

## Licence conditions and codes of practice February 2019

### Summary of key changes

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#### 1 Introduction

- 1.1 This summarises the key changes to the revised Licence conditions and codes of practice (LCCP) which comes into effect on **07 May 2019**.
- 1.2 This version of LCCP includes changes relating to the verification of the age and identity of remote gambling customers, which we consulted on in the autumn of 2018.

#### 2 Background

- 2.1 The Commission publishes the general licence conditions and codes of practice which apply to licensed gambling operators in *Licence conditions and codes of practice* (LCCP), which is revised from time to time. We publish the current version of LCCP on our website and notify operators of any upcoming changes.
- 2.2 In 2018 we [consulted](#) on changes to LCCP to strengthen the requirements for remote gambling operators to verify the age and identity of their customers. These changes to LCCP apply to all remote operators providing facilities for betting and gaming, and a small number of remote lotteries.
- 2.3 We recommend that you read the [response](#) to the consultation and refer to it when considering the intention and effect of the amendments to LCCP. The tables below provide an overview and brief explanation of the main changes. They are not intended to be exhaustive, so please refer to LCCP or the response document if you have a specific query.
- 2.4 The tables at the end of this document show the amendments to:
  - licence conditions in **orange shading**
  - social responsibility code provisions in **blue shading**. These are requirements which operators must follow.

## 3 Overview of changes

### Age verification – overview

- 3.1** Since 2006 remote operators have been allowed 72 hours to verify the age of a new customer. We will remove this provision from LCCP to reduce the risks of underage gambling and to take account of improvements in age verification methods since this time. Operators will also be required to verify the age of customers before they can access free-to-play versions of gambling games, to reduce the risk of children being exposed to products designed to encourage people to gamble.
- 3.2** We will therefore make changes to our social responsibility code provisions to give effect to these changes. We will require remote operators to verify the age of any customer before the customer can:
- deposit funds into an account
  - access any free-to-play games the licensee may make available, or
  - gamble with the licensee with either their own money or a free bet or bonus.

### Identity verification - overview

- 3.3** We will introduce stronger requirements for remote operators to verify the identity of their customers before the customer is able to gamble with them. This is to reduce the various risks of regulatory failure that can arise due to operators not knowing enough about their customers at an early enough stage in their relationship with them. The changes are also intended to prevent unfair practices among operators whereby customers' requests to withdraw funds from their accounts are delayed until they supply the operator with identify information.
- 3.4** We will introduce a new licence condition that requires operators to verify the identity of their customers before allowing them to gamble. This will require them to verify, as a minimum, the customer's name, address and date of birth.
- 3.5** The condition also aims to prevent operators from requesting any additional information from the customer only at the point that they ask to withdraw funds from their account, where that information could reasonably have been requested earlier. The expected outcome of the condition is therefore that operators ask for any additional information promptly as part of their ongoing monitoring of a customer relationship.
- 3.6** Operators will also need to be transparent with their prospective customers about what types of identity documents or other information they may need the customer to provide, the circumstances in which such information might be required, and the form and manner in which such information should be provided.
- 3.7** The condition will require operators to take reasonable steps to ensure that the information they hold on a customer's identity remains accurate.

## 4 Implementation dates and future LCCP changes

- 4.1** This version of LCCP will come into force on **07 May 2019** for remote operators. We will provide updated sector extracts of LCCP on our website closer to this implementation date.
- 4.2** LCCP is not a static document and will be updated over time to reflect best practice and emerging research. We will continue to review LCCP and make changes in line with our three-year strategy [Fairer and safer gambling](#).

**Table 1: Summary of key changes to licence conditions in LCCP (coming into effect 07 May 2019)**

| Topic                                 | Licence condition (LC) number | Change        | Summary of change please refer to LCCP for the full provision   | Comments (if relevant)<br>Includes a summary of the operators to which the provisions apply – consult LCCP for the full explanation   |
|---------------------------------------|-------------------------------|---------------|---|---|
| <b>Customer identity verification</b> | <b>LC 17</b>                  | New condition | <p>This new licence condition will require remote operators to:</p> <ul style="list-style-type: none"> <li>• verify, as a minimum, the name, address and date of birth of a customer in order to establish their identity, and before permitting them to gamble.</li> <li>• not prevent a customer withdrawing funds from their account due to a requirement for additional information, if the licensee could reasonably have requested that information from the customer earlier</li> <li>• inform customers what types of identity documents or other information the operator may need, in what form it must be supplied to them and under what circumstances</li> <li>• take reasonable steps to ensure that the information they hold on a customer’s identity remains accurate</li> </ul> | <p>All remote licences except any lottery licence the holder of which only provides facilities for participation in low frequency<sup>1</sup> or subscription lotteries.</p> <p>Excludes gaming machine technical, gambling software, host, ancillary remote casino, and ancillary remote bingo</p> |

<sup>1</sup> Low frequency” defined in LCCP as 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.

## Amendments to code provisions

LCCP contains two types of code provision:

- social responsibility code provisions: compliance with these is a condition of licences
- ordinary code provisions: these do not have the status of operator licence conditions but set out good practice. Operators may adopt alternative approaches to those set out in ordinary code provisions if they have actively taken account of the ordinary code provision and can demonstrate that an alternative approach is reasonable in the operator's particular circumstances; or that to take an alternative approach would be acting in a similarly effective manner.

**Table 2: Summary of changes to code provisions in LCCP (coming into effect 07 May 2019)**

| Topic   | Code provision number<br>OC = ordinary code provision. no shading | Change            | Summary of change<br>please refer to LCCP for the full provision   | Comments<br>Includes a <b>summary</b> of the operators to which the provisions apply – consult LCCP for the full explanation                                 |
|---|---|-------------------|--|--|
| <b>Access to gambling by children and young persons (remote)</b>    | <b>SR 3.2.11</b>  | Amended provision | Requirement to verify the age of any customer before they can deposit money or gamble, and before they can access any free-to-play games the licensee may make available on its website.     | All remote licences except lottery licences, gaming machine technical, gambling software, host, ancillary remote casino, and ancillary remote bingo licences |
| <b>Access to gambling by children and young persons (lotteries)</b> | <b>SR 3.2.13</b>  | Amended provision | Requirement to verify the age of any customer before they can deposit money or gamble, and before they can access any free-to-play lotteries the licensee may make available on its website. | Applies to all remote lottery licences except subscription lotteries and low frequency lotteries (as defined on the previous page).                          |

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