

Response

Background

The Commission made contact with Canbet at the end of October 2013 following a rise in complaints.

In November 2013 we were assured by Canbet, and by their legal advisor, that they were working to rectify the issues. We also received assurances from the Group Auditor who confirmed that the iGAS group, of which Canbet was a part, had assets to more than meet their liabilities. A number of players were still being paid at this point.

The backlog of customer payments continued up until the end of December 2013 when the decision was taken by Canbet to cease taking any new bets or deposits, so no new money from customers was put at risk after this point. We understand that this still left a number of customers in the position of being owed money.

In January 2014, we received some further assurances about Canbet's financial circumstances, including a letter from the company's Group Auditor, dated 24 January 2014. At this point Canbet's Directors were seeking to gain additional capital from their parent company. This was not realised and Canbet stated they were looking to sell assets within the company to raise the cash needed to pay their creditors.

On 14 April 2014, the Commission started a review of Canbet's operating licence which we were minded to revoke due to concerns about the financial circumstances of the licensee and lack of cooperation with the Commission. The licence was surrendered by Canbet in May 2014. Had the licence not been surrendered, the Commission considers that the licence would have been revoked.

This concluded the Commission's investigation into this matter. The Commission does not have a remit to conduct any further regulatory action once a licence has been surrendered or revoked and findings have been made.

This has been detailed on the Commission website, here:

<http://www.gamblingcommission.gov.uk/Contact-us/Complaints/Canbet-response.aspx>

Request

Having considered your request, the Commission is of the view that the information generated during the investigation (other than that in the public domain) is exempt from disclosure under section 31 of the FOIA and the information will therefore not be released.

The Commission relies on the willingness of operators to freely provide information without the recourse to formal action in order to effectively investigate regulatory issues. Should we disclose information generated through such cases, it is likely to discourage other operators from engaging in a frank and open manner, as detailed in the ICO decision referred to below and explained in the attached document. It may also impact on the conduct of future investigations as it would demonstrate the approach the Commission takes in such investigations, allowing operators who are non-compliant with the requirements to conceal relevant information.

With regards to the investigation and the information this generated, the Commission has processed a number of requests under the Freedom of Information Act 2000 (FOIA) for this information. Whilst the investigation was active, and subsequently, the decision was made

to withhold this information from release. A number of requestors asked for an internal review of this decision, at which stage letters from the Group Auditor and assurances from Canbet's legal advisor were released on 21 March 2014. These documents, and the response to the internal review, can be found here:

https://www.whatdotheyknow.com/request/correspondence_between_the_gc_an#outgoing-343272

Following the internal review, a requestor appealed to the Information Commissioner's Office (ICO) to have the decision to withhold the remaining information reviewed. The ICO is responsible for ensuring compliance with the FOIA and can require public authorities to release information where they find that information has been incorrectly withheld.

The ICO found that that the public interest in withholding the information outweighed the public interest in disclosing it and did not require any further action. Their decision of 29 May 2014 is available here: https://ico.org.uk/media/action-weve-taken/decision-notice/2014/994670/fs_50536320.pdf

Review of the decision

If you are unhappy with the service you have received in relation to your Freedom of Information request and wish to make a complaint or request a review of our decision, you should write to FOI Team, Gambling Commission, 4th floor, Victoria Square House, Victoria Square, Birmingham, B2 4BP.

If you are not content with the outcome of your complaint, you may apply directly to the Information Commissioner (ICO) for a decision. Generally, the ICO cannot make a decision unless you have exhausted the complaints procedure provided by the Gambling Commission. The ICO can be contacted at: The Information Commissioners' Office, Wycliffe House, Water Lane, Wilmslow, Cheshire SK9 5AF.

Request

I wish to make an application for information concerning Canbet Sportsbook which I believe you became involved with in September 2013. I did receive an email from you containing the paragraph "The Commission has made enquiries with Canbet and have received assurances from both Canbet and their legal adviser that the company is working to rectify the problems and will process customer payments as soon as possible. We have also received assurances from the company's auditors that the company has sufficient assets to cover its gambling liabilities."

As we are now 18 months on from that email, and it is estimated that £1,500,000 has been misplaced/lost/stolen, I feel the Gambling Commission has had plenty of time to have concluded their findings and action(s) to be taken.