

GAMBLING COMMISSION

Key points of Technical Standards meeting between RGA and the Gambling Commission Transition Team (TT) on Thursday 8 December 2005

Attendees	
<u>Gambling Commission</u>	<u>RGA</u>
Helen O'Kane (GC Transition Team)	Ian Spearing (William Hill)
Stuart McPhee (GC Transition Team)	Clive Hawkswood (RGA)
Victoria Bazalgette (Minutes)	Nick Rust (RGA Chairman)
	Julian Graham-Rack (William Hill)
	John Coates (Bet 365)
	Dan Talisman (Sporting bet)

Key Equipment

1. RGA members were keen that the Commission sets out the detail of how it will interpret the "key equipment" definition in the Act within the technical standards.

Game Functionality and Rules

Game types and features

2. RGA members emphasised the fast-moving nature of the remote gambling sector and the need for operators to offer ever more innovative games in order to compete internationally. They said this innovation is crucial and therefore games should not be restricted else their ability to compete would be in doubt as would their commercial viability. It was also stated that if games and by association, innovation, were restricted as a result of over regulation it would be unlikely that any company would consider operating from the UK.
3. The group asserted that there is a substantial cross-over of games from FOBTs available to play on the internet. The TT confirmed that current FOBTs will be considered to be gaming machines (category B2) by DCMS and HM Treasury.

Game cycle

4. RGA members were not in favour of the Commission defining a 2-3 second minimum time for a complete game cycle (from when the bet is staked until the outcome) and considered time alerts and restrictions on play time or stake to be unhelpful. They said that control should be in the hands of the customer and asserted that:
 - other relevant checks and balances exist to moderate players' speed of play, such as offering players the option of setting their own deposit limits to control their spend;
 - games products have different risk factors, so it would not be realistic to set the same time cycle;

- many game sites display clocks, to inform customers how long they have been playing; and
- controlled time limits would not work and money control features offer the vital protection customers need.

Action 1: RGA members to inform the TT what proportion of their customers use the social protection features on sites, such as limiting their spend.

Odds/ RTP%

5. RGA members agreed that it should be made transparent if games are compensated or random and that odds (fixed odds) and rate of return should be made available to the player prior to play, in order that they can make an informed choice as to which games they wish to play.

Game links

6. RGA members confirmed that they would like to provide online AWP-style machines. SMP replied that when a compensated system with links (a type of progressive) is being used, the Commission will wish to consider whether certain controls are necessary, although it is likely that these controls will not be as relevant as for the machines sector, where the controls are put in place to prevent stakes and prize limits being breached.

Action 2: Game links to be discussed with the RGA once a standard has been agreed with terrestrial operators.

Systems Interruption and Games Failure

7. RGA members informed the group that systems have inbuilt features to protect operators' security as well as that of the players.
8. If the game is disrupted due to a network connection loss or other fault the customer should not be disadvantaged in most instances, since the necessary data will have been recorded by operators' systems and can be used to resume play once the problem had been rectified. Data would only be completely lost due to a catastrophic failure, and this would be a very rare occurrence.
9. Sophisticated online games can allow players to break play and then continue an unfinished game at the point where it was left upon sign-in. RGA members would not want the Commission to define particular measures to safeguard break of play; operators would want control over the detail of these systems.

Action 3: RGA members to come back to the TT with possible break-of-play scenarios and solutions.

Security Issues

10. HO'K asked about the risks of internal/ external individuals manipulating game processes; this issue could impact upon personal licensing. RGA members replied that it is in operators' commercial interests to ensure that systems cannot be violated. They agreed that these issues (data handling, encryption, how systems maintain data) should be flagged up for later discussions to feed into the development of a remote standard.

Social Responsibility

Self-exclusion

11. All RGA members have committed to installing systems for self-exclusion on their sites by the end of 2005. One operator told the group that players have two options on his site; they can either opt for a 24 hour "cool-off" period, or they can self-exclude for 6 months. When a player has requested 3 "cooling off" periods, they are automatically permanently excluded thereafter. This is done by way of a block being placed on the customer credit card for the specified time period.
12. RGA members indicated that operators should only be expected to run self-exclusion programmes for their own sites. TT members indicated that this was likely to be the case. As systems improve, allowing players to self-exclude across sectors could be an option.

Intervention

13. RGA said that they were not in favour of intervention. They viewed the operator's responsibility as giving players the tools means to control their own gambling and ensuring that players are aware of these options available to them.
14. RGA members said an intervention policy would also prove impossible to implement as it is impossible for operators to identify when a remote customer is gambling beyond his/her means. One operator asserted that repeated self-exclusion is the only indicator of a gambling problem.

Self-limits

15. RGA members said they would not object to letting players set themselves deposit limits, but limits to restrict the time of play would render businesses competitively unattractive. They also anticipated it would be technically difficult to track the length of players' sessions. RGA members would prefer a method already in use on some remote sites; a clock is displayed on the screen, so players themselves can determine the length of a session.

Testing

16. RGA members confirmed that testing is an issue of crucial importance for the remote industry. Operators would not want the Commission to become involved in source-based testing. However, RGA members agreed the best way to evidence fairness is to demonstrate that the outcome of game is open and fair i.e. to test the games' RNG and output methodology to ensure that it is random where described as such and has no form of control, compensation and sequential or predictable elements.
17. The TT and RGA agreed that software where previously approved should not have to be retested where unmodified versions of the same game are supplied to different operators.
18. The TT agreed that the Commission will be able to accredit software from on off-shore provider, as long as they go through the appropriate licensing procedure. If operators use an unlicensed software provider, they will be responsible for ensuring that the software is properly tested as part of their licence conditions.

19. RGA members asked when the Commission's testing methodology could be discussed. HO'K said that the Commission are currently looking to recruit a secondee to work on the detail of the testing regime. Another option would be dividing the role between two individuals working on a part-time basis.

Action 4: HO'K to forward a job specification for the new role to CH.

Any Other Business

20. The issue of customer "single wallets", discussed at the meeting on 29 September will be returned to at a later date.