evaluate performance against each of the licensing objectives
 - b.** the difficulty operators have faced in meeting the aims/requirements of those objectives
 - c.** the operator's specific plans for improving performance in those areas
 - d.** the operator's overall plans for improvement over the following year.
- Q52.** We have indicated that we intend to carry out a review of regulatory returns to ensure that the information gathered is right. What social responsibility information would it be helpful for the Commission to collect through regulatory returns?
- Q53.** What are your views on the proposal to include in the Annual Assurance Statement an estimate of the amount of revenue generated from problem or at risk gamblers, the factors that might be contributing to that amount, and the action taken to bear down on it?

⁶⁷ Orford, Wardle and Griffiths; [What proportion of gambling is problem gambling? Estimates from the 2010 British Gambling Prevalence Survey](#), International Gambling Studies; Volume 13, Issue 1, 2013.

10 Research, education and treatment

- 10.1** All licensed operators must promote socially responsible gambling and they also have a duty to contribute to mitigating the harms that gambling can cause to some people. This duty ranges from identifying those people likely to be at risk, to harm prevention and intervention strategies. There are a number of aspects of social responsibility that we expect to see addressed by individual operators in the course of their business. However, there is an additional and collective responsibility for the industry as a whole, to improve the capacity to understand how harm prevention and treatment can be improved and to fund that treatment. There is an additional benefit in the industry as a whole demonstrating their shared commitment to addressing problem gambling.
- 10.2** Gambling legislation allows for a levy to be imposed on the industry to fund research, education and treatment (RET), but to date this has not been implemented. The current preference is for a voluntary set of arrangements and so the Commission has not recommended that the Government impose a levy. The Commission will not specify the scale of contributions to be made by operators under the code of practice provision, since to do so would effectively be a 'levy by the back door'.
- 10.3** The voluntary arrangements are clearly set out in a Statement of Intent agreed between the Commission, the Responsible Gambling Strategy Board (RGSB) and the Responsible Gambling Trust (RGT) in which there is a firm commitment to work in partnership to set and deliver a strategy for research, harm prevention and treatment.
- 10.4** The range of activities required is set out in the social responsibility code of practice provision and has been summarised as:
- research into responsible gambling;
 - education for the public on the risks of gambling; and
 - provision of treatment for those harmed by gambling.
- 10.5** These activities have been known collectively as 'research, education and treatment' or 'RET', but there is a sense that the 'RET' acronym has outlived its usefulness and that 'research, harm prevention and treatment' is a better way of expressing what is required.
- 10.6** As part of ongoing compliance and enforcement work, the Commission monitors the contributions that the industry makes to RET. While it is clear that some operators donate relatively significant sums to suitable organisations to fulfil this commitment, a considerable number of operators continue to make no meaningful contribution. Compliance has improved as a result of work undertaken to remind operators of their responsibility, but the latest analysis of regulatory returns, for the six months to March 2014, showed that around 10% of all operators (largely smaller businesses) reported negligible contributions to RET. In many cases the reason offered for the lack of contribution was that the business was not trading profitably. However, the Commission views this as part of the cost of operating in a licensed industry.
- 10.7** The fact that operators tend to donate on a company or group basis, while there is a reporting requirement to report against every operating licence, makes detailed analysis difficult. However, analysis of the financial contributions to RET, as reported in the regulatory returns for the year 2013, provides a total sum of £5.2m being donated. The returns indicate that half of this sum came from betting operators, with remote and casino operators as the next largest donors. Unsurprisingly, the largest companies contribute the most money, so the 3% of companies falling in the highest operating licence fee bands accounted for 63% of the funds donated.⁶⁸

⁶⁸ RGT provides guidance to the industry suggesting a donation level of 0.1% of gross gambling yield.

- 10.8** The RET code of practice provision currently quite deliberately avoids giving direction as to the nature of a contribution, the recipient, or the sum to be contributed. The Commission has assessed the appropriateness of the beneficiaries named by operators, and found that some either only partially met the RET requirement, or failed to meet it at all. For example, while contributions to the Samaritans or to the Parkinson's Disease Society have some relevance (the Samaritans by virtue of providing support to people who may be at risk of suicide and the Parkinson's Disease Society because of the link between some medications and gambling problems), unless the donation is to a fund restricted to activities relevant to gamblers, it is unlikely to help many problem gamblers and nor is it likely to cover the full RET range. Contributions to charities such as Greyhound Welfare or Rays of Sunshine are not relevant to RET, however deserving those organisations otherwise are.
- 10.9** The option of making a non-financial contribution currently exists but, when assessed, virtually none of the non-financial contributions cited by operators were found to be very persuasive. Many simply reported compliance with other licence requirements, such as providing leaflets on responsible gambling, GamCare stickers on gaming machines or talking to problem gamblers. Others were simply unsubstantiated or negligible, and the Commission has concluded that non-financial contributions are not acceptable as the sole contribution to RET.
- 10.10** One of the clear messages from the work undertaken is that there has been a lack of understanding as to what is required of licensees in order for them to comply with the code of practice. In particular, the wording of the code which refers to 'a commitment to and how they will contribute to research/education/treatment' gave some the impression that an unspecified future commitment was sufficient, rather than a tangible contribution being mandatory. The Commission therefore now seeks to address this by confirming its expectations, setting clearer parameters, and revising the code of practice accordingly.
- 10.11** The Commission has observed that to date funding for treatment has dominated expenditure although RGT's latest funding plan⁶⁹ commits 21% to research, 11% to education and 68% to treatment. The Commission is considering specifying that all operators must contribute to harm prevention (research and/or education) and to treatment, in order to place emphasis on prevention but leaving a degree of flexibility. The current code requires that all operators must contribute to all three aspects.
- 10.12** The points the Commission intends to clarify are that the:
- RET requirement applies to all licensees as a cost of being in a licensed business, even if they are not trading or not profitable;
 - contribution must be made at least annually;
 - contribution must be financial (which makes it both demonstrable and unequivocal); any non-financial contributions being an optional extra; and
 - elements of RET that are required to be met.
- 10.13** Separately to this consultation, the Commission will confirm and implement an improved approach to compliance in this area. We also intend to revise the regulatory returns and the guidance applicable to the returns, to reinforce the requirements of the code and improve the quality of reporting. In part this will address the challenges presented in monitoring contributions when a group company contribution relates to multiple operators or sectors. It is important that it is clear that each regulatory return reports compliance with the requirement for that licence, but that the company's donation is included just once when the industry's funding for RET is analysed.
- 10.14** The current code of practice with proposed changes is as:

⁶⁹ [Responsible Gambling Funding Plan 2014-15](#).

Social responsibility code provision 3.1.1

Combating problem gambling

All licences

- 1 Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling **including, but not necessarily confined to, the specific policies and procedures required by the following provisions of section 3 of this code.**
- 2 Licensees must make an annual financial contribution to one or more organisation(s) which between them research into the prevention and treatment of gambling-related harm, develop harm prevention approaches and identify and fund treatment to those harmed by gambling. Licensees' policies and procedures for socially responsible gambling must include but need not be confined to:
 - ~~a. the specific policies and procedures required by the following provisions of section 2 of this code~~
 - ~~b. a commitment to and how they will contribute to research into the prevention and treatment of problem gambling~~
 - ~~c. a commitment to and how they will contribute to public education on the risks of gambling and how to gamble safely~~
 - ~~d. a commitment to and how they will contribute to the identification and treatment of problem gamblers.~~

Consultation questions

- Q54.** Do you agree that the revised wording of social responsibility code provision 3.1.1 (combating problem gambling) makes the requirement clearer?
- Q55.** Do you agree that the Commission should specify that each licensee must make at least an annual financial contribution?
- Q56.** Do you agree that all licensees should make a contribution that addresses all three elements of the RET requirement, or should harm prevention (research and/or education) plus treatment be specified?

11 Marketing, advertising and fair and open terms

Introduction

- 11.1** This chapter of the consultation sets out proposed updated and strengthened requirements on gambling operators to ensure that fair and open terms of gambling are implemented **and** to ensure that the marketing and advertising of gambling is socially responsible.
- 11.2** The questions which the Commission aims to address as part of this consultation relate to three closely connected issues:
- **fair and open terms:** Are the terms and conditions of gambling (particularly those relating to rewards such as free bets or bonuses) both fair and open?
 - **socially responsible rewards:** Are the inducements and rewards offered to customers socially responsible or a risk from a problem gambling perspective?
 - **fair and open marketing and advertising:** Is gambling advertising and marketing in line with advertising rules; and are the terms of marketing offers open, transparent and easily available?
- 11.3** The Commission's proposals in these areas are designed to complement and enhance the existing and emerging regulatory framework for both consumer rights and advertising and marketing. The Commission's work must therefore be seen against the backdrop of these wider developments. In particular, the Commission is working closely with the Department for Culture, Media and Sport (DCMS) and the advertising regulators and bodies on a broader review of gambling advertising. This review is particularly relevant for the third aspect of this chapter – fair and open marketing and advertising, and there is further information about the Government review of gambling advertising in that section of this consultation below.
- 11.4** In all three of the areas set out above, there are specific proposed amendments to update and strengthen the licence codes and conditions of practice ('the LCCP'), on which we seek views. We also ask for views on whether further amendments to the LCCP or other regulatory tools should be made to ensure that the three general principles are addressed.
- 11.5** The Commission is clear that the provisions in the LCCP (alongside the broader framework within which our licensees operate) must continue to ensure that gambling terms, and all marketing and advertising are fair and open. We will continue to review our approach over time and will update both the LCCP and our compliance and enforcement activity to address emerging issues.

Background

- 11.6** Responsibility for the regulation of gambling marketing and advertising is shared among a number of regulators including the Commission, the Office of Communications (Ofcom), the Committee of Advertising Practice (CAP), the Broadcast Committee of Advertising Practice (BCAP) and the Advertising Standards Authority (ASA). Codes of practice set by CAP and BCAP cover the content and placement of advertising and are intended to ensure that gambling advertising is socially responsible.
- 11.7** Responsibility for general consumer rights legislation sits with the Department for Business, Innovation and Skills; and the Consumer Rights Bill, currently progressing through Parliament will, once enacted, make significant changes to the framework for consumer rights.

- 11.8** The Gambling Act 2005⁷⁰ implemented changes to the rules for gambling advertising and in recent years there has been a significant increase in the volume and scope of gambling advertising.
- 11.9** The additional freedoms to advertising granted by the Act were set alongside the safeguards of Section 81 of the Act, which gives both the Commission and the Secretary of State the power to make general conditions on operating licences which could 'in particular, restrict or otherwise make provision about the making of offers designed to induce persons to participate, or to increase their participation in the licensed activities.'⁷¹
- 11.10** The importance the Commission places on marketing and advertising being compliant and socially responsible is reflected in our requirement that persons responsible for marketing would normally be expected to hold a Gambling Commission Personal Management Licence (PML). PML holders are expected to keep gambling fair and safe by ensuring that they and their licensed operators comply with gambling law and the Commission's requirements. PML holders must stay informed of developments in gambling legislation, codes of practice and any guidance relevant to their role.
- 11.11** The Gambling (Licensing and Advertising) Act 2014⁷² will bring a wider range of remote gambling operators within the Commission's licensing regime. Our review of the provisions in the LCCP relating to fair and open terms and marketing and advertising is intended to reflect consideration of issues connected with implementation of that Act – such as the extension of regulation to a wider range of remote gambling products than is currently the case, and possible differences in approach between advertising rules in different jurisdictions in which our licensees will also operate.

Fair and open terms

- 11.12** As well as the issues set out in paragraph 11.37 relating to the marketing and advertising of free bets and bonuses, the Commission is considering whether action is needed to restrict or prohibit certain terms and conditions which are sometimes used by gambling operators, particularly but not exclusively in relation to free bets and bonuses. This action could take the form of new or revised licence conditions or of communication with operators and an updated compliance and enforcement approach to these issues.
- 11.13** There are a number of provisions in the current LCCP which are relevant to these issues. The issue of **openness** to customers of terms and conditions is addressed within this consultation paper, both in the section on the marketing of free bets and bonuses and the information to players chapter. In the marketing of free bets and bonus section, we set out our proposals to ensure that operators' marketing communications and advertising adhere to the Consumer Protection from Unfair Trading Regulations 2008 (CPRs)⁷³, CAP and BCAP Advertising Codes, and the BCAP Guidance on gambling advertisements', with a focus on the accessibility of significant terms and conditions (see paragraph 11.34 onwards of this chapter). This is intended to address concerns about the marketing of offers being unclear or misleading. Similarly, in the information to players section of this document, we set out our proposals that information to players about the chances of winning on gaming machines and the risks of playing are made more visible and clearer to customers (see chapter 4 of this document for more detail).
- 11.14** This section now discusses the **fairness** of terms and conditions, for which the most relevant provision in the LCCP is the licence condition set out below which requires licensees to satisfy themselves that their gambling terms and conditions are not unfair

⁷⁰ [Gambling Act \(2005\)](#).

⁷¹ As Above.

⁷² [Gambling \(Licensing and Advertising\) Act 2014](#).

⁷³ The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) came into force on 26 May 2008, and implemented the Unfair Commercial Practices Directive (UCPD) into UK law. Guidance can be accessed at: <https://www.gov.uk/government/publications/consumer-protection-from-unfair-trading-regulations-traders>.

under the Unfair Terms in Consumer Contracts Regulations 1999 and, if relevant, meet the reasonableness test under the Unfair Contract Terms Act 1977.

- 11.15** However, the Government is conducting a wholesale review and update of the consumer rights legislative framework, in part to reflect the Consumer Rights Directive. A significant result of this review is the Consumer Rights Bill, which was introduced into Parliament in January 2014, and is now entering Committee stage in the House of Lords (having been introduced in the House of Commons). Information about the Consumer Rights Bill is available on the Parliament website.⁷⁴
- 11.16** Both the Unfair Contract Terms Act's (UCTA's) provisions and the Unfair Terms in Consumer Contracts Regulations 1999 will be amended by the Consumer Rights Bill (once enacted). In respect of business to consumer contracts the UCTA's provisions will be replaced by the Consumer Rights Bill. The UCTA will be amended so that it covers business to business and consumer to consumer contracts only – in other words, UCTA will no longer be relevant for the LCCP provision. Similarly, The Unfair Terms in Consumer Contracts Regulations 1999 will be revoked by the Consumer Rights Bill. Therefore, at the very least the Commission will need to amend the current licence condition to change the reference to the UCTA and the 1999 Regulations to refer to the Consumer Rights Bill (once enacted).
- 11.17** This overall review of consumer rights by Government also offers an opportunity for the Commission to consider more broadly whether fairness of terms is sufficiently addressed in the LCCP.
- 11.18** Customer contact with operators, with Alternative Dispute Resolution (ADR) entities and with the Commission frequently relates to terms which customers did not fully understand and/or which they consider to be unfair. We set out below some examples of topics which have been the cause of queries or concerns:
- terms which require operators to 'churn' or 'turnover' deposits a number of times before those monies can be withdrawn from a customer account. These terms effectively lock-in money until the customer has played or re-staked it multiple times;
 - limits on withdrawals from a customer account over a set timeframe - for example restrictions on withdrawing funds from accounts more than once a week or more than a set number of times per month;
 - late bets which are void but which the customer is not aware of because if valid it would be a losing bet – in other words, the operator has accepted the bet even though it cannot win and there is little information available to the customer about how to reclaim monies staked for bets which are now void; and
 - terms which restrict the operator's liability for a maximum payout (as is industry standard practice) but where the operator's systems do not recognise stakes which would result in a payout over the maximum and which are therefore partially void.
- 11.19** Many of these issues have arisen because the terms have been very complex or indeed convoluted. Offers which rely on convoluted terms could be considered misleading. We expect operators to assess their terms and ensure that language appropriate for the audience is used and that further information is available for those less familiar with the topics.
- 11.20** There are legitimate reasons for some of these terms to have emerged with operators. For example, rules on 'churn' of bonuses may have originally been intended to counteract 'bonus abuse' whereby a customer seeks to exploit a bonus without gambling with an

⁷⁴ [Parliament website](#).

operator at all but merely places a deposit in order to benefit from the bonus offer and immediately withdraw those funds. Allowing such a practice to continue unchecked would make an operator's business model quickly unsustainable. However, where the churn requirement relates to a customer's real money account deposit (other than to earn a bonus or reward), or where the churn requirements are very onerous or are time limited, the Commission has concerns both from a fairness angle and from a social responsibility angle. It is not appropriate for such terms to encourage customers to meet the churn requirements by spending significant money or time gambling against a deadline. Arguably such terms breach social responsibility code 5.1.1 (1a). The social responsibility angle is addressed further below.

- 11.21** Similarly, limits on withdrawals from a customer's gambling account may be intended to reduce unnecessary movement in and out of customer accounts, reducing payment processing costs and to prevent the customer treating the operator like a bank. Whilst these aims are understandable, excessive restrictions on withdrawal could be considered unfair.
- 11.22** Finally, bet acceptance systems cannot always recognise and prevent the acceptance of a bet which may turn out to be void (because it was made late) or partially void (because the payout would be in excess of the operator's maximum payout). In this case, should more be done to update those systems or to take other means of making the void or partially void bet as fair as possible for the customer?
- 11.23** Overall therefore, the Commission is seeking views as part of this consultation on whether further action is needed to address fairness of gambling operators' terms and conditions.
- 11.24** There are a number of options open to the Commission and/or operators to enhance or demonstrate the fairness of terms. We seek comments as part of this consultation on whether any of these options (or combination of options) should be considered by the Commission:
- the industry could collectively consider the fairness of some terms commonly in use for their sectors, and consider whether voluntary industry codes are needed to restrict certain practices;
 - in some sectors outside gambling, there is specific guidance on the current consumer rights legislation and what the regulator expects to see businesses doing to demonstrate their compliance. For example the Financial Conduct Authority (the FCA) issues guidance on the application of UCTA and the 1999 Regulations to the financial sector;
 - the Commission could give enhanced guidance or information to consumers on their rights within the gambling sector, particularly in the light of changes to the consumer rights framework;
 - the Commission or other authorities could use existing and future consumer rights legislation to take compliance action in cases where terms may be unfair - without making further changes to the LCCP or to guidance; and
 - further amendments could be made to the LCCP to clarify the Commission's expectations that terms should be clear, and in particular that they must not be convoluted to the point of misleading customers.
- 11.25** As well as these broader and more general issues, the Commission seeks views on the specific amendments below to update references to consumer rights legislation.

Proposed amendment to licence condition 7.1.1⁷⁵

Compliance with terms

All operating licences except gaming machine technical and gambling software licences

To be implemented at the date of implementation of the Consumer Rights [Act 2014]

- 1 Licensees must satisfy themselves that **none of** the terms on which gambling is offered are **not unfair terms within the meaning of the** ~~under the Unfair Terms in Consumer Contracts Regulations 1999~~ **Consumer Rights [Act 2014]**⁷⁶ and, where applicable, ~~meet the reasonableness test under the Unfair Contract Terms Act 1977,~~ and must comply with those terms.
- 2 An accurate summary of the contractual terms on which gambling is offered must be made available to customers and set out in plain and intelligible language.
- 3 Customers must be notified of **[material]** changes to terms before they come into effect.

Consultation questions

- Q57.** Do you consider that there are terms used by gambling operators which are inherently unfair? Please give examples of terms within gambling contracts which you consider to be unfair or unclear to customers?
- Q58.** To what extent do you consider that existing or upcoming consumer rights legislation already address possible concerns about unfair terms in gambling contracts? If you consider that there are still gaps in relation to gambling contracts, what action do you consider should be taken to address the possibility of unfair terms in gambling contracts?
- Q59.** How should gambling operators make consumers aware of changes to terms and conditions? Should only material changes be notified and if so, what do you consider to be material changes?

Socially responsible rewards

Rewards and bonuses – SR code (5.1.1)

- 11.26** Prior to the implementation of the Act there were few specific restrictions on the inducements that gambling operators could offer to customers although there were substantial restrictions on advertising of certain gambling products. Those restrictions that did exist (imposed through the Gaming Board's and the then British Casino Association's Guidelines) applied to casinos, and reflected a principle underpinning the 1968 Act that demand for gambling should not be stimulated.
- 11.27** In the rest of the industry the offering of inducements was commonplace, with some offshore remote operators, for example, offering matching initial stakes or adding money to accounts when customers' spending reached certain levels. In addition some bookmakers offered free on- and off-course bets.

⁷⁵ This condition appears as licence condition 7.1.1 in the May 2014 consolidated [LCCP](#), which comes into force in August 2014. The condition includes a change from the previous version of LCCP, and now states explicitly that operators must comply with their terms and conditions.

⁷⁶ We expect the [Consumer Rights Bill](#) to be enacted before this amended code provision would be incorporated in LCCP following this consultation. We have therefore drafted this provision as if the Consumer Rights Bill has already been enacted.

- 11.28** The Act specifically gives the Commission the power (section 81(1)) to set general licence conditions to be attached to an operating licence which could, 'in particular, restrict or otherwise make provision about the making of offers designed to induce persons to participate, or to increase their participation in, the licensed activities'.⁷⁷
- 11.29** In determining its approach, the Commission needed to balance operators' legitimate use of inducements and other marketing incentives to differentiate themselves from competitors and to attract customers, against the risk that inducements might contribute to problem gambling. It was considered that to prevent 'normal' marketing in the remote sphere would unnecessarily put operators regulated in this jurisdiction at a commercial disadvantage to those regulated elsewhere, and might encourage the use of unregulated sites.
- 11.30** Our thinking, then, was that we should in principle allow operators the ordinary commercial freedom to offer customers incentives to gamble, provided that there appeared to be no serious risk that those inducements would frustrate the licensing objectives (for example, by encouraging loss-chasing). So, for example, a player reward scheme that is advertised only within the gambling premises in which the player earns rewards (other than winnings) simply by playing the game or gaming machines would not seem objectionable. But a promotion that encouraged people to gamble by requiring them to spend a defined amount within a relatively short period of time to qualify for rewards would be of concern.
- 11.31** Formulation of a code of practice capable of distinguishing between the innocuous form of inducement and the potentially harmful has proved difficult. In responses to the initial LCCP consultation in 2007 we were asked to provide examples to illustrate our thinking, but considered it more appropriate to express the principles in the code of practice and not attempt to cover possible variations exhaustively or even give examples which could appear out of date very quickly. There appeared to be a consensus that the acceptability of an inducement or marketing tool depends upon the context in which it is offered or accepted and on its impact on the licensing objectives. Attempts were made to improve the clarity of the code provision in the LCCP consultation of 2008, and this did resolve some of the issues arising under the code, however, the opportunity arises for the Commission to again consider whether the code of practice could be amended to better distinguish between acceptable rewards and those which are considered inappropriate because, for example, there is too much emphasis on achieving gambling within a set timeframe.
- 11.32** The code is not intended to prohibit a structured approach to rewarding customers, in which a higher level of spend over a significant period attracts a higher benefit. An analogy to this might be the different levels of reward offered to occasional customers or to frequent flyers with an airline. What it does seek to do is to restrict operators inducing customers to increase the 'intensity' of their gambling.
- 11.33** The most contentious element of the code is the part that says that 'neither the value nor amount of the benefit is dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency'. The next part of the code refers to qualifying activity or qualifying spend, and it does not seem unreasonable for a defined amount of gambling to be required in order to trigger a reward. The code was attempting to prohibit activity being specified that would push customers into excessive play rather than to prevent any qualifying period or spend being defined. Particularly in the remote industry, but also in higher end casinos, it is common for there to be some requirement to turn over funds a specified number of times in order to attract a reward. As mentioned before, this requirement for there to be some gambling activity means that the operator can prevent 'bonus abuse' whereby customers for example deposit money in an account to receive a free bet and withdraw their funds (and their bonus) without placing any bets with the operator.

⁷⁷ [Gambling Act \(2005\)](#).

Consultation question

Q60. In what way could the code provision which prohibits gambling operators from offering rewards which are connected with a 'pre-determined length of time or with a pre-determined frequency' be made clearer?

Fair and open marketing and advertising

11.34 The Commission's approach to fair and open marketing and advertising should be seen against the backdrop of the wider Government review of gambling advertising. This review, announced in March 2014 seeks to ensure that the regulatory controls are properly examined, especially in relation to children and other vulnerable people. The four strands of work were formally set out in the Government's review of *Gambling Protections and Controls*⁷⁸ (the Government's review) which was published on 30 April:

1. The Remote Gambling Association will make recommendations to Government on any changes needed to the industry voluntary code, including on the suitability of the **9pm watershed arrangements**.
2. CAP and BCAP will evaluate the latest evidence in relation to gambling advertising and problem gambling to consider **what regulatory implications** arise as a result.
3. The ASA will report on the proportionality, robustness and consistency of its **enforcement action** on the gambling rules.
4. The Gambling Commission will ensure that its current review of licence conditions and codes of practice (which includes a focus **on free bets and bonuses**) ensures that all gambling advertising continues to comply with the licensing objectives of the Act.

11.35 This section is concerned with directly addressing strand four (as above) of the Government's review of gambling advertising.

11.36 The Commission seeks to ensure that all gambling advertising is consistent with the licensing objectives. The Commission has therefore included in the existing LCCP (Code of practice provision 5.1.6 'Marketing' – ordinary code provision)⁷⁹ that gambling operators wishing to advertise should comply with the advertising codes of practice which apply to the form and media in which they advertise their gambling facilities or services. The CAP and BCAP codes make clear that advertising should not be aimed at children and young people and that vulnerable people are protected from exploitation or harm. Compliance with these rules is monitored by the ASA which investigates complaints about advertising across all media.⁸⁰

Free bets and bonuses

11.37 A particular focus of the Commission's work in this area is to seek to ensure that free bets and bonus offers are marketed in a fair and open way by the gambling industry.

11.38 LCCP Code Provision 5 (notably 5.1, 5.1.2 and 5.1.6) already affords protections to the customer around rewards and bonuses. However, we want to ensure that, in a dynamic and rapidly changing marketplace, these protections remain relevant, robust and fit-for-purpose.

⁷⁸ [Gambling Protections and Controls](#) (April 2014).

⁷⁹ [Licence conditions and codes of practice \(consolidated version\) May 2014](#).

⁸⁰ The ASA is the UK's independent regulator of advertising across all media. It administers the UK Advertising Codes and actively monitors compliance with them. The Codes can be viewed at: <http://www.cap.org.uk/Advertising-Codes.aspx>.

- 11.39** In recent years the gambling industry (particularly the remote gambling sector) has increased the marketing of bonus offers and free bets as an incentive to attract new customers to their products, and to retain existing customers, within a fiercely competitive market. The ASA Gambling Compliance Survey (2010)⁸¹ demonstrated that the majority of advertisements considered 'in breach' offered 'free bets' but did not include significant terms and conditions. Since 2008 the ASA has received an increasing number of complaints relating to free bets and bonus offers; resulting in more than 50 investigations, of which the vast majority were upheld or upheld in part.
- 11.40** In autumn 2013, the Commission, CAP, BCAP, the ASA, Ofcom and PhonepayPlus committed to working collaboratively to review the marketing of free bets and bonus offers. On 31 January 2014, CAP and BCAP published a 'Help note' (Guidance on the rules for gambling advertisements)⁸² which is designed to provide advertisers with clear guidance to help ensure that gambling advertising continues to be responsible and that children as well as vulnerable people, like those at risk of problem gambling, are protected. It includes new, specific guidance on free bets and bonus offers to make clearer the requirements on marketers of such offers. It underlines the need for marketers to give appropriate prominence to any significant conditions associated with their offers.

Proposed amendments to the code provisions

- 11.41** As part of this review, the Commission therefore wishes to consider whether amendments could be made to the LCCP to provide additional guidance and/or requirements to ensure that the marketing of free bets and bonus offers is consistent with the licensing objectives.
- 11.42** In particular the Commission proposes two specific measures:
- to strengthen references within ordinary code provision 5.1.6 to the CAP and BCAP gambling advertising rules and, more specifically, the recent BCAP 'help note' (which contains a specific section on the marketing of free bets and bonus offers). We believe that this will help reinforce and raise awareness of the rules and guidance and promote joined-up regulation; and
 - to introduce a new social responsibility code provision to require that marketing communications adhere to the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) and the BCAP guidance on the accessibility of significant terms and conditions associated with marketing offers.
- 11.43** This latter provision would allow the customer to find all of the significant information such as deposit requirements, turnover or wagering requirements as well as any conditions attached to the offer either within the advertisement itself or within 'one click' of the advertisement; or in the instance of print or radio and television advertisements, via an easily accessible alternative source.
- 11.44** These combined measures are intended to strengthen customer protection and confidence which it is hoped will lead to a reduction in complaints relating to the marketing of free bets and bonus offers.
- 11.45** The Commission will continue to work closely with CAP, BCAP, the ASA and industry representatives to consider, whether, beyond the LCCP, there is a need for practical case studies and/or training materials, which would make requirements for industry clearer.
- 11.46** One further amendment to the ordinary code (5.1.6) is proposed to clarify and reinforce the rules which apply to images of individuals who are, or appear to be, under 25 in marketing communications. Images of persons under 18 may not be used in gambling advertising. The existing ordinary code provision makes clear that images of individuals younger than

⁸¹ [The ASA gambling advertising survey 2010, compliance report.](#)

⁸² [CAP and BCAP guidance on the rules for gambling advertisements.](#)

25 (ie: in the 18 to 24 age bracket) may only be used on point of sale marketing material where the image relates to the sporting activity, rather than the gambling itself. For example, marketing material can show a young tennis star of 20 years old taking part in a tennis match on which the operator offers bets. We propose to clarify that the CAP code (rule 16.3.14) on gambling advertisements⁸³ now makes clear how this permission applies from a remote betting perspective.

11.47 The CAP code states:

‘16.3.14 Marketing and communications must not include a child or a young person. No-one who is, or seems to be under-25 years old may be featured gambling. No-one may behave in an adolescent, juvenile or loutish way.

Individuals who are, or seem to be under 25 years old (18-24 years old) may be featured playing a significant role only in marketing communications that appear in a place where a bet can be placed directly through a transactional facility, for instance, a gambling operator’s own website. The individual may only be used to illustrate specific betting selections where that individual is the subject of the bet offered. The image or other depiction used must show them in the context of the bet and not in a gambling context.’⁸⁴

11.48 We propose therefore to mirror this permission in the ordinary code provision as below.

Proposed amendments to ordinary code provision 5.1.6

Compliance with advertising Codes (All licences)

- 1 All advertising of gambling products and services should be undertaken in a socially responsible manner. In particular, licensees should comply with the advertising codes of practice **issued by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP)**, which apply to the form and media in which they advertise their gambling facilities or services. ~~and~~ For media not explicitly covered, **licensees** should apply the principles included in these codes of practice as if they were explicitly covered. Licensees should also follow any relevant industry code of practice on advertising, **notably the Gambling Industry Code for Socially Responsible Advertising.**
- ~~2 However, the particular restriction on allowing people aged under 25 to appear in adverts need not be applied to point of sale advertising material, provided that the images used depict the sporting activity that may be gambled on and not the activity of gambling itself and do not offend any other aspect of the advertising codes.~~
- 2 **Licensees should also have regard to the BCAP ‘Guidance on the rules for gambling advertisements’ which contains a specific section on ‘Misleadingness: ‘free bets’.**
- 3 **Marketing communications must not include a child or young person. No-one who is, or seems to be under 25 years old may be featured in gambling. No-one may behave in an adolescent, juvenile or loutish way. However, the restriction on allowing people who are, or seem to be, under 25 years old (ie: those in the 18-24 age bracket) to appear in marketing communications need not be applied:** ~~However, the particular restriction on allowing people aged under 25 to appear in adverts need not be applied:~~
 - a. **In the case of non-remote point of sale advertising material, provided that the images used depict the sporting activity that may be gambled on and not the activity of gambling itself and do not offend any other aspect of the advertising codes.**

⁸³ Amendment to CAP Code rule 16.3.14 was introduced in September 2013 to restore the position that existed prior to CAP’s remit extension where betting websites could use such images, for instance, a footballer illustrating a bet on their performance in a match. [See CAP Regulatory Statement](#) .

⁸⁴ [The UK Advertising Codes](#)

- b. In the case of remote gambling, provided that the images ‘appear in a place where a bet can be placed directly through a transactional facility, for instance, a gambling operator’s own website. The individual may only be used to illustrate specific betting selections where the individual is the subject of the bet offered. The image or other depiction used must show them in the context of the bet and not in a gambling context’ (as provided in CAP code rule 16.3.14).**

Proposed new social responsibility code provision

Terms and conditions of offers

All licences

- 1 Licensees must satisfy themselves that their marketing communications, advertisements, and invitations to purchase (within the meaning of the Consumer Protection from Unfair Trading Regulations 2008), including ‘free bet’ offers, do not amount to or involve misleading actions or misleading omissions within the meaning of those Regulations.**
- 2 In the case of ‘free bet’, ‘bonus’ and similar offers, licensees must abide by rules 3.9 and 8.18 of the CAP code and follow the CAP and BCAP ‘Guidance on the rules for gambling advertisements’ in particular that:**
 - a. Marketing communications (which include advertisements) must state significant limitations and qualifications. Qualifications may clarify but must not contradict the claims that they qualify.**
 - b. Marketing communications that include a promotion and are significantly limited by time or space must include as much information about significant conditions as practicable and must direct consumers clearly to an easily accessible alternative source where all the significant conditions of the promotion are prominently stated. Participants should be able to retain those conditions or easily access them throughout the promotion.**
 - c. Terms and conditions relating to consumers’ understanding of a ‘free bet’ offer and of the commitments that they have to make in order to take advantage of such an offer should generally be stated in the advertisement itself. Where the advertisement is limited by time or space (for example a banner advertisement), significant conditions likely to affect a consumer’s decision to participate in promotions should be displayed no further than one click away from the advertisement itself. If the significant conditions are not displayed with sufficient prominence, the advertisement will be seen as misleading.**
- 3 The terms and conditions of each marketing incentive should be made available for the full duration of the promotion.**

Consultation questions

- Q61.** Do you agree that the proposed amendments to ordinary code provision 5.1.6, which strengthen references to the CAP and BCAP advertising rules and, more specifically, the recent BCAP ‘help note’ (which contains a specific section on the marketing of ‘free bets’ and ‘bonus offers’), will help reinforce and raise awareness of the rules and guidance?
- Q62.** Do you agree that the ordinary code provision should be further amended to better reflect ASA guidance/ rules on the use of under 25s for remote gambling?

Q63. Do you agree that the proposed new social responsibility code provision requiring remote operators to provide the significant terms and conditions for each bonus offer in the advertisement or, if not practical within 'one click' of the initial offer, will help address concern relating to the marketing of misleading and/or unclear 'free bets' and 'bonus offers'?

Marketing in proximity to social responsible messaging

- 11.49** The Commission considers it inappropriate for marketing or information about offers to be displayed on the primary pages or screens on which the operator makes available the information on socially responsible gambling which is required by the LCCP (and which is explained further in chapter 4 above).
- 11.50** We have identified a limited number of examples of websites where the main page on which socially responsible gambling information is displayed appears to be created using a standard webpage template in which marketing banners appear on one side of the screen.
- 11.51** We seek views as part of this consultation on whether a further ordinary code provision should be introduced to encourage operators to consider the proximity of marketing to social responsibility information and in particular that the primary page of responsible gambling information should be entirely free of marketing communications.

Consultation question

Q64. Do you consider that a code provision should be introduced to state that operators should consider the proximity of marketing and information about offers on their websites and premises to socially responsible gambling messages, and in particular that remote operators should ensure that the primary page of responsible gambling information should be free of marketing?

Removal from marketing and account closure

- 11.52** As we reference in the self-exclusion chapter (para 7.33), customers sometimes use self-exclusion as a means of opting out of marketing or of closing their account. This gives rise to two issues. Customers may enter into self-exclusion when this is not the option which suits them best; the numbers of exclusions that operators have to manage at any one time becomes inflated and as a result the schemes become less effective.
- 11.53** One suggested solution is to separate the self-exclusion policy and marketing of gambling products or services to allow customers to remain a member but be able to opt out of any or all marketing from a licensee.
- 11.54** This suggests that it should be more straightforward for customers to effectively remove themselves from marketing and close their account. Fundamentally, whether to address the issue outlined above or more generally, we think that that it is important for operators to improve existing arrangements in this area. We therefore seek views as part of this consultation on the introduction of an ordinary code provision to state that remote operators should make it clear and transparent to customers how they can close their account and provide a facility to allow customers to remove themselves from receiving marketing material at any point, not just during account set up. This would involve the introduction of a new full marketing opt out scheme in addition to the requirement to cease marketing when a customer self-excludes.
- 11.55** As we reference in the Gambling Management Tools chapter (at 6.28) we are interested in views on whether additionally customers should have the ability to opt out of marketing on particular products. This is perhaps particularly relevant for those individuals who take up an

opportunity to exclude by product. To provide them with a facility to remove themselves from the marketing of that product would provide a parallel with existing requirements to remove self-excluded customers from all marketing from that operator.

- 11.56** As discussed in the chapter on self-exclusion (paragraph 7.8) there is an existing requirement for both remote and non-remote operators to remove someone that self-excludes from marketing materials sent to lists held by the operator. Ideally that arrangement would be extended across operators, so that a self excluded individual is removed from all marketing. However as this may prove problematic, at any rate in the shorter term, we are considering the establishment of a separate marketing opt out scheme that would allow people to remove themselves from all gambling marketing.
- 11.57** Such a scheme need not be confined to those that are self-excluded but could be available to anyone that wishes to remove themselves from marketing – just as the current telephone and mailing preference services are generally available. It would require both operators and third party marketing providers to ensure that those that who have opted into this scheme are removed from any direct marketing. Such a facility would ideally allow individuals to specify the type of gambling marketing they did not wish to receive – for example, betting – but continue to receive marketing for other gambling products, eg bingo. We recognise, however, that some marketing is brand rather than product specific.

Proposed new ordinary code provision

Marketing communications

All licences except ancillary remote bingo and casino, gambling software and gaming machine technical licences

- 1. All licensees should make available to customers an easy to use facility to:**
 - a. Opt out of receiving marketing communications of any form in relation to any or all gambling products or services provided by the licensee and**
 - b. Close any account held with the operator.**

- 2. Particularly in the case of remote operators, the marketing opt out facility should be made available to customers at all times and not just at the time of the initial registration with the licensee.**

Consultation questions

- Q65.** Do you consider that a code provision should be introduced to state that operators should offer customers the ability to easily opt out of any and all marketing and/or to close accounts held with an operator?
- Q66.** Should customers be able to exclude themselves from marketing by product?
- Q67.** Do you consider that a national marketing opt-out facility should be made available to all customers not only those who are also self-excluding from gambling?

12 Bingo and gaming machines in pubs and clubs

- 12.1** In recent years the Commission has witnessed a number of new bingo operators entering the market as well as the conversion of existing premises to offer bingo as the main gambling activity. Initially this happened within the existing gambling sector, with some operators in the adult gaming centre sector choosing to convert a proportion of their premises to bingo.
- 12.2** At the same time, the more traditional bingo sector was looking at ways to expand their market share, attracting a different demographic of people to attend their bingo premises, by moving more firmly into the 'leisure' market. The larger operators invested heavily in creating several 'destination' bingo venues.
- 12.3** Other businesses in the wider leisure industry have looked at the opportunities being a licensed bingo operator might present. Specifically pubs and clubs, who already have limited entitlements to provide gambling facilities under the Gambling Act (2005)⁸⁵ ('the Act'), have made, or been seeking to make the move into the licensed bingo sector, in most cases, whilst avoiding any great change to the appearance and other activities within those premises.
- 12.4** The Commission has concerns that, although the Act does not prevent bingo being offered in alcohol licensed premises, it was not the intention of Parliament that commercial bingo, and the gaming machines which the combination of bingo operating and premises licences permit, should be available in premises that, whilst they have the benefit of a premises licence, are to all intents and purposes, simply public houses or clubs.
- 12.5** The Act was enacted on the assumption that different environments should be entitled to offer specific forms and levels of gambling. It provides very specific regulations related to this (Part 5 and Part 8 Gambling Act 2005).
- 12.6** In particular, machine entitlements are linked to specific environments. These entitlements are limited by numbers, type etc, dependent on the nature of the environment, with licensed gambling premises having a greater entitlement than environments such as alcohol licensed premises or commercial clubs.
- 12.7** The Commission supports the approach taken in the Act that public houses (or alcohol licensed premises) should be able to offer limited forms of gambling, but that this would remain an ancillary activity and, apart from category C machines, be run on a not-for-profit basis. From a customer's point of view gambling would very much be a subsidiary and incidental attraction. This approach is demonstrated by the fact that it allows for:
- a very limited offer of gaming machines (category and numbers); and
 - the ability to offer bingo (or equal chance gaming) either as:
 - exempt equal chance gaming (subject to certain rules, such as staying below £2,000 per week in stakes and/or prizes and not taking the participation fee); or
 - with an operating licence offer bingo above £2,000 per week (high turnover bingo), but subject to certain other restrictions and without any associated gaming machine entitlement.
- 12.8** The Act does permit bingo premises greater access to machines, but we do not consider it was or should be the intention to allow a public house to become a bingo premises with all the associated machine entitlements.

⁸⁵ [Gambling Act \(2005\)](#).

- 12.9** In our view, the intention of the provisions within the Act was to create a graduated regulatory regime. At one end, a liquor licence brings with it the ability to offer exempt gaming and two gaming machines of category C or D at times when alcohol is licensed to be sold. At the other end, a bingo operating licence and bingo premises licence bring the entitlement to offer high stakes bingo, the ability to take a participation fee, the possibility of linking bingo games and the ability to make larger numbers and higher categories of gaming machines available for use in premises. We consider that there must come a point, within that escalating regulatory regime, where an operator would have to decide what the primary purpose of their premises is, ie whether they are operating a pub or a bingo premises.
- 12.10** The Commission accepts that many licensed commercial bingo premises also have alcohol licences and a bar at which alcohol is served for consumption on the premises, but we consider that there is a difference between the two in terms of what customers might and should expect and reasons why they might visit. Specifically that:
- in a pub or restaurant, the principal reason for customers to visit is to eat or drink. The Act envisaged that the customers might wish to partake in low stakes and prize gaming as an ancillary activity and so allowed a small number of low category gaming machines to be made available for use. It follows that if one's judgement was impaired by the consumption of alcohol, the extent of one's losses would not be likely to be too great; and
 - conversely, the principal reason for customers to visit a bingo premises (or other gambling premises such as a casino) is to participate in gaming. In addition to playing bingo, customers might wish to play gaming machines and, as a result of the nature of the environment in which the gaming was taking place, a bingo premises may offer a greater number and a higher category of gaming machines to be made available for use. Customers might also wish to eat or drink, but that is unlikely to be the main purpose of their visit, and so is seen as less of an issue in terms of the licensing objective of protecting vulnerable people from being exploited.
- 12.11** It is for these policy reasons that the Commission has decided to include in this consultation a question concerning commercial bingo, B3 and B4 machines in pubs and commercial clubs. We consider that this development, as the above sets out, if not addressed, to be a risk to the licensing objectives and the associated policy intentions underlying the Act.
- 12.12** More generally, ensuring that category B gaming machines are only made available in appropriate licensed environments remains a concern. We are currently considering the decisions from some recent appeals to the First-tier Tribunal, which relate to the issue of primary gambling activity, but the Commission's underlying policy position remains unchanged. Moreover, it is clear that both licensing authorities and the Commission have overlapping powers to impose conditions in this area. The Judge made this clear in the case of *Luxury Leisure Ltd v The Gambling Commission*, where he stated "Reading the statute, as a whole, it seems to me that it is open to the Commission to attach conditions concerning what I might call the atmosphere in which various facilities, including gaming machines, are made available."
- 12.13** The Commission will be publishing a consultation on this subject in due course.

Consultation question

- Q68.** We invite views on the provision of commercial bingo, B3s and B4s in pubs and clubs and how you think concerns about commercial bingo in these premises should be addressed.

13 Other items for consultation

- 13.1** The following chapter outlines a number of additional areas the Commission would like to consult upon at this time. Some of these areas link closely to social responsibility and are intended to further strengthen the social responsibility elements of the licence codes and conditions of practice ('the LCCP').
- 13.2** The remaining areas contained within this chapter are unrelated to social responsibility. The Commission would like to take this opportunity to review their appropriateness and status within the LCCP at this time.
- 13.3** Each item is presented in the order in which it appears in the LCCP.

Age verification in remote lotteries

- 13.4** The Commission wants to ensure that all lottery operators continue to ask customers to verify their age and carry out additional checks to verify age where necessary, but that those offering low frequency, weekly or longer frequency subscription lotteries and occasional monthly or annual lotteries with small cash prizes are not subject to the same level of age verification checks the LCCP currently requires in all remote lotteries.
- 13.5** Typically, remote lotteries allow customers to self-verify their age before purchase. Operators carry out random checks on a sample of customers to ensure their obligation is met in this regard. In the strictest sense, this would not meet the current requirements of the LCCP.
- 13.6** In the case of low frequency subscription lotteries and occasional monthly or annual lotteries with small cash prizes, we think there is a case for accepting the current approach taken by many lottery operators (ie reducing the requirement in the LCCP in those circumstances), as these types of products are generally thought to be unattractive to children. For most of these types of lottery, the burden and cost of carrying out full age verification checks outweighs the risk.
- 13.7** For other lotteries, ie instant win products and higher frequency draws, we would expect operators to retain the existing requirements as these products enable repetitive play, provide instant wins and are often in a "game format" that may have a greater appeal to children.
- 13.8** With that in mind, the Commission is proposing to remove remote lottery licensees from the requirements which apply to other remote operators in social responsibility code provision 3.2.11 and introduce a new social responsibility code, specifically for remote lottery licensees. It is proposed that this new social responsibility code will retain the requirements within 3.2.11, but will be amended at paragraph (f) to achieve the above. The new social responsibility code provision to apply to remote lottery licensees is set out below, highlighting the changes proposed for paragraph (f):

Social responsibility code provision

Access to gambling by children and young persons – remote SR code

All remote lottery licences

- 1** Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.
- 2** Such procedures must include:
 - a.** warning potential customers that underage gambling is an offence;
 - b.** requiring customers to affirm that they are of legal age;
 - c.** regularly reviewing their age verification systems and implementing all reasonable

improvements that may be made as technology advances and as information improves;

- d. ensuring that relevant staff are properly trained in the use of their age verification procedures; in particular customer services staff must be appropriately trained in the use of secondary forms of identification when initial verification procedures fail to prove that an individual is of legal age;
- e. enabling their gambling websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access to relevant pages of those sites;
- f. in the case of any GB resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures apply:
 - i. **in the case of both subscription lotteries and low frequency lotteries⁸⁶, and provided it is clear in the terms and conditions that those under the age of 16 are not permitted to participate and that the prizes will not be paid out to those found to be under 16, customers must be required to verify their age before being able to make any subscription or purchase entry into the lottery. (The operator is expected to conduct a programme of random checks of users who self verify for compliance with age restrictions);**
 - ii. **in every other case** verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18;
 - iii. carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage;
 - iv. not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed; and
 - v. in any event, **in a case which falls within ii above**, a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:
 - a. the account will be frozen
 - b. no further gambling will be permitted until age verification has been successfully completed
 - c. if, on completion of age verification the customer is shown to be underage, the operator must return to the customer any money paid in respect of the use of gambling facilities, but no winnings shall be paid.
- g. in the case of any non-UK resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures:
 - i. taking all reasonable steps to make use of information available for age verification purposes from whichever country the potential customer is resident in; and
 - ii. each of the following steps, unless they cannot reasonably be implemented or, in the case of the fourth bullet point, a period of more than 72 hours was reasonably required:
 - a. verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18
 - b. carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage
 - c. not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed
 - d. a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:
 - the account will be frozen;

⁸⁶ A "low frequency lottery" is a series of lotteries promoted on behalf of the same non-commercial society in respect of which there is a period of at least two days between lotteries.

- no further gambling will be permitted until age verification has been successfully completed; and
 - if on completion of age verification the customer is shown to be underage all deposits held by the operator are returned to the customer and no winnings paid.
- h.** in the case of any customer who registers to gamble and deposits money using a credit card, conducting a programme of random checks of credit card users for compliance with age restrictions.

13.9 In lotteries where the risk of underage play increases, even though the lottery is of the type that would normally be considered low risk (ie small prize, occasional or subscription lotteries), the Commission is also seeking to introduce some best practice measures through ordinary code provision in order to address occasions when the level of risk of underage play increases in certain types of remote lottery – ie a prize that is attractive to young people is offered.

13.10 It is proposed that following new ordinary code provision be added to the LCCP to support the proposed new social responsibility code provision above.

New ordinary code provision

Ordinary code provision

Applying to all remote society lotteries

- 1** **Where operators consider the lottery will be more likely to attract underage play – eg where the prize is of particular appeal to children (those under the age of 16) such as concert tickets, games consoles, large prizes - operators should ensure that age verification measures are appropriate to the risk of attempted underage play. In these circumstances it is unlikely that self-verification alone will be sufficient.**

Consultation questions

- Q69.** What are your views on the proposal to remove lottery licensees from social responsibility code provision 3.2.11 (access to gambling by children and young persons – remote SR code) and introduce a new social responsibility code for remote lotteries which amends the requirement around age verification for low frequency subscription lotteries?
- Q70.** What are your views on the proposal for a new ordinary code provision to address concerns about suitable age verification processes being in place in those lotteries that might be particularly attractive to the underage?

Provision of credit in society lotteries (remote and non-remote)

13.11 As referenced at paragraph 5.24, social responsibility code provision currently requires that the provision of credit is prohibited in remote and non-remote lotteries unless the proceeds are paid into a customer account. Lotteries are usually low stake, low frequency and we are not aware that credit cards are commonly used or used in a way that would raise compliance concerns relating to problem gambling. In most cases where a person purchases a single ticket or a small number of lottery tickets it will be a cash transaction. Where players purchase a larger number of tickets, for example an annual subscription in a weekly lottery, it is possible that they could pay using a credit card but we know that societies operating these type of lotteries will usually have an account into which the lottery proceeds are paid. That account will usually be a general lottery account set up by a society or External Lottery Manager (ELM) into which all proceeds are paid, the operator will have a record of each player detailing information such as which lotteries they have entered, funds committed, payment details etc.

- 13.12** Where compliance with this part of the code may be an issue for some lottery operators are in circumstances such as where a person pays for a lottery ticket as part of a payment that includes other shopping, for example a person purchasing a lottery ticket in a supermarket and paying for it and their weekly shopping together using a credit card. We know that some societies also sell tickets through their own retail outlets (such as charity shops) and it is possible that players will purchase lottery tickets using a credit card alongside other products.
- 13.13** While lottery operators must ensure that adequate protections are in place for players who participate in lotteries and use credit to pay for entry and that the funds deposited are protected, the Commission accepts that the potential for harm by offering credit is minimal in small, occasional lotteries (weekly, monthly or longer frequency) where a person purchases a lottery tickets anonymously and uses a credit card to pay.
- 13.14** We are proposing to remove lottery operators from the requirements set out in SR code provision 3.7.1 and introduce a new social responsibility code provision for all lottery operators (licensed societies and ELMs).
- 13.15** We are not proposing to set a value on maximum ticket sales as this could vary from a £1 single play to £52 in an annual subscription to a larger amount in a lottery syndicate. It will be for operators to determine the appropriate limit, as many already do, and intervene if a person tries to purchase more than the limit. Setting the appropriate limit will be for the operator to determine but should depend on the type of lottery promoted eg subscription, instant win (scratchcard).

New social responsibility code provision 3.7.2

Provision of credit

All lottery licences

- 1 Licensees who are non-commercial societies or external lottery managers should adopt the following measures when selling society lottery tickets:**
- a limit the value of tickets permitted to be purchased by a person in each lottery, without direct interaction with the customer by the licensee;**
 - b maintain records of all interactions with customers of all ticket sales in excess of these limits; and**
 - c ensure such records should be made available to the Commission for inspection on request and retained for at least three years from the date of any lottery to which they relate**

Consultation questions

- Q71.** Do you consider the use of credit cards in society lotteries has the potential to result in debt or other problems for some participants in society lotteries?
- Q72.** Do you agree that the new requirement for society lotteries to limit the value of tickets sold to one person without customer interaction will help to identify and prevent potential problem gambling?
- Q73.** Is it practical for society lotteries to set limits on different types of lotteries and keep records of interactions with customers who attempt to purchase tickets in excess of those limits?

Provision of credit (general)

- 13.16** Given the wider social responsibility proposals outlined in this consultation document, the Commission is considering elevating ordinary code provision 3.7.2 – the provision of credit – to a social responsibility code provision.

13.17 The good practice currently outlined in the ordinary code provision represents the minimum activity many operators undertake when undergoing the process of agreeing credit with a customer. As a result, the elevation of this ordinary code provision to social responsibility code provision would enable the Commission to take proportionate and appropriate action where operators are found to be providing credit in a socially irresponsible manner.

Ordinary code provision 3.7.2 Proposed provision to be upgraded to social responsibility code provision

Provision of credit – ordinary code

All non-remote general betting licences, except where betting is offered under a 2005 Act casino premises licence, pool betting licences and all remote licences (including ancillary remote betting licences), except gaming machine technical, gambling software, ancillary remote casino, ancillary remote bingo and remote betting intermediary (trading rooms only) licences

1 Licensees who choose to offer credit to members of the public who are not themselves gambling operators should also:

- a have procedures for checking and scoring applications for credit from such customers, for setting, and for the increase of, credit limits
- b explain these procedures to customers
- c set a maximum credit limit for each customer and not permit customers to exceed that limit without further application
- d apply a 24-hour delay between receiving a request for an increase in a credit limit and granting it in those cases where the limit exceeds that which the operator previously set
- e not require a minimum spend within a set time period
- f take all reasonable steps to ensure that offers of credit are not sent to vulnerable persons, including those who have self-excluded from gambling
- g ensure that information about an offer of credit includes a risk warning of what may happen in the event of default.

Consultation question

Q74. Do you agree with the proposed change to elevate the ordinary code provision 3.7.2 (about the provision of credit) to a social responsibility code provision? Please explain your reasons.

Display of rules (betting) – change of name

13.18 In social responsibility code provision 4.2.6, under paragraph 1h, the text refers to 'Horseracing Regulatory Authority rules'. We plan to update this to instead refer to the 'British Horseracing Authority rules' to reflect the organisation's change of name.

Social responsibility code provision 4.2.6

Display of rules – betting

All general betting and betting intermediary licences, except remote betting intermediary (trading rooms only) licences

1 Licensees must set out within the full rules that they make available, the core elements for the acceptance and settlement of bets. These rules must cover:

- h the rules for the event itself to be specified (eg horserace bets only to be accepted where the racing is subject to Horseracing Regulatory Authority **British Horseracing Authority** rules).

Display of rules – on-course betting

13.19 In social responsibility code 4.2.7 – about display of rules for betting on-course – it is proposed that a footnote be added to fully reflect the scope of operations at point-to-points. This will also reduce the regulatory burden. The proposed change is set out below:

Social responsibility code 4.2.7

Display of rules – on-course betting

All non-remote general betting licences

- 1** In their terms on which bets may be placed (required to be displayed in accordance with mandatory conditions attaching to their premises licences) licensees must give prominence to their rules concerning voiding, late bets and maximum payouts.
- 2** When providing facilities for betting on-course, licensees must display on their 'joints' in an intelligible format:
 - a.** any rules that differ from the relevant racecourse rules on betting, such as Tattersalls' 'Rules on Betting'¹
 - b.** any types of unorthodox bets accepted (such as forecast betting, betting without the favourite, distance betting etc)
 - c.** whether win-only or each way bets are accepted
 - d.** any concessions or bonuses offered
 - e.** all of the runners and the odds available to the public
 - f.** the operator's trading name and contact address
 - g.** the minimum bet accepted
 - h.** the maximum guaranteed liability.
- 3** Licensees operating within the ring at horserace **tracks**² must issue customers with a betting slip or ticket for each transaction accepted. Betting slips or tickets must include the following information:
 - a.** operator's name and contact details
 - b.** race day name or code, date and race number
 - c.** name and/or number of the selection
 - d.** the stake and potential return
 - e.** the odds, or whether the bet will be settled according to the Starting Price
 - f.** the type of bet.
- 4** Any special rules which have been agreed in relation to a particular bet must not be overridden by any conflicting rules or subsequent rule changes.

¹ The references to Tattersalls' 'Rules on Betting' reflect the current position and may need to be amended in future.

² Licensees operating under the provision of an occasional use notice (eg point-to-points) must ensure ledger systems are capable of providing the information listed here.

Offering of alcoholic drinks to people while gambling

13.20 Alcoholic drinks may be sold and served in casinos, bingo clubs and at racecourses but not in other gambling licensed premises. There is a history, particularly in casinos, of customers being given complimentary food and drink. This can be seen as a natural component of customer care in the leisure industry, but could also be viewed as an inducement to gamble.

13.21 Research into problem gambling indicates that people may gamble more than they intended and take more risks when they mix alcohol and gambling. The Commission sees a distinction between the freedom for a customer to pay for and to drink alcohol, and being given free alcohol as an incentive to gamble more. Customers may also request a drink, but cannot be offered free drink whilst gambling.

- 13.22** The Commission's initial proposal was for a social responsibility code to apply to casino and bingo licensees to say simply that operators must ensure that alcohol is not supplied to promote or encourage increased spend on, or speed of, gambling. This proposal was expanded to make two distinct points; that the offer of free or discounted drinks must not be linked to whether or when the customer gambled; and that licensees must not make unsolicited offers of drinks for immediate consumption while a customer was actually gambling.
- 13.23** The latter point was expanded in the original LCCP to specify the activities during which drink could not be offered; when participating in a casino game, a bingo game or playing a gaming machine. This inadvertently left out equal chance gaming in casinos, typically poker, and it is proposed to amend the code of practice provision to correct this and to specify all gambling activity in casinos and bingo clubs.
- 13.24** In order to make the code provision resilient, it is proposed to replace the itemised list of types of gambling with a wider provision that captures all gambling activities in these premises, as shown below:

Social responsibility code provision 5.1.3
Alcoholic drinks
All non-remote bingo and casino licences

- 1 If licensees offer customers free or discounted alcoholic drinks for consumption on the premises they must do so on terms which do not in any way link the availability of such drinks to whether, or when, the customer begins, or continues, to gamble.
- 2 Licensees must not make unsolicited offers of free alcoholic drinks for immediate consumption by customers at a time when they are participating in ~~a casino game, bingo game or playing a gaming machine~~ **gambling activities**.

References to premises and on-course betting

- 13.25** In a number of instances in the LCCP there are provisions that apply to all non-remote licences that make a reference to 'their premises'. This is not appropriate for on-course betting operators who do not provide facilities for gambling from their own premises. It is proposed therefore that in these instances a slight change to the language is made to reflect this. An **example** of the change that could be made to make this clearer is provided below where the word 'their' is changed to 'the':

Extract from social responsibility code provision 6.1.1
Complaints and disputes
All licences (including ancillary remote licensees) except gaming machine technical and gambling software licences

- 6 Licensees must ensure that:
- a** information about their complaints procedure is set out in their terms and conditions;
 - b** such information is also readily accessible on ~~their~~ gambling premises or website as the case may be;

Tic-tacs

- 13.26** Licence condition 12.1.1 describes the facilities for gambling that can be offered by Tic-tacs under their intermediary operating licence. Given that there are very few, if any Tic-tacs in operation, it is proposed that this licence condition is removed from the LCCP.

Licence condition 12.1.1

Tic-tacs

All non-remote betting intermediary operating licences

- 1 Licensees must not lay bets on their own behalf when operating in their capacity as a public tic-tac on a track.
- 2 Tic-tacs must act only in relation to bets between holders of general betting operating licences (whether acting as principal or agent or through their authorised employees).

Pool betting – annual accounts

13.27 Licence condition 13.1.3 outlines how pool betting operating licence holders are required to 'produce annual accounts which should be certified by a qualified independent accountant'. The condition states that 'Licensees must make copies available to the Commission' and it is proposed to reduce the regulatory burden that this sentence be changed to reflect that copies should be made available to the Commission on request. The proposed licence condition would therefore read as follows:

Licence condition 13.1.3

Pool betting – annual accounts

All pool betting operating licences

- 1 Licensees must produce annual accounts which should be certified by a qualified independent accountant. Licensees must make copies available to the Commission **on request**.

Consultation question

Q75. Please explain if you disagree with any of the following proposals as outlined in chapter 13 of the consultation document:

- a. Display of rules (social responsibility code provision 4.2.6): to update the reference to the British Horseracing Authority
- b. Display of rules (social responsibility code provision 4.2.7): to add a footnote clarifying the information requirements applicable at point to points
- c. Offering of alcoholic drinks to people whilst gambling (social responsibility code 5.1.3): to clarify that customers may not be offered unsolicited free alcoholic drinks during any gambling activities
- d. References to premises and on-course betting (found in many social responsibility codes): to be more specific in the use of language for on-course betting operators where the licensees operators from premises which are not their own
- e. Tic-tacs (licence condition 12.1.1): to remove the licence condition relating to tic-tacs which is no longer relevant
- f. Pool betting – annual accounts (social responsibility code 13.1.3): to specify that annual accounts should be provided on request by the Commission rather than routinely.

14 Responding to this consultation

- 14.1** The Commission is committed to full and open consultation and would welcome comments on any aspect of this document. A response template will be available [on our website](#). The Commission would prefer respondents to complete the response template provided and send it by email to: consultation@gamblingcommission.gov.uk
- 14.2** Alternatively, responses can be sent by post to:
Consultation
Gambling Commission
Victoria Square House
Victoria Square
Birmingham
B2 4BP
- 14.3** The deadline for responses to this paper is **31 October 2014**. Please use the response template provided on our website if possible. Respondents are of course welcome to comment on only one or some of the topics addressed by this consultation.
- 14.4** When responding, please state whether you are responding as an individual or representing the views of an organisation. If responding on behalf of an organisation, please make clear who that organisation represents. If responding as an individual, please mention your own interest.
- 14.5** Please note that responses may be made public or published in a summary of responses to the consultation unless you state clearly that you wish your response or name to be treated confidentially. Confidential responses will be included in any statistical summary of numbers of comments received. If you are replying by email or via the website, unless you specifically include a request to the contrary in the main text of your submission, the Commission will assume your consent overrides any confidentiality disclaimer that is generated by your organisation's IT system.
- 14.6** Any information or material sent to us and which we record may be subject to the Freedom of Information Act 2000 (FOIA). The Commission's policy on release of information is available on request or by reference to our website at www.gamblingcommission.gov.uk. The Commission will treat information marked confidential accordingly and will only disclose that information to people outside the Commission where it is necessary to do so in order to carry out the Commission's functions or where the Commission is required by law to disclose the information. As a public authority the Commission must comply with the requirements of FOIA and must consider requests for information made under the Act on a case-by-case basis. Therefore when providing information, if you think that certain information may be exempt from disclosure under FOIA, please annotate the response accordingly so that we may take your comments into account.
- 14.7** All information provided to the Commission will be processed in accordance with the Data Protection Act 1998. However, it may be disclosed to government departments or agencies, licensing authorities and other bodies when it is necessary to do so in order to carry out the functions of the Commission and where the Commission is legally required to do so.

Appendix A - References

[ASA Compliance survey - Children and advertising on social media websites](#)

[Association of British Bookmakers' Code for Responsible Gambling and Player Protection](#)

[Australian Government Productivity Commission, Productivity Commission Report: Gambling 2010](#)

[Blaszczynski, Parke, Parke and Rigbye \(2014\) Operator-based approaches to harm minimisation in gambling: summary review and future directions \(Report prepared for the Responsible Gambling Trust\)](#)

[CAP and BCAP guidance on the rules for gambling advertisements](#)

[Concordat agreement for working with licensing authorities](#)

[Consumer Rights Bill \(2014\)](#)

[Department for Communities and Local Government- Technical consultation on planning](#)

[First Tier Tribunal decision note](#)

[Gambling Act \(2005\)](#)

[Gambling Commission- Approach to Test Purchasing.](#)

Gambling Commission: [Judgement on costs](#) (First Tier Tribunal Decision Notice)

[Gambling \(Licensing and Advertising\) Act \(2014\)](#)

[Gambling Protections and Controls](#) (April 2014)

[Guidance to Licensing Authorities](#)

[Home Office Guidance on False ID](#) (July 2012)

[LA underage gambling controls](#)

[Letter to Secretary of State - Triennial review of stake and prize limits on gaming machines](#)

[Licence conditions and codes of practice](#) (May 2014).

[National Casino Forum's Playing Safe Principles](#)

Orford, Wardle and Griffiths; [What proportion of gambling is problem gambling? Estimates from the 2010 British Gambling Prevalence Survey](#), International Gambling Studies; Volume 13, Issue 1, 2013.

Parke and Rigbye (2014) Self-Exclusion as a Gambling Harm Minimisation Measure in Great Britain: An Overview of the Academic Evidence and Perspectives from Industry and Treatment Professionals: [RGT report on self-exclusion](#)

[Remote gambling and software technical standards](#)- August 2009

[Responsible Gambling Council \(RGC\) Report](#)

[Responsible Gambling Funding Plan 2014-15](#)

[RGSB Advice note on self-exclusion](#) (2014)

"Rising to the Challenge – A report into the application and impact of Challenge 25" The Retail of Alcohol Standards Group (RASG) 2014

[Statement of licensing policy, section 349 of the Act](#)

[Survey data on public perceptions, January 2014](#)

The ASA is the UK's independent regulator of advertising across all media. It administers the UK Advertising Codes and actively monitors compliance with them. The Codes can be viewed at: <http://www.cap.org.uk/Advertising-Codes.aspx>

[The ASA gambling advertising survey 2010, compliance report](#)

The Consumer Protection from Unfair Trading Regulations 2008 (CPRs) came into force on 26 May 2008, and implemented the Unfair Commercial Practices Directive (UCPD) into UK law. Guidance can be accessed at: <https://www.gov.uk/government/publications/consumer-protection-from-unfair-trading-regulations-traders>

["Trial of Dynamic Warning Messages on Electronic Gaming Machines", Australian Department of Social Services, 6 June 2014, Communio](#)

Appendix B - Summary of consultation questions

- Q1.** What are your views on the proposed changes to social responsibility code provisions 3.2.1, 3.2.3, 3.2.5 and 3.2.7 which make explicit the requirement that the layout of premises must support and facilitate the effectiveness of policies and procedures to prevent underage gambling?
- Q2.** What are your views on introducing a requirement via a social responsibility code provision for licensees to conduct underage test purchasing or to take part in a programme of test purchasing?
- Q3.** Do you agree that small operators (category A and B) should be excluded from this requirement to conduct underage test purchasing?
- Q4.** How can the Commission's existing social responsibility code provision (3.2.5) in relation to training staff in underage gambling responsibilities be improved and strengthened, using good practice in an ordinary code provision, to ensure that operators and staff maintain a constant vigilance and are better able to prevent underage gambling?
- Q5.** What are your views on the potential effectiveness of a Think 25 policy for the prevention of underage gambling at premises (relative to the existing Think 21 ordinary code provision in the LCCP)? Should Think 25 replace Think 21 as a standard within ordinary code provision?
- Q6.** What are your views, in terms of costs, benefits and feasibility, for introducing each of the following measures at gambling premises?
- a.** permanent door supervision
 - b.** maglocks
 - c.** audio alerts or 'door chimes'
 - d.** CCTV
 - e.** additional staffing levels?
- Q7.** Are there any other measures that the Commission could introduce into the Guidance to Licensing Authorities (or which licensing authorities could use as conditions on premises licences) that might be effective in preventing underage gambling?
- Q8.** Do you have any comment on the changes proposed for the ordinary code provisions relating to acceptable forms of identification (3.2.2, 3.2.4, 3.2.6, 3.2.8) to include military identification cards and to make clear that other forms of identification may also be considered appropriate?
- Q9.** Do you have any comments on the proposal to update social responsibility code provision 3.3.1 to ensure information is displayed prominently using methods appropriate to the size and layout of the premises, ie screens, links and smart technology?
- Q10.** Should operators be required to actively promote social responsibility information? And if so, how?
- Q11.** What are your views on how play information could be provided to individuals? Please consider this in reference to:
- a.** the merits of providing customers with information about their play
 - b.** the information that should be provided to players
 - c.** the form in which player information should be provided
 - d.** the accessibility and delivery of information
 - e.** the range of products it might be connected to

- Q12.** What simple, educational messages could be provided to players to allow them a better understanding of the gaming characteristics (RTP, volatility, odds of winning a jackpot) and how those characteristics may affect their experience of their own gaming sessions?
- Q13.** Do you have any comments on whether advertisements for gaming machine jackpots should be accompanied by a clear statement as to the odds of a player winning that maximum prize amount (and how this might be best communicated given that the odds of winning that prize might differ by the amount staked and amount of time spent gaming)?
- Q14.** Do you agree with our proposals to change customer interaction requirements for non-remote society lotteries so that they focus on significant individual transactions?
- Q15.** Do you agree that these changes should apply to all society lottery products or should different arrangements apply to scratch cards?
- Q16.** What are your views on the proposal for a specific provision to be added to social responsibility code provision 3.4.1 (customer interaction) about making use of all relevant sources of information to ensure effective decision-making and to guide and deliver effective customer interactions?
- Q17.** What are your views on the proposal for a specific provision to be added to social responsibility code provision 3.4.1 (customer interaction) about interacting with customers demonstrating signs of agitation, distress, intimidation, aggression or other behaviours that may inhibit customer interaction?
- Q18.** What are your views on the proposal for a new ordinary code provision inviting operators to:
- a. work together to share experience and deliver good practice across the full range of social responsibility requirements
 - b. keep a record of customer interactions, and where the intervention has been ruled out, the reasons for this.
 - c. keep a record of where an interaction has taken place at a later date?
- Q19.** What are your views on the introduction of a social responsibility code provision which would require customers to set time and/or monetary limits before playing B2 machines in betting shops, including when used to play B3 content?
- Q20.** What are your views on extending such a requirement to category B machines in other gambling environments (eg B1 or B2 machines in casinos or B3 machines in arcades or bingo halls)?
- Q21.** Do you consider that the Commission should amend its gaming machine technical standards to impose mandatory caps on time and/or monetary limits? If so, what should the cap be for a) time and b) money?
- Q22.** What should happen once a pre-commitment level has been reached?
- Q23.** What are your views on the introduction of a social responsibility code provision which would require remote operators to offer their customers a “time out” facility?
- Q24.** What are your views on the suggested durations of the “time out” periods to be offered?
- Q25.** What are your views on the introduction of an ordinary code provision suggesting that remote operators should offer the facility to players to exclude themselves from particular product types?
- Q26.** Do you agree with the Commission’s proposal to ensure that remote gambling customers who have reached their financial limit and wish to raise it are given a further reality check

by being required to reconfirm at the end of the 24 hour cooling-off period that they still wish to increase their limit, rather than allowing the limit to be increased automatically at the end of the 24 hour cooling-off period? (proposal to amend RTS requirement 12B)

- Q27.** Do you agree with the Commission's proposal to amend RTS 12A implementation guidance to specify that customers should be able to choose a financial limit over a 24 hour, 7 day and one month period?
- Q28.** Do you agree with the Commission's proposal to extend RTS 13 to include the requirement that customers be offered the facility to set reality checks such as displaying time elapsed since the start of the gambling session?
- Q29.** Should the reality check also include information relating to their gambling activity such as balance, win or loss during the session?
- Q30.** Do you agree that new requirement (RTS 13B) relating to reality checks should only apply to casino and machine style games (including bingo but excluding peer to peer gaming)?
- Q31.** Do you agree with the Commission's proposal to amend its auto-play requirement to require at least the setting of a loss limit if the player is offered the auto-play option and to increase the number of auto-plays allowed?
- Q32.** Are you aware of any other potentially helpful gambling management tools that are not covered in this chapter?
- Q33.** What are your views on the Commission's proposal to introduce a new social responsibility code provision requiring remote gambling operators to participate in a national online self-exclusion scheme?
- Q34.** Do you agree that all non-remote gambling operators should be encouraged to participate in the development of multi-operator self-exclusion scheme by the introduction of a new ordinary code provision?
- Q35.** Do you have any comment on the Commission's proposals to require all non-remote business to customer operators to offer customers the ability to self-exclude from operators, within their sector, in the customers local area by October 2015 and cross-sector by October 2016?
- Q36.** Do you agree that the Commission should introduce as social responsibility code provision a requirement that operators have policies and procedures in place that effectively address the risk of proxies being used to breach a self-exclusion agreement and to clarify that a self-exclusion should cover exclusion both from gambling and from entering premises?
- Q37.** Should the Commission clarify that a photo must accompany every self-exclusion agreement?
- Q38.** What are your views on making staff training on self-exclusion more explicit in terms of providing information on self-exclusion to customers, and on the process of clearly administering and implementing the self-exclusion agreement?
- Q39.** What are your views on the proposal that operators should develop risk based systems so that venue staff are informed about which self-excluded individuals are most at risk of attempting to breach in their venue?
- Q40.** Should there be an explicit requirement through a social responsibility code provision for operators to signpost to support services those who have chosen to exclude?

- Q41.** Should the Commission make it a requirement that the minimum self-exclusion period is 6 months by promoting this existing best practice guide from ordinary to social responsibility code provision?
- Q42.** Should the existing ordinary code requirement to offer customers to extend their self-exclusion period to 5 years be reduced to 3 years?
- Q43.** To aid the identification of self-excluded individuals, should someone who wishes to self-exclude be informed when they enter a self-exclusion agreement that their exclusion will not receive the same priority after 12 months unless they actively renew it?
- Q44.** Do you agree with our proposal to remove the words 'where practical' from the existing ordinary code provision about the facility to self-exclude without having to enter premises?
- Q45.** Should the Commission make it a requirement that remote gambling customers must be given the opportunity to self-exclude by means of an automated process as well as by contacting customer services by promoting this existing good practice guide from ordinary to social responsibility code provision?
- Q46.** Do you agree that for remote and non-remote, the minimum self-exclusion period offered must be no less than 6 months and no more than 12 months?
- Q47.** What are your views on the concept of a local and premises-based assessment of risks to the licensing objectives?
- Q48.** What are your views on the proposed new social responsibility code provision on assessing local risk?
- Q49.** What are your views on the proposed new ordinary code provision on seeking advice from responsible authorities on assessing local risk?
- Q50.** What are your views on the Commission's proposal for the introduction of a licence condition to require the largest operators to provide an Annual Assurance Statement and for this to be signed off by the key position holder occupying the 'specific management office' for 'the overall management and direction of the licensee's business or affairs'?
- Q51.** What are your views on the proposed content of the Annual Assurance Statement (as set out in paragraph 9.9)? Please comment on the potential requirement to report on the specific items set out below:
- a.** the control systems and governance arrangements in place to enable operators to objectively and critically evaluate performance against each of the licensing objectives
 - b.** the difficulty operators have faced in meeting the aims/requirements of those objectives
 - c.** the operator's specific plans for improving performance in those areas
 - d.** the operator's overall plans for improvement over the following year.
- Q52.** We have indicated that we intend to carry out a review of regulatory returns to ensure that the information gathered is right. What social responsibility information would it be helpful for the Commission to collect through regulatory returns?
- Q53.** What are your views on the proposal to include in the Annual Assurance Statement an estimate of the amount of revenue generated from problem or at risk gamblers, the factors that might be contributing to that amount, and the action taken to bear down on it?
- Q54.** Do you agree that the revised wording of social responsibility code provision 3.1.1 (combating problem gambling) makes the requirement clearer?

- Q55.** Do you agree that the Commission should specify that each licensee must make at least an annual financial contribution?
- Q56.** Do you agree that all licensees should make a contribution that addresses all three elements of the RET requirement, or should harm prevention (research and/or education) plus treatment be specified?
- Q57.** Do you consider that there are terms used by gambling operators which are inherently unfair? Please give examples of terms within gambling contracts which you consider to be unfair or unclear to customers?
- Q58.** To what extent do you consider that existing or upcoming consumer rights legislation already address possible concerns about unfair terms in gambling contracts? If you consider that there are still gaps in relation to gambling contracts, what action do you consider should be taken to address the possibility of unfair terms in gambling contracts?
- Q59.** How should gambling operators make consumers aware of changes to terms and conditions? Should only material changes be notified and if so, what do you consider to be material changes?
- Q60.** In what way could the code provision which prohibits gambling operators from offering rewards which are connected with a 'pre-determined length of time or with a pre-determined frequency' be made clearer?
- Q61.** Do you agree that the proposed amendments to ordinary code provision 5.1.6, which strengthen references to the CAP and BCAP advertising rules and, more specifically, the recent BCAP 'help note' (which contains a specific section on the marketing of 'free bets' and 'bonus offers'), will help reinforce and raise awareness of the rules and guidance?
- Q62.** Do you agree that the ordinary code provision should be further amended to better reflect ASA guidance/ rules on the use of under 25s for remote gambling?
- Q63.** Do you agree that the proposed new social responsibility code provision requiring remote operators to provide the significant terms and conditions for each bonus offer in the advertisement or, if not practical within 'one click' of the initial offer, will help address concern relating to the marketing of misleading and/or unclear 'free bets' and 'bonus offers'?
- Q64.** Do you consider that a code provision should be introduced to state that operators should consider the proximity of marketing and information about offers on their websites and premises to socially responsible gambling messages, and in particular that remote operators should ensure that the primary page of responsible gambling information should be free of marketing?
- Q65.** Do you consider that a code provision should be introduced to state that operators should offer customers the ability to easily opt out of any and all marketing and/or to close accounts held with an operator?
- Q66.** Should customers be able to exclude themselves from marketing by product?
- Q67.** Do you consider that a national marketing opt-out facility should be made available to all customers not only those who are also self-excluding from gambling?
- Q68.** We invite views on the provision of commercial bingo, B3s and B4s in pubs and clubs and how you think concerns about commercial bingo in these premises should be addressed.
- Q69.** What are your views on the proposal to remove lottery licensees from social responsibility code provision 3.2.11 (access to gambling by children and young persons – remote SR

code) and introduce a new social responsibility code for remote lotteries which amends the requirement around age verification for low frequency subscription lotteries?

- Q70.** What are your views on the proposal for a new ordinary code provision to address concerns about suitable age verification processes being in place in those lotteries that might be particularly attractive to the underage?
- Q71.** Do you consider the use of credit cards in society lotteries has the potential to result in debt or other problems for some participants in society lotteries?
- Q72.** Do you agree that the new requirement for society lotteries to limit the value of tickets sold to one person without customer interaction will help to identify and prevent potential problem gambling?
- Q73.** Is it practical for society lotteries to set limits on different types of lotteries and keep records of interactions with customers who attempt to purchase tickets in excess of those limits?
- Q74.** Do you agree with the proposed change to elevate the ordinary code provision 3.7.2 (about the provision of credit) to a social responsibility code provision? Please explain your reasons.
- Q75.** Please explain if you disagree with any of the following proposals as outlined in chapter 13 of the consultation document:
- a.** Display of rules (social responsibility code provision 4.2.6): to update the reference to the British Horseracing Authority
 - b.** Display of rules (social responsibility code provision 4.2.7): to add a footnote clarifying the information requirements applicable in point to points
 - c.** Offering of alcoholic drinks to people whilst gambling (social responsibility code 5.1.3): to clarify that customers may not be offered unsolicited free alcoholic drinks during any gambling activities
 - d.** References to premises and on-course betting (found in many social responsibility codes): to be more specific in the use of language for on-course betting operators where the licensees operate from premises which are not their own
 - e.** Tic-tacs (licence condition 12.1.1): to remove the licence condition relating to tic-tacs which is no longer relevant
 - f.** Pool betting – annual accounts (social responsibility code 13.1.3): to specify that annual accounts should be provided on request by the Commission rather than routinely.

Keeping gambling fair and safe for all

For further information or to register your interest in the Commission please visit our website at: www.gamblingcommission.gov.uk

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