


Report from the Chief Executive

For Board approval	
For Board briefing	
For Board steer	
For Board information	

Prepared by: Jenny Williams
Chief Executive

Date: 14 May 2014

Introduction

1. This paper summarises the main activities in the Commission since my last report which was circulated to you by correspondence in April. .
2. The main preoccupations externally have been the prime minister's gambling review and the preparations for implementation of the remote licensing bill, now enacted. Internally we have been dealing with the arrival of a significant number of new staff, recruiting others and managing with a number of vacancies in key positions including the resignation of the head of HR after a period of sick leave.
3. The arrival of a new Secretary of State introduces a new element of uncertainty to departmental policy making which already lacks much experience in our field.

Key meetings/events

4. The following key meetings took place:
 - Philip was invited to speak at the Society of Study for Gambling AGM in London. I also attended along with Rachel Lampard, Rebekah Eden and Ruth Callaghan
 - I accepted an invitation to moderate two panels at the Discovery Conference in Toronto – they were titled “Social Gaming briefing” and “Social Gaming: Time for Government Regulation?”
 - Philip took the opportunity to visit Paddy Power Head Office whilst in Dublin and was hosted by Peter O'Donovan, MD of Paddy Power Online. Philip met other staff and went through the mechanics of the risk and trading area
 - Philip attended a recent Public Chairs Forum and took part on a panel discussing the relationships between Chair and Chief Executives
 - Various meetings with Camelot; on top of the regular meetings, Sarah Gardner, Ben Haden, Graham Sharp and myself met with Camelot on National Lottery economics and Ben and I also had a discussion with them about principles underpinning promotional activity.
 - Commissioners participated in a range of policy discussions on 9 May.

Licensing (operator and personal)

5. 90% of remote operators are now signed up for eServices.
6. **[Exempt Information under section 43 of the Freedom of Information Act]**
7. **[Exempt Information under section 43 of the Freedom of Information Act]**

Forward look compliance

8. Following recent recruitment activity, a newly designed induction programme is now being worked through by the new recruits and, whilst most are based in Birmingham, we have also appointed one Compliance Manager based in the central belt of Scotland.

High Impact Operator (HIO) Workstream

9. Desktop assessments of HIOs is on track and due to finish in early June so that decisions on any follow-up activity can be taken across the population of HIOs.
10. Programme director Evidence and Analysis is continuing to meet members of the Executive and Board (as appropriate) with a view to establishing a set of key metrics on HIOs.

Anti Money Laundering (AML) Workstream

11. A second paper has been prepared setting out how the AML workstream will deliver against the revised approach agreed by the Commission Board in March (Influence & Learn, Apply, and Assure).
12. An Assessment of Money Laundering (ML) Risks in the Gambling Industry has been finalised and provided to HM Treasury who are currently developing a National ML Risk Assessment.
13. A draft of the revised Proceeds of Crime Advice to operators has been circulated to the industry for comment prior to publication at the end of May.

Betting Integrity

14. The draft Council of Europe Convention on combating 'match fixing' is expected to be presented for agreement by Member States in September 2014. Preliminary meetings with DCMS as to the possible cross departmental policy implications and delivery mechanisms are being held with a view to bring the matter before the Board in June/July.
15. A meeting has been held with Crimestoppers and Association of Chief Police Officers (ACPO) to draw up proposals for how the telephone reporting of Betting Integrity and gambling related criminality through Crimestoppers could be filtered to the Commission. Anticipated cost to the Commission is expected to be less than £5,000 p.a. Further engagement with Crimestoppers as to the Commission's access to Crimestoppers confidential online reporting facility is in hand and a final proposal is expected in July.
16. **[Exempt Information under section 31 of the Freedom of Information Act]**
17. Arrangements for a national workshop event focusing on developing the capability of sport governing bodies to identify and respond to sports betting integrity issues ('Fixing the Risk: Protecting Sports Integrity in the UK') are well underway. The British Horseracing Authority (BHA) and World Professional Billiards and Snooker Association (WPBSA) have agreed to run workshops and a good cross sections of representatives from sport, betting operators, and the police and NCA have reserved places.
18. Sign-off of a new Commission/Police/NCA/sports case management process has been delayed until late June. Meetings have been held with the Crown Prosecution Service (CPS) with a view to establishing a clear national senior lead for Betting Integrity cases and a mechanism to improve regional CPS awareness and liaison.
19. Nick Tofiluk has been appointed Chair of the new Betting Integrity Network of Regulators, founded through the Council of Europe (Sport) as a result of work relating to the development of a Convention. The inaugural meeting will take place in Birmingham in July, and the Commission and Council of Europe (sport) secretariat are working together to deliver this. Understanding how the illegal Asian betting markets can affect

the markets in UK and Europe is important to developing our capability. Professor David Forrest will be delivering a presentation and question and answer on 5 June to staff at the Commission. The theme 'Understanding the impacts of Asian and Indian betting markets on the UK'. Board members wishing to attend are welcome.

20. Arrangements in place for Sports Betting Intelligence Unit (SBIU) to support the International Rugby Board (IRB) in the upcoming Rugby Sevens events (Glasgow and London in May). This will act as a test run for the 2015 World Cup. The Commission has been asked to contribute to the newly established UEFA Working Group to combat match fixing and Nick Tofiluk attended the inaugural meeting in Switzerland in May. Whilst there he spoke with the IOC integrity manager as to developing their strategy/intelligence capability.
21. The Home Office (HO) is coordinating the development of a national Anti-Corruption Plan (in response to a Cabinet Office initiative 'Open Government', 2013). DCMS officials and Nick Tofiluk met with the HO lead and are informed that the Betting Integrity plan will be included. The plan we believe is to be subject of a cross ministerial steering group. The details are yet to be confirmed.
22. The Commission has been invited to sit as a member of a cross agency steering group (Operation Borne) comprising SFO, FCA, NCA, ACPO, Police Scotland, HMRC established under the UK Serious and Organised Crime Strategy (2013). Sport /match fixing/betting integrity is being considered as a potential national priority. Nick Tofiluk made a preliminary presentation at the meeting in April and is to give a more comprehensive assessment at the next meeting (September). As a result bilateral meetings to identify shared priorities are being arranged ahead of the next formal meeting.
23. Nick Tofiluk is a panellist at conference at Sorbonne University at which a study on match fixing will be presented. The study is result of collaboration between ICSS / UNESCO/ Council of Europe.

National Lottery

24. Following a recent stocktake of the way the National Lottery Committee arrangements are working, it was suggested that it would be helpful for Commissioners who are not members of that Committee to have sight of the regular report which it receives from Ben Haden. The report contains an overview of the current issues being handled within National Lottery workstreams. As such, I have attached at Annex C a copy of Ben's most recent report which was discussed at the Committee's meeting on 14 May. Subject to feedback on its usefulness, I shall continue to provide a copy of this alongside my report in future.

LCCP responses

25. We have now published all of the responses (in three parts) to the series of LCCP consultations conducted between September 2013 and April 2014. A consolidated LCCP has also been published, and will mainly come into force early August (this is not reliant on implementation of the Bill). One element relating to the display of licensed status by remote operators will come into force at the date of implementation of the Bill, and the new requirement to use gambling software supplied (and installed etc) by a licensed operator will come into force in January 2015. Sector-specific extracts of LCCP will now be produced and existing operators will receive a copy of the extract which

applies to them in writing. The new consolidated LCCP new sector-specific extracts of LCCP will be made available on our website, alongside the versions which remain in place until August.

LCCP Social Responsibility Review

26. We have made public further information about the current review, led by Rachel Lampard, to strengthen the social responsibility and player protection/harm minimisation elements of LCCP, and our Guidance to Local Authorities.
27. The review takes into account the Secretary of State's call for aspects of the Association of British Bookmaker's betting code to be mandated, our work with the Advertising Standards Authority on the marketing and advertising of free bets and bonuses and the need for significant progress in establishing national self-exclusion schemes for both remote and non-remote gamblers.
28. We will also be consulting on aspects of the regulation of bingo. This is in response to recent interest in the provision of bingo outside of the environment with which it is normally associated, recent technical developments related to the offer of electronic bingo and the identified risk that bingo will be offered under the auspices of a bingo premises licence despite the fact that bingo is unlikely to be the primary activity in those premises.

Shared regulation

29. A presentation on betting shops was given at the Scottish Government Summit and covered headline concerns including proliferation of betting shops and LA powers and options. The presentation was well received and attendance at the event afforded us to have useful discussions with LAs in the margins. Colleagues also attended (as observers) the first meeting of the LGA Betting Commission. The Commission has been launched to address concerns related to high street betting shop clustering and harm caused by FOBTs. Consideration is also given to the options for voluntary agreements between councils and industry all the way through to legislative change. The event was attended by representatives from DCLG, big operators and DCMS.
30. Following a request from DCMS, all the statutory forms for licensing authorities are now on the [Commission's website](#).
31. We produced a desktop guide on dealing with poker in pubs.

Marketing and advertising

32. The four strands of the Government's advertising review were formally set out in the 'Gambling Protections and Controls' paper, which was published on 30 April.
33. Our contribution to the review, which focuses on the marketing of free bets and bonus offers, will be incorporated within the broader social responsibility review of LCCP and will include pre-consultation with key stakeholders in early June.
34. Shahriar Coupal, Director of CAP and BCAP, wrote to me on 29 April inviting the Commission to recommend key pieces of research and/or data which ought to be included within the scope of their review of evidence underpinning the gambling advertising rules in the UK Advertising Codes. Colleagues are currently working up our response which we hope to submit by shortly.

35. On 7 May Jeanette Pugh provided an update on the work of the marketing and advertising workstream to members of the Community Liaison Group (CLG).

Underage gambling

36. Our test purchasing work with local authorities recommenced during Easter with Hastings and Brighton local authorities. The handful of results from these authorities show, disappointingly, that the weaknesses identified in the 2013 exercise continue to be demonstrated, with smaller AGCs and betting premises failing to challenge testers. The authorities are warning the operators concerned and will consider regulatory action such as premises licence review if re-tests show similar concerns. Our LCCP and GLA revisions this summer will look to guide local authorities as to the tools available to them in relation to the identification of underage gambling weaknesses.

Complaints and disputes

37. We attended a meeting of regulators on 13 May held by BIS to discuss the potential allocation of the role(s) of competent authority under the ADR Directive to be implemented in 2015. The Commission is also planning to respond to the current BIS consultation on the implementation of the Directive, for which responses are due on 2 June. We are also meeting IBAS to discuss implementation of the Gambling (Advertising and Licensing) Bill, implementation of revised LCCP provisions on complaints and disputes and implementation of the ADR Directive.

Remote review implementation

38. We continue to work closely with DCMS on the next steps in the process following Royal Assent, with the current earliest projected date for implementation being 1 September. Getting the transitional SI agreed in a way that enables us to get the new arrangements in place as soon as possible in as unbureaucratic way as possible, has occupied a lot of senior and legal time. Work to develop the details of remote enforcement processes continue.

39. **[Exempt Information under section 31 of the Freedom of Information Act]**

Evidence and Analysis workstreams

Research, including support to the Responsible Gambling Strategy Board (RGSB)

40. We have selected the bidder for compendium reports 2, 3 and 4. Headline report 1a was published on 29th April. Rachel Volberg and David Forrest have agreed to peer review report 1b - An in-depth report on the combined results of the HSE and SHoS. This report will be published in late June / early July
41. We are going out to tender for a new supplier for the quarterly participation survey. We are aiming to have a new provider in place for the September 2014 wave. We have decided to run the mini screen for another year to assess its validity against the health surveys. On the latter we are in the process of securing a gambling module in the English survey producing results in 2016.
42. Millennium Cohort Study team have confirmed that gambling questions (including problem gambling screen) will feature in their summer 'dress rehearsal'. Final questionnaire content to be confirmed in the autumn.

43. The RET Chairs' meeting took place on 29 April at which relationships between the three bodies was discussed. This was reflected in the subsequent discussions with Commissioners and Sir Christopher Kelly on 9 May.
44. The Trust has shared drafts of the Harm minimisation report; early outputs from machines research and draft Commissioning Plan for 2014-15.

Industry statistics

45. This process will be completed during early May when the final data-cut will be run and the process of starting the latest publication build will begin in earnest.
46. During April we contacted operators to address errors in regulatory returns submissions, with around 300 potentially suspicious data points having been identified which will now be verified.

Social Gaming

47. We continue to work with the social gaming industry to encourage sharing of data. We held particularly productive discussions with a leading operator and we expect to receive useful data in the next few weeks.
48. As I mention above, I moderated panel discussion on social gaming at the Discovery conference in Toronto.
49. A first draft of a market profile for social gaming is nearly complete.

Transparency, including legislative compliance (FOI, DPA, official statistics)

50. We currently have two appeals on FOI requests with the Information Commissioners Office. We have submitted our representations and are awaiting a decision.

Finance and Business Planning

51. The financial accounting year end process is now complete, and KPMG are currently on-site auditing the annual report and accounts for the Commission, including segmental analysis of gambling regulation and National Lottery regulation.
52. A first draft of the annual report and accounts has been prepared and is included as an item for consideration.

Support Services workstreams

ICT

53. Communications lines from VSH to our new business continuity management site have been ordered and the current site has been cleared of all non ICT equipment.
54. Communications lines have been ordered to permanently connect our office at Camelot's Watford site to the Commission's network.

Business continuity and information security

55. BSI conducted their six-monthly assessment for maintaining our ISO:27001 accreditation. There were no nonconformities identified and the auditor made a number of useful observations for developing our Information Security Management System.

HR workstreams

56. All workstreams relating to HR work are behind schedule and will require further planning in light of serious resourcing issues arising from the illness and subsequent resignation of the senior HR professional. A HR manager has been recruited on a fixed term basis to assist with the workload in the short to medium term.
57. The statutory training modules on learning pool have been completed by 71% of staff and another 23% have the training in progress.
58. We have appointed three graduate interns.
59. The management of casework (covering disciplinary, absence management and performance management issues) continues.
60. Recruitment activity continues. Two apprentices and 18 new starters commenced in April. In May we have a further senior officer starting and we are recruiting for a senior officer Intelligence and an Insight Manager.

Annex A – communications

Stakeholder engagement

Media and wider stakeholder interest

61. There was national coverage of the government's publication titled 'Gambling Protections and Controls'. The headline coverage of most publications focused on the requirement of FOBT customers who want to bet over £50 in a single play needing to use an account or pay over the counter before they can begin to gamble, meaning they have to interact with staff; along with the announcement that the government is to hand local councils the power to veto the opening of new betting shops – something that was also picked up by local press.
62. There was wide coverage given to the announcement that Diane Thompson was retiring and that Camelot will split into two separate entities to maximise growth. Andy Duncan is to become chief executive of Camelot's National Lottery business. As well as crediting Ms Thompson with the 35% growth in sales, most reports also mentioned her success in two licence bids and some £21 billion raised for good causes during her tenure.
63. A total of 22 media calls were handled, with 27% concerning betting and 23% about remote queries.
64. The Commission was mentioned in the media 60 times.
 - Positive coverage included:
 - A man being convicted of operating illegal gambling in a St Helens pub. This followed an operation involving the council, police, HMRC and the Commission.
 - The Commission's Local Authority Liaison Unit and Westminster City Training providing sessions to local councils on how to identify and manage the siting of illegal gaming machines.
 - Enfield Council becoming the first local authority in the UK to successfully prosecute someone for money laundering in relation to the running of an illegal poker den. This followed a raid on the Big Bluff club by the Council, supported by the police and Commission.
 - Retail press reporting National Lottery sales had bounced back from last year's slump following the Lotto ticket price rise to £2. Analysis showed revenue was up 21% since the increase.
 - Neutral coverage included:
 - The Sun reported the Commission were investigating BetButler following complaints from customers who had not been paid winnings.
 - Further coverage in the regional press concerning the amount spent on B2 machines locally. This follows the release of figures by the Campaign for Fairer Gambling in March.

- Negative coverage included
 - The publication 'Racing Ahead' (consumer magazine focused on horseracing, readership around 20,000) which criticised the Commission's handling of the Canbet situation. It said the Australian firm choose to register with the Commission because they knew it was a "soft touch".
 - A computer glitch which caused the National Lottery website to crash 20 minutes before the 7.30pm cut-off point for a Friday draw because of high demand. Reports said thousands of lottery players were left disappointed.

Publications

Gambling participation: activities and mode of access - April 2014

Also two e-bulletins and one licensing authority bulletin were published.

An update to our Frequently Asked Questions on the implementation of the Gambling (licensing and advertising) Bill.

81 documents relating to FOI requests submitted to the Commission in January, February, March and April. Publication of all requests is part of a wider transparency agenda.

51 statutory notices and application forms for licensing authorities. These are no longer available on the DCMS website and it is a statutory requirement that applicants use the correct forms to give proper notice of applications, variations etc to all responsible authorities.

- Press Releases

Gambling behaviour in England and Scotland

Review of the licence conditions and codes and associated technical standards relating to responsible gambling provision

First money laundering prosecution for illegal poker den

Gaming machine training workshops

Revocation of operating licence - Bodugi Limited

Commission briefs London boroughs on gambling issues

65. There were 14 written parliamentary questions of direct relevance answered by DCMS:

To ask the Secretary of State for Culture, Media and Sport how many betting shops have had their licences revoked in each year since 2005; and what the reasons were in each such case.

The law governing betting shop licensing changed with effect from 1 September 2007. Operating licences are issued and revoked by the Gambling Commission and the table shows revocations of operating licences since the law changed in 2007. Licensed betting offices also require a premises licence; these are issued and revoked by local licensing authorities however central

figures on the number of premises licence revocations each year are not collated. This is therefore an incomplete picture of total revocations. (Table can be obtained from Corporate Affairs).

To ask the Secretary of State for Culture, Media and Sport (1) if she will define primary gambling activity criteria to identify the extent to which betting shops rely on non-betting activities.

(2) what action the Gambling Commission takes with licensed operators where provision of betting facilities appears non-compliant with primary gambling activity measures.

(3) how long betting shops are given by the Gambling Commission to comply with the requirements surrounding their primary gambling activity.

The Gambling Commission has produced detailed advice regarding primary gambling activity in their Licence Conditions and Codes of Practice and related advice and works with local authorities to ensure these requirements are complied with. This work includes direct interaction with licensed operators in cases where the provision of betting facilities has appeared to be non-compliant. The approach taken varies based on the circumstances of each case and there is no standard timetable; however a formal operating licence review has formed part of this approach on 18 occasions.

To ask the Secretary of State for Culture, Media and Sport what proportion of national lottery grants have been provided to good causes in Scotland in each year since 2010

From information provided to DCMS by the national lottery distributing bodies, the value of grants given in Scotland as a proportion of all grants where a recipient location is specified is shown in the following table.

2010 9.5%

2011 10.1%

2012 11.8%

2013 9.8%

To ask the Secretary of State for Culture, Media and Sport (1) what recent discussions he has had with the Gambling Commission on the independence of the research programme of the Responsible Gambling Trust;

(2) what discussions he has had with the Responsible Gambling Trust on funding for research into fixed odds betting terminals.

The Government holds regular discussions with the Gambling Commission and the Responsible Gambling Trust (which is an independent charity) on a range of matters, including the independence of the Responsible Gambling Trust's research programme. At present, the Government is satisfied of the integrity of the research programme, all aspects of which will be vigorously peer-reviewed and transparent to the Responsible Gambling Strategy Board, the Gambling Commission and Government. Following Government-led discussions, the Responsible Gambling Trust has increased the available budget for commissioning independent research into fixed odds betting terminals by 50% to £750,000.

To ask the Secretary of State for Culture, Media and Sport what representations he has received from the charity sector about the effect of gambling addiction; and if he will make a statement.

I meet with a number of stakeholders to discuss their concerns. These stakeholders include problem gambling charities, faith groups and the

Gambling Commission. The Government also received a number of representations from the charity sector to its 2013 consultation on the Triennial Review of Gaming Machine Stake and Prize Limits.

To ask the Secretary of State for Culture, Media and Sport which research studies used by his Department in formulating policy on fixed odds betting terminals (a) have and (b) have not received industry funding or support; and if he will make a statement.

The Government considers a wide range of available research when formulating gambling policy. The Government is mindful of the provenance of research, and its funding source, when interpreting findings.

To ask the Secretary of State for Culture, Media and Sport if his Department will take steps to encourage Betfair to recommence making payments to the voluntary British Greyhound Racing Fund

The Government would like to see greyhound racing remain a successful sport and encourages the greyhound and betting industries to continue to work constructively together, not least because they have a mutual interest in promoting effective welfare and integrity measures. However, the Government will not intervene in voluntary funding arrangements which are a matter for the Greyhound industry and its funders.

To ask the Secretary of State for Culture, Media and Sport if he will make it a condition of the award of a licence for a lottery that financial details of people playing that lottery should not be sold to third parties.

Any person or organisation handling personal information about individuals (including financial details) has a number of legal obligations to protect that information under the Data Protection Act 1998. These obligations are amplified in the current National Lottery licence (Section 22 on data protection), which runs until 2023. In addition, Camelot states in its privacy policy 'The Company will not sell your personal information to third parties.' As far as other lotteries are concerned, the requirements of the Data Protection Act 1998 apply as usual, but there are no specific licence conditions-and there are no plans to introduce any.

- **Websites**

During April the website had 37,786 unique visits, which represents an 7.7% increase on the same period last year (35,094 visits, April 2013). On average, visitors spent 3mins 11secs on the site and looked at three pages per visit. Feedback from Govmetrics showed 48% of visitors gave positive feedback on the pages they commented on, 16% gave neutral feedback and 35% were unhappy. (It should be noted that people are much more likely to comment if they are unhappy and a quarter of the 'unhappy' ratings were abusive or nonsensical comments about the Commission/gambling in general, not specifically about the website)

Positive comments included:

Web page	Feedback (SIC)
Regulatory action	I found what I needed straight away
Circumstances in which you do not need a lottery operating licence	Clearly set out even though I had to telephone for some extra clarification, very useful website.

Newsletter	Clear and simple! Especially for mobile devices
------------	---

- **Social media reputation**

Of the 592 mentions of Gambling Commission in April, 24% were positive (showed us in a good light or reinforced our messages), 3% were negative and 73% were neutral.

In March there were 480 mentions of Gambling Commission - 33% were positive, 4% were negative and 63% were neutral.

This positive sentiment (24%) in April can be attributed to the following:

- Publication of the combined health survey
- Crackdown on illegal poker dens
- Training workshops about siting of illegal gaming machines
- Revocation of Bodugi licence
- Philip Graf's speech 'The first decade of UK gaming regulation and beyond: Key lessons and perspectives'
- Publication of changes in LCCP

The negative sentiment (3%) for the same period can be attributed to the following:

- A problem gambling organisation's questioning of the Commission's independence
- Punters annoyed at the fact the Commission can't help ensure they are paid out
- Suggestions that the Commission 'allowed' Bet Butler to take on Bodugi's accounts
- Operators who do not like paying a licence fee to the Commission and questioning the Commission's knowledge of gambling

In April, 188 visits to our website came from Twitter, representing a 327% increase on the same period last year. Between 1 - 30 April we increased our follower numbers from 717 to 815 – an increase of 14%.

In April, 39 visits to the Commission website came from LinkedIn, representing a 388% increase on the same period last year. Between 1 - 30 April we increased our company page followers from 812 to 861 – a rise of 6%. We continue to work on our LinkedIn groups - 'The Gambling Commission, licensing officers and licensing authorities' and 'Keeping Money Laundering out of Casinos'.

Annex B Complex Cases

Operation Havana (Agorabet)

This is a criminal appeal against conviction and sentence for operating without an operating licence. The original conviction was secured in March 2012 and there have been several interlocutory hearings regarding Mr Mann's appeal since then. The substantive appeal is listed for 12 - 23 May 2014.

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

Canbet

The Commission has started a licence review due to concerns about the operators financial and other circumstances and the fact that the director of the company is no longer responding to the Commission's enquiries. As a direct result of this none cooperation, the Commission commenced a licence review on 14 April. The director is currently considering voluntary administration. The Director has surrendered the operating licence and the Commission has prepared a letter, which is being approved, to accept the surrender without continuing to a hearing of fact; there is a press release being agreed with the operator to outline what the likely outcome of any hearing would have been.

Update: A letter drafted by Neil agreeing to the surrender of the licence but containing a finding of fact, was sent out to Peter Lord's personal email address on Wednesday 7 May 2014 by me. It has also been posted to the company's registered office in London via Legal. Peter Lord has until 5pm (UK time) on Monday 12 May 2014 to make any representations before the Commission releases the Public Statement contained in the letter. A copy of the letter is attached for your information. In addition, all the investigation documentation for Canbet has now been placed on the case file via a link from the attachments tab to the case file on the M drive.

Bodugi

The Commission had received numerous complaints, dating back to December 2013, from customers who were concerned about the non-payment of funds held in their accounts. We commenced a licence review and suspended Bodugi's operating licence on 21 February. The licence was revoked on 4 April on the grounds that: the licensee was unsuitable to carry out its licensed activities in a manner which is consistent with the licensing objectives; the licensee has failed to cooperate with this

review; and, one or more conditions of the licence have been breached. The period during which an appeal could be brought 5 April to 3 May has now passed and no appeal has been notified to the Commission.

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]

[Exempt Information under section 31 of the Freedom of Information Act]