

Remote gambling and software technical standards

Consultation response

June 2017

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1 Introduction

- 1.1 In October 2016, the Gambling Commission (the Commission) published its consultation on the [Remote gambling and software technical standards](#) (RTS). The RTS has, prior to this consultation, remained relatively unchanged since it was first published in 2007¹.
- 1.2 The consultation provided an opportunity to ensure the RTS reflects and accommodates changes to the remote gambling environment. The last few years have seen a significant growth in online gambling, innovation and the increased availability and take-up of new channels through which consumers can take part in gambling (eg mobile devices). In parallel to these developments, the implementation of the Gambling (Licensing and Advertising) Act in 2014 expanded our regulatory remit.² We consulted on a number of proposals which sought to:
- Ensure gambling is conducted in a fair and open way
 - Ensure consumers are provided with clear guidance on gambling products and responsible gambling tools
 - Deliver an effective and proportionate legal framework
 - Ensure the RTS is structured in a manner that is clear and accessible
 - Reflect the changes to the recently updated testing strategy, such as the live RTP monitoring requirement.
- 1.3 The consultation closed on 17 January 2017, and we would like to thank all the organisations and individuals who responded or took part in stakeholder meetings. There were a total of 36 responses to the consultation which included licensees, professional services firms, software suppliers and test houses. The breakdown of respondents by category can be seen in [section 23](#) of this document.
- 1.4 This document sets out the Commission's final position taking into consideration responses received. It does not purport to describe all of the responses in detail but sets out the key issues identified during the consultation period and explains the changes the Commission has made as a result. We have highlighted in *italics* actual statements that were used in the submission responses.
- 1.5 The updated RTS (with the changes outlined in this document) is due to be published in June 2017. A number of proposals will come into effect on 1 October 2017, three months from the date at which the updated RTS has been published. Those proposals that require further development work will come into force 1 April 2018 (nine months from the RTS publication date). We have also updated the RTS to reflect changes in the updated [testing strategy](#) and to formalise guidance previously provided on the Commission's blog. These updates and other 'interim' measures (eg display of Commission licensed status) will come into force with immediate effect. A summary of implementation dates for each proposal is provided in [section 22](#).

¹Changes have been made to the security elements in order to update them from ISO 27001:2005 to the 2013 standard. More recently changes were made to auto-play (RTS 8) and a new reality check (RTS 13) requirement was added as a result of the [Strengthening social responsibility](#) consultation that concluded in October 2014.

²From 1 November 2014, gambling in Britain is regulated at the point of consumption rather than the point of supply. This means that remote gambling operators who deliver their services to consumers located in Great Britain now require a licence from the Commission regardless of where their equipment is located.

2 General changes to format and layout

Consultation proposals

- 2.1** The previous RTS included information provision annexes (IPAs), which were less technical in nature and more concerned with how information should be displayed. In most cases an IPA was directly related to one of the technical requirements. For example, RTS 1 - **Customer account information** outlined the requirements for the display of customer account balances, and IPA 1 goes further and outlines how historical account and gambling transaction should be displayed. To simplify and reduce duplication, we proposed to merge the IPAs with their corresponding technical standards. New standards were created for those IPAs that did not fit easily into the technical standards (eg IPA 3 is now listed as RTS 15).
- 2.2** We intend to update the supporting testing strategy and other relevant guidance to incorporate any new standards and changes made to the numbering of existing requirements as a result of this consultation.

Consultation question

- 1. Do you agree with our proposal to merge IPAs with the technical standards?**

Respondents' views

- 2.3** All responses to this proposal were positive and the comments we received stated that merging the sections would make it easier to follow, provide clarity and reduce duplication.

The Commission's position – general changes to format and layout

We have merged the RTS and IPA requirements where applicable and introduced 'new' standards for IPAs that do not directly correlate to an existing requirement.

RTS summary table

We have also added a new table to the RTS which details, for ease of reference, all technical standards and their applicability to different gambling products. The table (Annex A) provides a high-level overview and should be considered in conjunction with the relevant sections of the RTS.

3 High frequency lotteries

- 3.1** During the consultation we were asked to clarify whether the updated RTS would apply to holders of an ancillary lotteries licence.³ We have updated the RTS to reflect that, in accordance with Licence condition 2.3.1 ancillary lottery licences are exempt from the technical standards and testing strategy requirements.
- 3.2** The technical standards adopt a risk based approach to lotteries – exempting from certain requirements those products where the customer's spend is often controlled through subscriptions (eg RTS 12) and highlighting requirements that apply to 'instant lotteries'. We have noted the emergence of high frequency lottery products that, like instant lotteries, enable consumers to participate in multiple draws in a relatively short space of time.

³ The ancillary remote licence is only suitable for holders of a non-remote society lottery operating licence who want to accept payments for participation in a lottery by remote means, up to a maximum of proceeds of £250,000 per annum. If you do not hold a non-remote society lottery operating licence and wish to take payments by remote means, you must hold a full remote licence. If you currently hold a non-remote and ancillary remote society lottery licence, but your proceeds are expected to exceed £250,000 per annum, a full remote society lottery operating licence will be required.

These products present similar risks to instant lotteries and will need to adhere to the relevant technical standards. For clarity, we have updated the definition of an instant win lottery and included a definition of high frequency lottery, as follows:

High Frequency Lottery: A lottery in which any draw takes place less than one hour after a draw in a previous lottery promoted on behalf of the same non-commercial society or local authority or as part of the same multiple lottery scheme.

Instant Lottery: A lottery in which every draw takes place either before, or at the point of, purchase of tickets by participants in the lottery.

4 Gambling and account history and net deposits – New requirements (RTS 1)

Consultation proposals

- 4.1 The RTS requires licensees to have provisions that enable consumers to review previous gambling and account transactions.⁴ The implementation guidance specified the information that should be provided to consumers, but did not prescribe that consumers be able to access historic transactions over a specific period of time (eg all transactions over the previous 12 months). The absence of more detailed minimum standards has resulted in differing approaches and the amount of information accessible to the consumer can vary between licensees. For example, some licensees have chosen not to provide the consumer with a running total of their transactions, requiring the consumer to complete their own calculations to determine the win/loss over a defined period. Consumers may also be required to navigate multiple screens and collate several pieces of information in order to understand their gambling history.
- 4.2 We were concerned that insufficient historical information, a lack of summarised totals and the need to use information from multiple separate screens or reports can prevent or deter consumers from accessing and using the required information that will enable them to monitor their gambling behaviour. We consider it important for there to be some level of consistency of information provided by different licensees, particularly given the tendency for consumers to hold accounts with multiple operators.⁵ In order to reduce inconsistency and improve the level of information which is available to consumers we proposed the following new requirements:
- a) **Account and gambling history must be made available for a minimum period of 12 months**
 - b) **Account and gambling history must provide easy to understand totals for the defined period ie win/loss amount**
 - c) **Account level information – all gambling product activity displayed on one report/screen.**
 - d) **Consumer must be able to access information about their net deposits (ie the running total of *all* deposits minus the sum of *all* withdrawals for the lifetime of the account)**

We proposed to set a future implementation date from which consumers would be able to review their net deposit. Licensees would therefore not be expected to incorporate spend that occurred prior to the implementation date. The net deposit total would commence *from the implementation date forward* as a rolling total for the lifetime of the account.

⁴ IPA 1 aim: to provide all consumers with facilities to review previous gambling and account transactions.

⁵ Participation in gambling and rates of problem gambling 2015, presentation slide 60:

<http://www.gamblingcommission.gov.uk/docs/Participation-in-gambling-and-rates-of-problem-gambling-2015.ppt>

- 4.3 We sought to provide sufficient time to implement the above requirements and invited views as to what would be considered reasonable.

Single wallet v multiple wallets

- 4.4 When the RTS was originally drafted some operators provided multiple wallets for different products (for example one wallet for betting and a separate wallet for poker). For this reason certain sections of the RTS refer to instances in which funds are *moved between products*. However, this practice has become less common as operators have increasingly moved to a single wallet system. We therefore sought feedback as to whether references to the movement of funds between products could be removed. To cater for any remaining instances we have retained the reference to the movement of funds between products as per implementation guidance 1B c).

Consultation question

2. **Do you agree with the proposed requirement that consumers are able to access account and gambling history for a minimum period of 12 months?**
3. **Do you agree with the proposed requirement that account history should display the total win/loss of a defined period?**
4. **Do you agree that the account history must provide a summary across all gambling products?**
5. **Do you agree with the proposed requirement that net deposit information is made available to consumers?**
6. **Do you agree with the proposal that the new net deposit display requirement commences from a defined start date (this is expected to be autumn 2017 – 3 months after the Commission has published its response document)?**
7. **We intend to give licensees sufficient time to implement these requirements and invite views as to what would constitute a reasonable time period.**

Respondents' views

- 4.5 Responses to requiring gambling history to be made available for a 12 month minimum period were mixed. Whilst the majority of respondents supported the idea of providing consistent information to players there were concerns with the additional resources that would be required to respond to the high number of consumer requests (especially for gaming products). Several respondents questioned whether the proposal was proportionate given the low level of requests operators currently receive for this information. Respondents also provided figures to illustrate that that few consumers remain active for a full 12 month period. It was considered more appropriate to allow for three months history available directly to a player with older history available upon request.⁶ One response questioned if such a requirement would be inconsistent with land based products. Conversely, several respondents noted that the 12 month period would be consistent with other jurisdictions.
- 4.6 Overall, the proposal to display a win/loss total received positive responses. Respondents agreed that the requirement would improve transparency and benefit consumers but asked that we provide sufficient time for development and implementation. Clarification was sought as to how bonuses or pending winnings should be treated.

⁶ A number of operators currently offer up to three months' worth of account data online.

One respondent expressed the view that to *proactively show how much customers have lost with us to date is not great for business*. One respondent queried whether it was appropriate to apply reporting standards to online products where none existed for terrestrial versions of the same game.

- 4.7** Whilst the proposal to offer an account level summary/report across all products drew positive responses, it was suggested that significant development work would be required to make information available in real time.⁷ Respondents reiterated the need to allow sufficient development time to accommodate instances in which transaction history is held across multiple wallets. Clarification was sought on the use of the term ‘product’ (taken to mean “vertical” such as sports book, casino etc) and also what information should be included in the proposed report.
- 4.8** Responses to the provision of a player’s net deposit were mixed. Those that agreed felt that the proposal would benefit consumers and align the RTS with similar requirements in other jurisdictions. Some respondents requested clarity on the term ‘net deposits’, suggesting withdrawals should also be taken into account. Several respondents claimed to already provide information on customer deposits and withdrawals, though one response suggested that this information was often accessible via the customer support team. As with other proposals in this section, it was suggested that implementation would be challenging in instances where consumers hold multiple wallets. Respondents also queried whether:
- we intended to mandate a player defined period
 - the proposal would meet Data Protection Act (DPA) requirements
 - it would be appropriate to display net deposits for the lifetime of an account.
- 4.9** Respondents were generally supportive of the proposal for the net deposit to be provided from a fixed date (in some cases highlighting the difficulties in retrieving historic data). Other respondents expressed a preference for licensees to display the total of all deposits (minus withdrawals) from the date of registration. It was suggested that displaying the figure from a future date could mislead players as to their level of spend.
- 4.10** The general consensus was that three months would not provide sufficient time to implement all the proposals in this section. Several respondents noted that implementation would be particularly difficult where gambling products are offered across multiple wallets. The implementation time period suggested by respondents ranged from six to 24 months.⁸ One respondent requested that the Commission take into account the impact the proposals could have on other planned development work.

⁷ The capacity for operators to provide 12 months of live data was discussed during the consultation workshops.

⁸ The longer implementation periods were based on the need to implement net deposits across multiple products and provision of 12 months of gambling history in real time, as discussed during the consultation workshops.

The Commission's position – gambling and account history

We consider it important that customers are able to access their gambling history for a minimum of 12 months. In addition to ensuring greater consistency for consumers, this time period aligns with consumer protection regulations which allow for disputes to be raised with the relevant ADR for up to one year. The Commission is however equally mindful of the concerns expressed and any increased burden on the industry. Our position final position is outlined below.

Minimum period for gambling and account history

We will require that consumers should have immediate access to three months history without having to contact the licensee, with a minimum of 12 months available upon request. The ability to request such information should be made clear to customers and the information should be provided as soon as is practicable.

This does not fundamentally change the current RTS requirements rather it just clarifies the minimum for which gambling and account history should be made available. The level of detail for historical account and gambling information specified in the existing RTS guidance remain unchanged ie account history will show deposits, withdrawals and bonuses applied; betting should include the results of each bet; and gaming should provide summary information (preferably broken down per gaming product) when it is not possible to provide the full information.

Account and gambling history must provide totals for the defined period

Account based play is intrinsic to remote gambling and affords unique opportunities to provide consumers with important information on their gambling activity (eg amount of time and level of spend).

The updated RTS will require licensees to calculate and display the win/loss total for the selected time period (as chosen by the consumer) on the same page.⁹ Where account history is displayed across multiple pages the win/loss total for the defined period must be provided somewhere on the first page/screen. The requirement will apply to those pages that display historic transactions on an individual, account and product level.

The manner in which win/loss total is displayed for open and settled bets will depend on the licensee's existing set up. It is not possible to specify all scenarios, nor would we wish to do so. Licensees should adhere to the principle that customers be able to easily access reports for a particular period that will allow them to see open and settled bets. For example, it would be reasonable for a consumer to have the option of accessing two different reports: the first showing the total position for all settled bets and the other the total position for all open bets (eg £x wagered £0 returned for a position of -£x (the sum of the pending bets)). Alternatively, where a licensee does not offer a filter for settled or open bets the total for the selected period could include all bets.¹⁰ Licensees are best placed to know their customers' needs, and we expect them to gather feedback on the type of information offered and the format in which it is displayed.

We expect licensees to make it clear whether funds staked on an individual bet/game constitute a bonus or a free bet (ie not real cash). The win/loss total should reflect the outcome of gambling transactions meaning it can include free bets or bonuses.

⁹ Win/loss totals will need to be provided for all existing historic data.

¹⁰ These options are provided for illustrative purposes and may not reflect approaches used by all licensees.

Product information to be made available in a single report

Concerns were raised about the levels of development required to introduce a single report detailing the win/loss *across all products*, particularly where gambling is offered across multiple wallets.

We consider the implementation of other requirements in this section to be sufficient in improving consumer access to information related to their gambling activity and spend. With this in mind we have decided not to proceed with the requirement to display win/loss across all products at this stage. This position may, nevertheless, be reviewed at a later date and we will encourage those licensees that are able to make such a report available to do so and for those who cannot to consider including it in future development work.

Net deposits

The requirement for licensees to make details of net deposit available to consumers has been incorporated into the updated RTS.

There were misunderstandings as to whether the term 'net deposit' included account withdrawals. The consultation document defined 'net deposits' as the running total of all deposits minus the sum of all withdrawals for the lifetime of the account. We consider use of the term 'net' (which has a consistent application across numerous industries) to be appropriate.

The net deposit figure should be easily accessible to consumers from the implementation date of 1 April 2018. The figure should, as a minimum, represent net deposits from the implementation date forward, however, for some it may be more practical or preferable to provide it for the lifetime of existing accounts. Licensees should ensure that whichever solution is implemented it is made clear to players what the figure relates to. The figure should be shown at the player account level as a single net figure taking into account all deposits and withdrawals made via any payment method. The figure is, effectively, a summary of customer deposits and withdrawals. Bonuses, free bets and transfers between wallets would be excluded from this figure as they are not deposits or withdrawals into or out of the gambling account.

We see no reason to be concerned that making this information available to consumers would breach data protection requirements.

The proposals outlined in this section will not apply to subscription lotteries (as is the case for existing RTS 1 requirements).

5 Restricted display device – amended requirement

Consultation proposals

- 5.1** The use of mobile devices such as smartphones and tablets has become more prevalent since the RTS was first published in 2007. In some cases consumers only ever use their mobile device to access remote gambling facilities, a trend that reinforces the need to ensure adequate information provision on restricted display devices. We proposed to update the definition of restricted display device to cater for evolving technological developments and remove references to personal digital assistants (PDAs).

- 5.2** We also sought views as to whether there are areas in which special dispensation on information should be produced. However, we expect that a player using a restricted device would still have the ability to use all required responsible gambling tools, such as financial limits or self-exclusion. We would not consider it acceptable to require a player to login via, for example, the desktop versions of the gambling facilities in order to access responsible gambling tools. Such an approach would create unreasonable barriers and may deter or prevent mobile users from utilising the available tools.
- 5.3** There may be devices, such as a smartwatch, where all required functionality is not available. However, we accept that such devices require a mandatory smartphone host in order to operate, so the player could simply use their linked phone for enhanced information. Respondents were invited to consider whether there are other areas in which dispensation information provision could be removed or added to the RTS.

Consultation question

- 8. Do you agree with the amended definition for *restricted display device*?**
- 9. Do you consider there to be areas in which special dispensation on information provision should be removed or added to the RTS?**

Respondents' views

- 5.4** The majority of respondents agreed that the definition of 'restricted display device' needed to be updated to *accommodate recent changes in technology*. The proposed revisions were considered to be sufficient and clear, though a number of respondents requested clarity on those devices deemed to be in scope (eg 'tablets' and 'wearable technology'). Clarification about 'tethered' devices was considered 'helpful' but the term 'limited space' *remains open to interpretation*. It was proposed that the Commission's website provide a list of those devices it deemed to be exempt from displaying SR tools/information. This solution would enable the Commission to update its list of in-scope items without the need to further amend the RTS.
- 5.5** One respondent accepted that some tablets are similar in size to desktop computers and could reasonably be excluded from the dispensation afforded to restricted display devices. At the same time, however, tablets tend to use similar software to mobile phones, which would make it difficult to implement changes based on device type/size alone.¹¹ On the other hand, it was proposed that our definition could be aligned with that of other jurisdictions, such as Italy, where a restricted display is defined as a *mobile phone or tablet with dimensions lower than 7 inches*. It was suggested that further consideration be given to the differences between mobile/desktop applications and web-based browsers. For the latter it was proposed that the RTS permit information to be displayed *below the fold* or *one click away*. One respondent proposed that the Commission specify how operators might overcome the limitations and constraints posed by restricted display devices. Some respondents suggested that with *devices continually evolving* the provision of specific examples could lead to a *complex and ultimately confusing set of rules*.
- 5.6** In relation to Question 9, it was suggested that special dispensation on information provision be added to the following areas:
- The requirement for the financial commitment of each gamble to be displayed on the screen (revised RTS 2A). For restricted display devices, where there is limited space to display information on the screen, it should be acceptable for the corresponding currency amount to be displayed where the consumer selects the token (coin) size, rather than on the screen where he/she places a bet.

¹¹ It was further suggested that consideration be given to the impact of changes made to operating systems eg IOS which can impact the delivery of RTS on mobile devices but is out of the control of licensees.

- The need to ensure consumers are able to easily access all information that may enable them to make an informed decision about their chance of winning (RTS 3C). A mobile game may not be able to provide all the necessary information about rules or detailed instructions, which would otherwise be easily available via a desktop portal.

5.7 Some respondents favoured a more ‘principle based approach’ in which licensees are afforded greater scope to determine whether dispensation should be applied for specific requirements. The Commission would set out its overall position on restricted display devices¹² and licensees would need to provide sufficient justification in those instances where the full RTS requirement has not been met. One respondent suggested that references to specific sections of the RTS could be replaced with a single requirement, worded as follows: *At a minimum, restricted display devices should provide required information either on screen or via a menu item or other link, or via associated linked devices such as in a SmartWatch/SmartPhone combination.* Conversely, some respondents noted that all devices should ensure access to key gambling management tools (eg reality checks, financial limits), terms and conditions, and game rules, regardless of their size.

The Commission’s position – Restricted display devices

There appears to be two distinct viewpoints concerning the treatment of restricted display devices:

1. The RTS should provide more detail on the exact nature and size of products that constitute a restricted display device. Similarly, all exemptions for restricted display devices should be clearly defined; or
2. The definition of restricted display device should be principle based. We should therefore avoid referencing specific devices and offer licensees wider scope to determine whether dispensation should be applied in specific cases.

We agree with the suggestions made in the responses to the consultation that the RTS should set out the Commission’s overall aim for gambling provided via restricted display devices. It was suggested that paragraph 3.3.3 of the consultation document provided clear and definitive guidance in this respect. We will therefore incorporate 3.3.3 of the consultation document into the definitions table of the updated RTS.

We will also add a principles based definition for ‘easily accessible’ as that term is used throughout the RTS ie where something is required to be ‘easily accessible’ it means that if the information or functionality is not provided on the immediate screen then it must be within easy reach. We do not intend to specify within ‘x mouse clicks’ or ‘above / below the fold’ as this would be too restrictive and not allow for different innovative ways to provide the information.

However, we do not consider it practical to define specific technologies or screen sizes below which a device is considered to have a restricted display. Technology changes too quickly for this to be feasible and the remote technical standards are too varied for a high level definition to be applied consistently across the multiple requirements. The RTS already contains various dispensations afforded to specific technical standards and these will be retained.

¹² As provided in paragraph 3.3.3 of the consultation document: *we expect that a player using a restricted display device would still have the ability to use all required responsible gambling tools, such as financial limits or self-exclusion. We would not consider it acceptable to require a player to login via, for example, the desktop website version of the gambling facilities in order to access responsible gambling tools. Such an approach would create unreasonable barriers and may deter or prevent mobile users from utilising the available tools.*

Some respondents requested dispensation for large screen tablets if it was using the same web based software that also serves small screen mobiles. We consider this approach to be problematic, particularly as some tablets can be comparable in size to desktop screens, and for example could easily display a full screen report of transaction history. It is relevant to note that, where exemptions have been allowed we still expect the industry to explore innovative ways in which to work around the limitations presented by restricted display devices.

Respondents proposed that dispensation should be expanded to following areas:

- The requirement for the financial commitment of each gamble to be displayed on the screen (revised RTS 2A)
- The need to ensure consumers are able to easily access all information that may enable them to make an informed decision about their chance of winning (RTS 3C).

It is important that consumers are able to view the financial commitment of their gamble, regardless of the screen size of the device used. Therefore, we will not be introducing a dispensation for the proposals on RTS 2A where the gambling is conducted on a restricted display device. This proposal is dealt with in more detail in section 7.

We consider it unnecessary to introduce further dispensation for information required under RTS 3C on the basis that licensees are presented with a range of solutions to meet the requirement (must be easily accessible, for example via links on home pages, game selection pages or menus, or within individual games).¹³

6 Display of Commission licensed status

Consultation proposals

- 6.1** During the implementation of the Gambling (Licensing and Advertising) Act 2014 the Commission updated licence condition 8 as follows:

Licence condition 8.1.1

Display of licenced status – remote operators

All remote casino, bingo and betting licences other than ancillary licences and remote betting intermediary (trading rooms only) licences

1. Licences providing facilities for remote gambling must display on every screen from which customers are able to access gambling facilities provided on this licence:
 - a. a statement that they are licensed and regulated by the Gambling Commission; and
 - b. a link (which will be supplied by the Commission) to their current licensed status as recorded on the Commission's website.

- 6.2** However, some licensees stated that it would be technically difficult to meet the requirement in instances where the display was restricted. In response to these concerns we introduced an interim measure, which permitted (at a minimum) for the display of licensed status to be shown to consumers prior to gambling or registering to gamble, for example on the landing or homepage of websites and on the app store¹⁴ download screen. The licence statement and link to Commission website must remain easily accessible to the consumers when browsing or using the gambling facilities (eg within easily accessible terms and conditions). We had agreed this measure to remain in place until such a time that we consulted on it further.

¹³ As provided under RTS 3C (C)

¹⁴ Also referred to as an *app marketplace*.

- 6.3** Since 1 November 2014 licensees have adopted a range of solutions to meet this requirement. Some have met the requirement in full, whilst other have relied on the landing/home page or the app launch screen. Some operators have used side menus, which consumers can swipe to open, and other have opted to provide this information in the terms and conditions section.
- 6.4** In general we are satisfied that the range of solutions, whilst varied, are sufficient to enable consumers to see the licensed status of the operators and access a link to the Commission's public register. We therefore proposed to formalise our position in the next LCCP update so that restricted display devices do not have to provide the licence display details on every page/screen, subject to the solutions highlighted in paragraph 6.3 above.

Consultation question

- 10. Do you agree with our proposal to formalise our position that restricted display devices do not have to provide the licence display details on every page/screen?**
- 11. Do you agree that the requirement to display licensed status (at a minimum) to consumers prior to gambling or registering to gamble (eg on the website's landing page and on the app store download screen, as well as in terms and conditions) is sufficient? If not which further pages would be sufficient?**
- 12. Should the display of licensed status be more prominent? At present this is generally at the foot of a page/screen. Should it be at the top of the page? We do not currently specify that the Commission logo should be used to meet the licence condition requirement, however we are seeking views as to whether this is clearer and easier for consumers to find and use.**
- 13. Do you have examples of good practice that should be set as a minimum requirement to meet licence condition 8 (of the LCCP)?**

Respondents' views

- 6.5** Overall, respondents considered the proposal to formalise the licence display dispensation for restricted display devices to be *sensible, pragmatic* and *sound*. The current requirement to display licenced status to consumers prior to gambling or register was deemed sufficient across all devices.
- 6.6** The majority of respondents didn't consider it necessary to make the licensed status more prominent citing the display of licensed information at the foot of an operator's website as common practice (including in non-gambling industries). It was suggested that the current approach has enabled licensees to adopt creative solutions, which would not have been possible if requirements were more prescriptive. It was proposed that licensees retained the option to display the Commission's logo or basic text as the latter enabled faster load times on mobile devices. A number of respondents neither agreed nor disagreed with the proposal stating that the status *does not need to be more prominent but it should be easily accessible*.
- 6.7** Respondents did not see the need to set a minimum good practice example for the purposes of licence condition 8 (of the LCCP). The provision of additional information was considered overly prescriptive and the solutions currently offered by licensees were thought to be varied but sufficient. Some respondents felt there was merit in sharing good practice examples, but that these should not constitute a minimum requirement. Suggestions included:

- Providing a link from the landing page to a separate webpage that details *all relevant licence* information. This was considered to be a practical solution for *mobile devices and downloads where space is very limited*.
- A clear statement (positioned at the foot of the landing page) that the operator is licensed by the Gambling Commission. The statement should include a hyperlink to the Commission's website.
- Updating the existing guidance to specify that it is not mandatory for licensees to display their full licence number. This number is updated frequently and is not helpful from a consumer perspective.
- The display of licence information should be consistent between B2C operators and B2B providers.
- Offering operators the option of displaying the licensed status via 'logo and link' or 'text and link' on restrictive display devices (as is currently permitted).
- Displaying information in the company footer should be a minimum requirement.
- The operators or Commission could notify consumers via email of changes to license conditions/status.

The Commission's position – display of licensed status

The Commission will update the LCCP to include that restricted display devices do not have to provide the licence display details on every page/ screen.

We will still require the display of licensed status be easily visible prior to registering to gamble, but not specify where on the page or how prominent this should be.

We do not consider it necessary to update the minimum requirements set out in licence condition 8 (of the LCCP) or to provide specific examples.

7 Display of transactions – amended requirements (RTS 2A)

Consultation proposals

Display the currency value of each stake

- 7.1** The aim of RTS 2 is to enable consumers to understand the value and content of their transactions. The gambling system must be designed to make information about the amount of money being gambled by the consumer clearly available.
- 7.2** The current guidance states that the use of credits, chips or other tokens with no face value should be avoided where possible. We consider it in keeping with this aim to propose that where the gambling transaction has a monetary value it must be displayed. This means if the product utilises some form of credit system and the credits have a monetary equivalent, the actual financial commitment of the transaction must also be displayed somewhere on the screen.
- 7.3** This requirement would not apply to products such as poker tournaments where customers pay a fixed fee to enter and then play with poker chips that do not have a direct monetary value.

Betting price fluctuation

- 7.4** The Commission has been made aware of concerns that bets may be subject to price fluctuations caused by time delays or market movements. This is particularly apparent in the case of fast moving events, such as in-play betting or live-sporting events. It is clear, from the number of complaints received on this topic that consumers are not always aware that event odds may be subject to price fluctuations.

- 7.5** In addition, the way in which licensees handled fluctuations may differ. For example, depending on the direction of the price move and which gambling operator the bet is made with, the customer may be re-offered the bet at an adjusted price. In other instances, licensees might automatically accept the bet at a different price without giving consumers the option to adjust or withdraw their initial bet based on the price fluctuation.
- 7.6** The recently published [In-play betting position paper](#) clarified our position on a number of areas, including that in-play betting does not appear to cause unacceptable risks to fairness and openness as long as bettors are sufficiently aware of their own position compared to that of other bettors and betting operators. We also highlighted our intention to assess whether the current information requirements sufficiently inform consumers about the handling of a bet request should a price change during the period between a bet request and confirmation.
- 7.7** We proposed to update RTS 2 to require that licensees give consumers the choice of what happens in the event that the odds of a requested bet changes before it is accepted. We are aware that some licensees are already offering this facility and consider it important to ensure consumers are able to decide what should happen in the event of a price change.

Consultation questions

- 14. Do you agree with our proposal to require operators to give players the choice on whether repriced bets should be automatically accepted or not, as set out above?**
- 15. How do you currently ensure players are informed about how price fluctuations will be dealt with during the acceptance process?**

Respondents' views

- 7.8** One respondent expressed concern that games which enabled players to switch from cash to coins/tokens would be in breach of the requirement for the currency value of each stake to be displayed. Clarification was sought as to whether the requirement would apply to new titles or whether existing games would need to be removed and/or updated with immediate effect.
- 7.9** The majority of written responses indicated that consumers are currently alerted to changes in the initial bet price and given the option to accept or cancel the bet. Several respondents only offer this for prices which are shorter than requested and stated the acceptance of higher prices is covered by the terms and conditions. One respondent suggested that it was common practice for operators to display changes in bet price and the ability for consumers to select automatic price acceptance would therefore reduce transparency. One respondent commented that the requirement should not capture currency fluctuations.

The Commission's position – display of transactions

Display the currency value of each stake

The Commission will introduce the updated guidance to RTS 2A. This will ensure that the currency value of each transaction is displayed to the customer. This requirement will come into effect 1 April 2018.

For games that offer the customer the choice to change the display into a non-currency format, as long as the currency amount being staked is the default option presented to a customer, this is acceptable. For games that are currently not compliant with this requirement the games must be updated by the implementation date or removed.

Betting price fluctuation

We will introduce the requirement that customers must be given the choice as to whether to accept price movements in either direction. This option must be presented on a per bet basis, except in circumstances where a customer has requested a default account setting to disable price change alerts prior to bet acceptance. Where the functionality is offered at an account level the default option should not be set to accept all fluctuations. Where a customer chooses not to accept price changes automatically any bet where the price changes must be reoffered before it is accepted.

Customers who choose to automatically accept repriced bets must have the option to change their preference and therefore revert to approving bets individually.

Whilst not a requirement, we would consider an optimum solution to be one in which consumers can choose to automatically accept price movements within a particular margin range.

Account level options offered to a customer could include accepting all bets with higher price, accepting all bets with shorter price or accept all bets regardless of price movements.

This proposal was not intended to capture currency fluctuations.

8 Game identifier – new RTS requirement

Consultation proposals

- 8.1** We proposed to introduce a new requirement for licensees to display game version and, potentially, supplier details to consumers. We proposed that a unique identifiers could help inform and potentially expedite customer complaints pertaining to a particular game. It could also assist the Commission to identify and reconcile games against testing records. We also sought views as to whether it will be of benefit to consumers to be able to identify (precisely) which games they are playing and, in B2B arrangements, who is supplying it. Often consumers can only see the game name and this isn't unique enough for them to know which version they are playing, particularly when different providers may have different versions of the same game.
- 8.2** We acknowledged that there are potential issues with how such a requirement could be defined. For example, we wouldn't mandate a particular format in case it conflicts with systems already in place. We were particularly interested in the game server version, which contains important game fairness aspects, as opposed to information on client software components such as the smartphone app. We acknowledged that some operators already display this information, but for others adding versions details to existing games, particularly if software updates required, could be an issue. In these cases we considered something as simple as adding the version details to game help files to be sufficient.

Consultation questions

16. What are your views on the addition of a new game identifier and supplier details display requirement?

17. If you agree, what format would you propose for the display of this information?

Respondents' views

Game identifier

- 8.3 Those that agreed with the proposal felt that a game identifier would enable players to *always know exactly what game they are playing* and *make it easier to identify different variants of games on different providers*. Displaying game identifier would help with troubleshooting and *reinforce the need for proper version control*.
- 8.4 There was general agreement that displaying the identifier in a game's help files would be the least technically challenging solution. This approach would also be more practical for restricted display devices where there are fewer options for displaying required information. However, there was some concern that this solution would still require ongoing work to ensure help files were kept up to date. It was suggested that help files might need to be updated via a dynamic feed, which would *further increase the development burden* and create an *overhead for the operational teams responsible for updating the files each time the game version changes*. It was felt that providing additional information would be *excessive*, as consumers can already refer to the *key details* provided in pay tables and help files.
- 8.5 Respondents felt that costs associated to the requirement were *not proportionate to the benefit that consumers could expect from the change*. The main costs were attributed to the need to:
- centrally administer the display of the identifier and subsequent updates
 - register existing game versions with their configuration settings, client B2C operator (if different versions are offered), platform details etc
 - coordinate the identifier across platform, across channels and across game version.
- 8.6 A number of respondents expressed concern that the proposal would not achieve the desired outcomes. It was suggested that a game identifier would enable licensees to check that the correct versions of games are live, but would *not necessarily be useful to the players themselves*. Consideration should therefore be given to the means through which operators and developers can standardize their approach to identifying specific game versions.¹⁵ Some respondents queried whether consumers would notice the additional game information and reference details other than *game name, date and time* of play when submitting a complaint. Others queried the value of using an identifier when, in responding to complaints, licensees will continue to refer to their own records to track gameplay (eg player ID) as opposed to relying on a *unique identifier*.
- 8.7 Some respondents challenged the requirement on the grounds that *suppliers and operators rarely offer multiple versions of the same game*. It was therefore deemed unnecessary to display version details when a consumer could simply reference the game's name, whilst changes to the game's performance would be reflected in the games RTP. It was proposed that the Commission provide a narrower definition for the display of RTP (eg in game interface or help files) to ensure greater consistency across the sector.

¹⁵ For example, operators and developers could be required to use a *key combination (such as ctrl+v)* to display version number for their own purposes.

One operator pointed to the risk that the requirement could lead to a surge in *consumers submitting frivolous complaints* for different versions of the same game. It was also suggested that the provision would enable consumers to *search exploitable games...increasing the risk of fraudulent losses to other operators offering the same game.*

- 8.8** Concerning the format of the unique game identifier (question 17), one respondent stated a preference for an *external ID* that was separate to version number and could be used for internal purposes. It was also proposed that operators should be able to display the identifier within the *consumer's gambling history statement, rather than on the screen or help files*, as the latter would incur *significant* development costs. Another respondent suggested that details of *game versions and supplier details* be displayed on a single page of the operator's website. It was suggested that, where possible, the game engine and client could be compiled into a *single version*. There was a request for the Commission to define whether the identifier should be unique to the *supplier, a platform, a website, a game configuration* and how it should be determined *when a combination of those elements change*. A combination of *operator licence number, gambling software licence number and game version number* was also proposed.
- 8.9** There was mixed views as to whether the client version should be provided in addition to the game server number. There was some concern that linking game versions to minor updates might lead consumers to assume changes have been made to the game's engine. Similarly, it was noted that *certain game version references may also reflect integration into an operator's system rather than changes to the gameplay itself*. One respondent noted that both numbers *are relevant to operators when investigating issues in a game*. Another respondent agreed that *both game client and game server IDs should be displayed on request*. Others felt that whilst both numbers *could be beneficial* changes to game server were more significant. Clarification was also sought on how *the Commission would stop different suppliers using the same unique identifier*. For app based games, eg poker, it was proposed that the app version be used as the unique identifier, rather than the game version,¹⁶ though other respondents stated a preference for game server version.

Supplier details

- 8.10** Respondents considered the display of supplier details to offer little additional benefit to consumers, as complaints are often handed by the B2C operator, though it was noted that a B2B might in some cases provide direct consumer support for issues that arise during gameplay. Nevertheless, it was suggested that where issues did arise, operators would be able to link game complaints to a specific supplier on the consumer's behalf. Providing supplier details could therefore *confuse players for support purposes* and mislead on the basis that a game's uniqueness *often comes from a combination of game supplier, gaming platform, device and operator*. Others agreed with the proposal that providing supplier details would ensure greater transparency and pointed to the fact that supplier details is already displayed in the pre-loader splash screen for some games. One respondent sought clarification as to whether the supplier would be identified as the platform provider or the developer that supplies the game to a platform.

The Commission's position – Game identifier

We received a wide range of views concerning the practicality and costs associated with this proposal and, on balance, have decided not to proceed with its implementation at this stage. We have reviewed the responses received against the following objectives:

¹⁶ In this example the unique identifier would sit on the client end.

1. The need for an identifier which will enable consumers to better distinguish between games that share the same title but have different in-game features and levels of RTP.
2. Providing consumers with more specific game version information to help inform and potentially expedite complaints.
3. Improving the overall transparency and accountability of the supplier/operator relationship.
4. Facilitating effective regulatory oversight by enabling the Commission to reconcile games against testing records.

We were mindful of the need to balance the intended outcomes against any potential burden and regulatory costs; and invited suggestions for a relatively low cost technical solution that would achieve the proposal's aims. However whilst displaying details in the game help files was considered to be both cheaper and preferable to changes that might require a software update (eg changes to game graphics), there was still some concern as to the costs associated with rolling out the requirement to existing games and administering version updates for new games. Some respondents challenged the requirement on the grounds that suppliers and operators rarely offer multiple versions of the same game.

We accept that further work is required to determine whether the game version would be more beneficial to consumers than existing identifiers such as game name, RTP, pay tables etc. We do not, however, consider concerns related to a potential upsurge in frivolous consumer complaints or the potential for consumers to search for faulty games as justifiable reasons for limiting the transparency to consumers. For similar reasons, we do not agree that supplier details should be withheld for risk of confusing players as to who to contact in event of a grievance. Rather, we consider the display of version and supplier details as good practice, not least because it would help promote greater transparency and consumer awareness of the different parties involved in their transaction.

We will keep this proposal under review and may seek to further explore consumer appetite for additional game identifiers. The consultation has also prompted a number of technical queries concerning the format of the version numbers and the circumstances in which an identifier is updated (eg when a game has undergone a major/minor change/platform integration). These questions will be given further consideration in the event that we decide to revisit this proposal.

We note the request to provide a 'narrower' definition for the display of RTP. However, we do not consider it necessary or practical to offer prescriptive guidance on where RTP should be displayed.

9 Live RTP monitoring – amended requirement (RTS 5)

Consultation proposals

- 9.1** The Commission's requirements on monitoring the live return to player (RTP) performance of games were formalised during the recent testing strategy consultation and came into force on 1 September 2016. The updated testing strategy makes explicit the requirement for operators hosting games of chance to periodically use the transactional data to calculate the actual RTP and compare it against the designed (advertised) RTP.
- 9.2** We proposed to update the implementation guidance under RTS 5 to reflect these changes.

Consultation questions

18. Do you consider the additional text to RTS 5A to sufficiently capture the new live RTP monitoring requirement, introduced on 1 September 2016?

Respondents' views

- 9.3** The majority of respondents agreed with the proposal, commenting that the drafting was *self-explanatory, consistent with existing guidance and accurately reflected* the nature of RTP monitoring and the changes made in the testing strategy. One respondent expressed concern that the guidance published on our [website](#) extended the scope of pure RTP monitoring to include products without a precise RTP (eg poker where skill influences return). The respondent asked whether the term *ongoing monitoring* was intended to capture games of skill.
- 9.4** We were asked to provide further clarification on the responsibility of RTP monitoring, specifically as game developers are *often asked in error by B2C licensees to undertake the task*. It was suggested that this clarification would assist licensees to determine whether RTP monitoring should be covered in their annual games testing audit.

The Commission's position – Live RTP (game performance) monitoring

We will make the minor addition to RTS 5A as proposed. This will bring the RTS in line with the recently amended testing strategy which requires RTP monitoring to be in place to complement the existing pre-release test house certification of game fairness.

Regarding whether RTP monitoring was meant to cover games with combined chance and skill. It was always the intent that monitoring was performed for any RNG driven products as these are susceptible to software errors which can affect fairness. Our guidance clarified that where a product has a variable RTP (eg skill games) then the monitoring would focus on the hit rate and distribution of each possible event outcome against the designed probability. 'RTP monitoring' was the shorthand term, the more encompassing term would be 'performance monitoring'.

Responsibility for performance monitoring was addressed during the testing strategy consultation. As there are many different arrangements in place between developers, B2Bs and B2Cs there was no single approach. In our response we stated:

"In multiparty arrangements where one B2B hosts a game on behalf of numerous B2Cs the aggregated data is usually held with the B2B and they are best placed to perform the measurements. It would make sense to have effective monitoring in place at the source, particularly as an individual B2C would only have access to the data for their customer base rather than the entire transactions for that game. However, this would not preclude the individual B2Cs from monitoring their own customers' gaming activity. We would consider this collaborative approach to reflect good practice and many B2Cs already routinely do look for potential fraud and overpayments. In any case we would expect the individual party's responsibilities to be defined in contractual arrangements."

10 Play-for-fun games – amended requirement (RTS 6A)

Consultation proposals

- 10.1** The current RTS requires that play-for-fun games must implement the same game rules as the corresponding play-for-money games. Although these games are not classified as gambling under the Act, we consider that as play-for-fun games establish a customer's expectation about how the real-money game will behave, it is important for the two types of game to be consistent.
- 10.2** We received queries about, and have seen the emergence of, demo games from suppliers, which have artificially inflated RTP so as to better demonstrate the features of the game. There are also instances in which different licensees offer the same live version of the product at different levels of RTP.
- 10.3** Mindful that the wording of the RTS 6 might have been too restrictive; we proposed a minor addition to limit the scope of the requirement to the same gambling facility.¹⁷ The revision will allow suppliers to run games at a different RTP to their operators. Operators will also be able to vary the RTP of their version of play-for-fun game but in doing so must ensure that RTP corresponds with the equivalent play-for-money game offered on the same facilities.

Consultation questions

19. Do you agree with the proposed amendment to RTS 6A?

Respondents' views

- 10.4** The majority of respondents agreed that the proposed amendment was sensible, clear and sufficient. A couple of respondents, although agreeing with the general principle of not misleading consumers, asked if an exemption could be applied to *demo games* on the same facilities that are designed to showcase a game's bonus features.¹⁸ It was suggested that demo games are aimed at suppliers and generally offered in short video format – thus clearly not indicative of the play-for-money equivalent. One respondent expressed the view that all play-for-fun games should implement the same game rules as corresponding real-money games irrespective of whether the games are offered on the same facilities.
- 10.5** It was suggested that more could be done to distinguish play-for-fun games to reduce the chance of confusion. Some respondents asked for the Commission to confirm the exact definition of 'facility'.

The Commission's position – play for fun games

The proposed amendments to play-for-fun games will be incorporated into the updated RTS. The requirement will apply to all demo games that are provided on the same consumer facing gambling facilities (ie the same website).

Where videos are used to advertise a game's features we would expect it to be made clear to consumers where footage has been edited or sped-up for promotional purposes. Similarly where a non-consumer supplier's website is demonstrating a game with higher than normal returns (ie on a website that is different to the real money gambling facility websites) it should be made clear that it is a demonstration game specifically designed to show off the bonus features.

¹⁷ In this case 'facility' refers to a licensee's consumer facing gambling website or app.

¹⁸ It was proposed that exemption be permitted on the basis that it was sufficiently clear that the demo game performed at a different RTP to the play-for-money equivalent.

11 New and emerging game designs

Consultation proposals

11.1 We have noted the emergence of new game designs in the remote market, and while we support the innovation we want to ensure the evolving designs uphold the licensing objectives. The consultation highlighted three designs, which might encourage negative gambling behaviour:

1. Games in which the return to player (RTP) is increased based on the length of time the game is played

11.2 We are concerned that such designs could encourage consumers to gamble for extended periods of time in order to achieve a higher level RTP. We recognise that this design may represent a reduced risk for online games, which can record the game state for each player. This facility, often not present in single session terrestrial games, can enable players to leave the game and return at any point in the future with the same enhanced RTP state. The storage of game state also allows for more innovative games which might incorporate a story into the game play.

11.3 Games are unlikely to be designed to increase RTP after a specified period of continual play (eg one hour).¹⁹ However, a similar effect is achieved where players accrue special tokens during gameplay and are then rewarded with an increased RTP once X number of tokens have been collected (for example the bonus feature would from then on triple the prizes awarded, which increases the overall game RTP).

11.4 RTS 7, specifically 7A and 7D, already prohibits adaptive games (those which alter RTP purely based on previous pay-outs, done to smooth the RTP over shorter periods) yet allows for games which accrue tokens in order to access bonus features. Our aim is to continue with this stance but also to reduce the potential risk of excessive gambling resulting from the misuse of such designs. We invited feedback on our intended approach and also any mitigating measures which could be added (namely only permitting RTP based on length of play when game state is recorded, per individual, for future gambling sessions).

2. Games in which the RTP is increased based on the size of stake

11.5 Games in which RTP is increased based on level of stake raise similar concerns about encouraging problem gambling. Our concern was primarily with reported instances in which game rules change based on the level of stake. For example, if a game operated at theoretical RTP of 95% this figure should not increase relative to the size of a player's stake.

3. Games with an element of skill in which RTP varies based on player choices

11.6 Our regulations have always allowed for games with a mixed element of chance and skill (eg poker) however we wanted feedback on whether existing requirements were sufficient to cater for new and emerging games with skill components. This could include a game that contains a fully skill based feature such as trivia questions or physical dexterity challenges. The primary aim is to ensure different customers with equivalent skill levels have the same chance of winning. If any other aspects besides the customers' skill can influence the result this needs to be mitigated. For example the customer's internet connection speed or the device they are playing on should not have a bearing on the result they can achieve.

¹⁹ These games would be in breach of the technical standards.

Consultation questions

20. Should games with variable RTP based on length of play be permitted only when game state is stored?
21. Do you agree with the summation of the risks associated with games in which RTP is increased based on the size of stake?
22. Are there game design innovations such as those that incorporate an element of skill, for which the RTS could better accommodate?

Respondents' views

Should games with variable RTP based on length of play be permitted only when game state is stored?

- 11.7 Overall respondents agreed that that RTP based on length of play should only be permitted when game state is stored. It was felt that games in which state is not stored could *discourage players from taking breaks in play* and that RTP should not be affected by a player exiting or becoming disconnected from a game. Some respondents drew distinctions between regular play and time limited bonus rounds where a player will become ineligible for a bonus prize if they exit the game. It was noted that such features are common in multi-player games and, due to the reduced risk, should be excluded from the requirement. One respondent requested confirmation that the requirement *supports games which maintain a non-player specific state which varies over time/game play*, such as escalator jackpots where the chance of winning is increased based on the *number of non-winning gameplays or time passed*. A similar request was made in relation to *collection style features that pay out after a certain number/set of triggering events occur*.
- 11.8 It was proposed that the Commission provide additional guidance for those instances in which game state is not stored, setting out *how long (or how many games)* would be permitted before the player achieves the *published RTP* is increased. A maximum limit of 100 games was suggested because if the game required the player *to play on average thousands of games to reach this optimal state* this was deemed to be *unfair and could encourage continuous play*. There was a suggestion that the Commission should, in accordance with the Statement of Principles, evidence it concerns that *increasing the RTP based on the length of play could lead to excessive gambling*. Changes to RTP must be *made clear to the consumer upfront* (eg players must gather x number of crystals to activate a bonus round). Another respondent noted that games in which RTP changes based on length of play are adaptive and therefore in breach of RTS 7A.

Do you agree with summation of the risks associated with games in which RTP is increased based on the size of the stake?

- 11.9 The majority of respondents appeared to disagree with the proposal that RTP should not change based on size of stake. Parallels were drawn with long standing video poker games and progressive jackpots in which players could increase their contributions (eg max bet) or place side bets to qualify for bonus features which tend to operate at different levels of RTP. Clarification was sought as to how restrictions on game stake could affect certain game concepts (eg progressive jackpots) in which a player's stake levels and in-game behaviour can determine their eligibility to win the jackpot. It was pointed out that, in these examples, RTP for smaller staking 'non-qualifying' players would often be lower than that of the high staking 'qualifying' players'

11.10 It was proposed that variable RTP should be deemed acceptable provided the rules (and RTP) are not changed during the course of play. Respondents tended to agree that *adjusting the prize frequency or pay table amounts in a dynamic manner based on stake level* should not be permitted. It should be made sufficiently clear to the player (eg in the help files) that the different stake/RTP levels relate to different game modes. Failure to do so would not be considered *fair and open*. One operator cited a lack of *well-founded evidence* of a link between variable RTP and player spend. Further, to propose that such games were not compliant *would have a considerable negative impact on operators with significant investment and IP in this area*. It was suggested that the Commission provide further clarification to *indicate which designs are considered acceptable*.

11.11 It is common for terrestrial gaming machines to offer different game modes with varying stake and RTP levels. For example, players could stake 25p, 50p, £1 and £2 to access RTP modes of 88%, 90%, 92% and 94% respectively. It was suggested that games in which *RTP gradations are dependent on stake were not unusual in online gaming as a significant number of [retail] games have been ported online*. In some cases, player options and feature behaviour is also stake dependent. There was concern that restricting this practice would *confuse players* who sought to access *exact copies* of land based games online. The proposal to restrict variable RTP would *encourage suppliers and in turn operators to produce different versions of the same game*. This could lead to the emergence of a new sub range of games within the RTP monitoring framework, *causing additional and unnecessary overloads*.

Are there game design innovations such as those that incorporate an element of skill, for which the RTS could better accommodate?

11.12 Overall respondents felt that the existing RTS was sufficient to ensure responsible game design and enable innovation. It was proposed that games with a skill/strategy element should not display an average RTP but rather two separate RTPs that indicate the best and worst achievable outcome (based on player strategy). In this instance a slot game that includes an element of skill could display an RTP range or provide the base game RTP *plus xx%* when including the strategic feature.

The Commission's position – new and emerging game designs

There appeared to be differing interpretations as to what varying the RTP based on length of time or stake level means in practice, with some implementations deemed more acceptable than others by respondents.

We accept that it has long been a practice to offer extra rewards for loyal players (such as bonus prize draws after a month of qualifying play, or tickets to sporting events for long term VIP players). Our concern is primarily with games which can deliver rewards as an immediate incentive based on increasing play within that gaming session. That immediacy and incentive to increase the current gaming session spend might not allow the player to reflect on their activity as they might when playing over a month or longer period. It also wouldn't allow as much time for operators to monitor player behaviour and intervene if there are signs of problem play.

Rules that alter during play can have the undesired effect of confusing players, particularly those who might not study the rules or base their playing decision on the stated RTP and instead gain an understanding of the game just by playing it. Players should have confidence that games are random and not dependent on previous play, changing rules and the likelihood of winning mid play introduces greater complexity which can confuse players and increases the risk of faulty games. Investigations of recent bugs found that players often didn't detect game faults in gameplay, this is exacerbated by exceedingly complex or insufficiently transparent rules and game play displays.

Our original concerns remain, that depending on how games are designed and presented some products could both encourage irresponsible play and confuse players. We can see there is less risk of this happening in a game which might accrue tokens that trigger bonus features providing the game state is stored allowing the player to stop and return to play at any later stage. Similarly long standing games like video poker, which offer a greater than linear top prize when betting the max three coins compared to one, are relatively transparent as players can clearly see the different prize in the prize table.

However, games such as metamorphic ones, which might require an extended gathering of tokens (therefore gameplay) and do not return the stated RTP as most players do not play for long enough present a higher risk. Equally, games which alter the underlying likelihood of a prize appearing in order to change the RTP, whether that's based on stake size or something else, are less transparent. The analogy might be to add or remove cards remaining in a deck as a game of poker progresses. This is what RTS 7D seeks to prevent, acknowledging in RTS 7D (c) (iv) that bonus features (such as a round of free spins or a random prize feature) which operate to different rules to the normal base game are permitted providing they are adequately explained in the rules.

Beyond this consultation we will be conducting further work to understand the effect of certain product characteristics on problem gambling behaviour,²⁰ which may result in further restrictions. In the meantime we will not be amending current requirements as we consider them (particularly RTS 7D and RTS 14) to be sufficient to deter games which alter the rules dynamically mid-play and those that encourage or exploit problem gambling behaviour.

At all times we would expect licensees to ensure the games they offer and the way they are provided complies with existing requirements. Licensees need to ensure that beyond individual product design there is a holistic and evolving suite of responsible gambling tools made available. They must also monitor player behaviour, particularly on the higher spend and speed of play gaming products, to identify potential problem gambling behaviour for intervention purposes.

Regarding games with an element of skill, we consider the current requirements to be suitable and allow for further innovation. Displaying the RTP for a game of blackjack based on the published strategy is already normal practice. For any new games combining chance and skill we would expect transparent player information describing the player return to be provided, breaking down the chance and skill elements as suggested in 11.12 above.

12 Peer-to-peer poker – new requirement (RTS 11A/IPA7)

Consultation proposals

12.1 When the original RTS was published the Commission regulated a small proportion of the online peer-to-peer poker market. The Gambling (Licensing and Advertising) Act 2014 means we now regulate all online peer-to-peer poker operators that transact with consumers in Great Britain. A review of the existing controls for peer-to-peer poker²¹ culminated with several proposed amendments to the RTS. The review considered whether consumers were sufficiently informed about how licensees treat funds confiscated from players, whether licensees are consistent in their approach to detecting and recording information about players that were colluding and whether policies are regularly reviewed to reflect all available information.

12.2 The proposals included the following updated requirements:

²⁰ Refer to priority area 4 of the recently updated Research Programme [published](#) by the RGSB.

²¹ The Commission's review sought to ensure that the existing controls were sufficient to minimise the risk to the licensing objectives.

1. Operators should record information of accounts that have been closed due to an investigation into prohibited gambling activity (such as collusion)
2. Operators to provide information to consumers explaining what happens to funds that are seized/confiscated from accounts determined to have committed prohibited play
3. Gameplay statistics should be used to detect unwanted play
4. Operators to monitor the effectiveness of their policies and procedures for combating collusion.

Consultation questions

- 23. Do you agree with our proposal to require operators to record accurate information of players' accounts that are closed?**
- 24. Do you agree with our proposal to require operators to publish a brief policy description which outlines how the operator intends to treat funds that are recovered from players whose accounts are closed for integrity issues?**
- 25. Do you agree with our proposal to require operators to utilise gameplay analysis to identify players that may be in contravention of an operator's rules?**
- 26. Do you agree with our proposal to introduce the requirement that operators must monitor the effectiveness of their policies and procedures for detecting and preventing collusion and other integrity issues?**

Respondents' views

- 12.3** All respondents agreed with the proposal for operators to record accurate information on those accounts that have been closed following an investigation into collusion/prohibited activity. One respondent sought clarification as to who would be responsible for maintaining these records in network poker events where overall control sits with the B2B. It was suggested that such information should be persevered for a defined period of time, eg the LCCP defines a minimum record retention period of one year for ADR purposes which could also be applied in this instance.
- 12.4** Respondents agreed with the proposal that operators set out how they intend to treat funds recovered from accounts, though it was suggested the provision of *reasonably high level information* should be permissible. The general view was that the information would add fairness and transparency for players and could aid dispute settlement. It was proposed that, where possible, recovered funds should be returned to customers. There was a request for additional Commission guidance detailing how recovered funds should be handled. One respondent stated that in network poker the decision for how the funds are treated where all affected players are from the same operator may sit with the operator (B2C) rather than network operator (B2B).
- 12.5** Most respondents were positive about the benefits of utilising a *risk based approach* to analysing gameplay to compliment other detection methods. Such methods were described as *effective* and *reliable*. One respondent felt that it should be up to operators to decide how to mitigate the risk of unwanted gameplay while another suggested RTP monitoring and analysis of cases is sufficient.
- 12.6** Responses were, on the whole, supportive of the proposal that operators must monitor the effectiveness of their policies and procedures. Respondents agreed that the proposal sought to address valid risks. In one instance it was suggested that controls are already reviewed on an ongoing basis. One respondent proposed that, where applicable, the responsibility for the monitoring of efficacy should sit with the network operator.

The Commission's position – peer-to-peer poker

Record keeping

The updated RTS will require licensees to keep accurate records on all accounts that are closed following an investigation. We consider this information to be important when reviewing the effectiveness of internal procedures, investigating disputes and reporting irregular and suspicious activity to the Commission. Where issues do arise, we would expect licensees to be able to evidence a systematic approach to fairly dealing with integrity issues.

Records should be kept as long as is necessary for the operator to fulfil their regulatory duties.

Confiscated funds

Licensees will be required to set out a brief description of their policy for dealing with funds that are recovered from players in integrity cases. The summary should assist players in understanding the licensees handling of recovered funds. We do not expect the statement to cover all scenarios though, equally, expect it to provide a clear and transparent account as to the likelihood of customers receiving their funds back. We are aware that in a poker network the treatment of recovered funds may depend on the policies of both the B2B and B2C. In such circumstances we expect the summary to set out the approach that will be taken in the event that there are discrepancies in the policies between the two parties.

Technical detection methods

The Commission will require that operators use gameplay analysis to detect unusual behaviour where it is appropriate to do so. This should include periodically analysing gameplay data in order to identify irregular or suspicious play where customers may be colluding or breaking other rules. Such checks should be performed on a risk based approach for example looking at players win high win rates over large sample sizes. The analysis should seek to identify gameplay similarities between individuals, or play which is too systematic to be considered humanly likely.

Review of policies and procedures

The Commission will require operators to monitor the effectiveness of policies and procedures designed to detect and prevent collusion and other integrity issues. This should include reviewing the number of cases detected since the last review and identifying any weaknesses in the framework which require additional mitigation. Operators should also be mindful that low case levels may be the result of inadequate detection methods and are not automatically a sign that the methods deployed are robust.

Reporting to the Commission

Where an operator uncovers suspicious or irregular play which results in the account remaining closed after an investigation, a report should be made using the eServices system selecting the LCCP notification type of 'reporting offences'. The initial report should contain the following information:²²

- a summary of the incident
- the number of players involved and of which how many were gambling in reliance on a Commission licence
- the financial impact.

²² This information will be communicated to operators separately.

The Commission will keep the above information requirement under review and provide updated guidance to poker operators should it be required. We may, in some instances, request additional information on specific incidents.

In a poker network it is the B2B that has the greatest visibility of the gameplay however we are also aware that B2Cs have access to account and financial information that the B2B cannot immediately access. Licence condition 3.1.1 requires all parties involved in the operation of a poker network to share information sufficient to discharge all applicable duties. To avoid duplication the Commission will, in instances where multiple poker operators have been affected, accept a single report from the network operator.²³

13 Use of third party software (peer-to-peer gambling) – new requirement (RTS 16, formally IPA 4)

Consultation proposals

- 13.1** The fair and open licensing objective requires licensees to ensure customers have access to sufficient information to make an informed decision about their gambling activity. The consultation sought to address concerns that information provided about third party software²⁴ is inconsistent, hard to find or non-existent. It is important to ensure that consumers are aware of the risks associated with different products, particularly those in which less informed players could suffer a disadvantage to competitors who choose to use third party software.
- 13.2** We did not consider it appropriate at this stage to be prescriptive about the types of third party software that should be permitted. We proposed that licensees must make it clear to customers whether the use of third party is allowed and if so the type(s) of software that are permitted. A description setting out the key features of types of software permitted will be acceptable. However, licensees will be expected to send periodic updates to consumers via email or other means of communication, to ensure the knowledge is maintained and that customers are informed regarding changes to the policy.
- 13.3** In addition we proposed to update the wording on the existing requirement so that gambling operators that prohibit the use of third party software must implement policies and procedures to deter, detect and prevent its use. This requirement dovetails with the proposal for RTS 11 that licensees must develop technical ways of detecting customers not playing within the rules.

Consultation questions

- 27. Do you agree with our proposal to require gambling operators to detail what type of software they permit players to use?**
- 28. Do you agree with our proposal to require gambling operators to contact players to draw their attention to what type of software is permitted?**
- 29. Do you agree with our proposal to require gambling operators that prohibit certain types of software to implement policies and procedures to prevent their use?**

²³ The network operator (B2B) collects the majority of data and will often be best placed to report incidences to the Commission.

²⁴ *Third party software* refers to software that is separately available from the core software product and is designed to add optional features. It includes additional software, supplied, or used, by the gambling operator, or player, which wasn't part of the basic package.

Respondents' views

- 13.4** Some respondents raised concerns with being able to sufficiently describe the type of software they permit players to use. It was proposed that the Commission publish additional guidance to assist licensees in defining different types of software. One respondent commented that operators should be given full discretion to make this information available to players. Other respondents considered the requirement to be in line with the licensing objectives and agreed that consumers should be informed of software that could offer other players an advantage.
- 13.5** The proposal to require gambling operators to contact players periodically to state what type of software is permitted received mixed responses. Several respondents felt that it was sufficient to include the information in the terms and conditions, particularly as players would be notified of these changes as per licence condition 7.1.1 (3).²⁵ One respondent stated operators tend to discourage the use of third party software because it can give better players an advantage over weaker players. The respondent warned that drawing attention to this software via email (for example) might have the adverse effect of increasing its take-up amongst the player base. Alternatively it was suggested the information could be provided during the initial sign-up process.
- 13.6** Respondents tended to agree that gambling operators that prohibit certain types of software should implement policies and procedures to prevent their use. Overall the proposal was considered logical with one respondent suggesting it would be *nonsensical* for operators to prohibit software but not take steps to prevent its use. Some respondents felt that the use of policies should be subject to discretion of each individual licensee. Other respondents stated that the difficulties of monitoring third-party software could have the adverse effect of deterring operators from banning certain types of software.

The Commission's position – third party software

Providing information about software

The Commission will enhance requirements to inform customers about what types of software are allowed or prohibited.

Licensees have often adopted a permissive stance towards software designed to assist and complement high volume players,²⁶ which is reflected in the online poker ecology seen today. We do not feel it is appropriate for the Commission to be more prescriptive in this area and define software types on behalf of licensees, some of whom are already providing this information to players. Where a licensee expressly allows a type of software or prohibits one, the rationale for why this is the case sits with the licensee. It is therefore appropriate for the licensee to provide this information to customers. We do not expect this to be an exhaustive list of software titles but could be a description of the key features of the software. For operators that only permit or prohibit a small number of software types we would expect this to be a fairly concise piece of text. Some respondents suggested it would be difficult to describe the main types of software that are permitted/prohibited. However, we would expect that all licensees assess the consumer fairness implications of their adopted position and, therefore, be able to understand and adequately describe different software types.

We accept that it would be difficult to maintain an up-to-date record of every type of software that is not prohibited. We therefore expect operators to make an effort to specify the types that are *widely* tolerated or accepted.

²⁵ LC 7.1.1 (3): *Customers must be notified of material changes to terms before they come into effect.*

²⁶ High volume players = players that have a presence on multiple poker tables at any given time.

For example it is not acceptable to state that software that performs a certain function is prohibited and all other software is allowed, as this does not inform new players what types of software are available and permitted. It is expected that an operator goes further and summarises the overall approach to software. By way of an example if a licensee currently only prohibits one type of software and tolerates other types, we would expect to see a statement to the effect of 'software that does (a) is prohibited for use on this site. The use of other software is not prohibited and this includes products which do (b) or (c).'

The responses suggested a number of inconsistencies in the application and understanding of internal policies on third party software usages. We consider the introduction of this new requirement to offer licensees a timely opportunity to review their policies on software usage.

We would expect network operators to work in conjunction with the customer facing operators in deciding what software, if any, is permitted or prohibited on the network. It could be confusing for customers if sites sharing the same player pool were to take different stances on the software that is permitted. To reduce this risk, and ensure a consistent approach, the network operator should make the decision in conjunction with the customer facing operators (B2Cs).

Bringing the information to the attention of players

We were concerned that some respondents were reluctant to raise awareness of third party software amongst their player base on the grounds that to do so may inadvertently increase player take-up of prohibited software. This position reinforces concerns as to the true effectiveness of terms and conditions in ensuring consumers are properly informed about gambling products.²⁷ It also suggests an unfair trade off in which disclosure of third party software is limited at the expense of ensuring consumers are properly informed of this risks associated with using a particular product.

Whilst we dispute the rationale used in this instance we accept that licensees are not, at present, required to contact customers about other important areas which are contained in the terms and conditions or game rules. Therefore, on balance, it will be sufficient for licensees to provide information about software in their terms and conditions and player's guide (remote SR code 4.2.3) for the applicable product. We are also satisfied that, under licence condition 7.1.1 customers will be notified of changes to terms that come into effect as a result of this requirement. We will amend the proposed guidance in RTS 16B (b) to relax the requirements here.

We encourage licensees to do more to raise the knowledge of customers in order that the decision to gamble on a particular product is as informed as it can be. This could entail using customer surveys to identify those areas where consumer knowledge is relatively limited.

The information provided to customers is an area that will remain under review.

Deterring and detecting the use of prohibited software

We will introduce the proposed requirement that operators should have methods in place to deter and detect the use of prohibited software. Players should also be informed how to report suspected breaches of the software policy.

From a consumer perspective, it is reasonable to assume that licensees would have measures in place to monitor and detect potential breaches to game rules, particularly when breaches could have a detrimental impact on other (compliant) consumers.

²⁷ The recently published survey data 'Gambling participation in 2016: behaviour, awareness and attitudes' has highlighted how low the penetration of terms and conditions can be with only 23% respondents stating they have previously read terms.

It is also fair to assume that listing prohibited software could infer a level of protection that would influence a consumer's choice of licensee. We therefore consider it misleading for licensees to advertise banned behaviour/products with no intention of monitoring and enforcing breaches to the game rules.

We accept that the methods an operator employs to detect and deter breaches will differ depending on internal systems, the type of software that is prohibited, and the level of perceived risk. Where necessary we would expect licensees to seek specialist advice and/or manage internal resources to ensure effective monitoring and detection of breaches to game rules.

We note the concern that licensees might be deterred from banning certain types of software in the event that they lack the capacity to detect and deter potential breaches. However the aim of the new requirement is to discourage licensees from publishing details of 'prohibited' software where they lack the internal capabilities to effectively detect and deter usage. In addition to misleading consumers, failure to act on breaches could draw attention to operational weaknesses, which could bring the reputation of the sector into disrepute.

This area will be kept under review and we will monitor the progress made by operators.

14 Financial limits – amended requirement (RTS 12)

Consultation proposals

- 14.1** The existing RTS guidance requires that *[financial] limits could be implemented across all products or channels or individual products and channels*. It is apparent that whilst some licensees provide consumers with the option to set limits at an account level (ie across all products) others limit the feature on a per product basis. Setting limits at an account level upholds the fair and openness objective by enabling consumers to manage spend across a range of gambling products. We therefore proposed to amend RTS 12A to require that consumers are given the option to set financial limits at an account level. This amendment does not affect the provision for licensees to offer limits for individual products, though consumers must be given the choice to set account level limits.
- 14.2** The revised RTS requirement sets out that where an operator offers the provision to set limits on a per product basis, it should be clear to consumers using the facility that a limit will need to be set for each product. In other words, where a limit has been set for a specific game consumers should not be misled into assuming that the limit automatically rolls-over to other products.
- 14.3** We also clarified the how limits should operate in the event that a consumer sets limits for different time periods (ie a combination of daily, weekly and monthly limits). We proposed to update the guidance to clarify that whilst licensees may provide the ability to set more than one timeframe simultaneously (eg a daily and monthly loss limit), actual spend (or loss amount) must be determined by the lower of the two limits. Therefore if a daily deposit limit of £10 and a weekly of £100 are both set then a maximum amount that can be deposited is £10 per day and £70 per week.
- 14.4** The current requirement states that *the gambling system must provide easily accessible facilities that make it possible for customer to impose their own financial limits*. A number of stakeholders have requested clarification of the term *easily accessible* with regards to the implementation of financial limits (RTS 12) and reality checks (RTS 13). We proposed to add a definition for the term *easily accessible* to the definition of terms table in the RTS.

Consultation questions

30. Do you agree with our proposal that licensees must give consumers the option to set account-level financial limits?
31. Do you agree with our proposal that where limits are set across separate products it should be clear to consumers using the facility that a limit will need to be set for each individual product?

Respondents' views

- 14.5 A significant proportion of respondents agreed with the proposal that consumers must be given the option to set account-level financial limits. The requirement was considered to be good practice with *many operators* already offering this facility. It was pointed out that it could be difficult to apply account level limits to those products that are offered via separate wallets (eg casino and sportsbook). Consumers would nevertheless be made aware that separate limits will need to be set for other accounts/wallets they may hold.
- 14.6 One respondent expressed concern that deposit limits are sometimes misleadingly referred to as 'daily loss limits'. It was suggested that this terminology implies that the limit will protect a customer's total balance (including winnings) rather than just restricting new/additional deposits which exceeded the deposit limit.²⁸ Another respondent felt that the amended wording for RTS 12A (e) (ii) was confusing as it referred to 'product' and 'game' when these are effectively *the same thing*.

The Commission's position – financial limits

The revised RTS will require licensees to give consumers the option to set account-level limits. We will also update the guidance to clarify our expectations concerning the setting of different limits for specific time frames (ie the lowest limit will apply in the event that a consumer opts to set separate daily and weekly limits).

We note that the proposed wording for the amended RTS 12a could be misleading in the sense that it refers to games in addition to 'products'. We have corrected the error and can confirm that, for the purpose of the RTS, the term 'product' is used to describe different verticals (eg bingo, casino, sportsbook etc.).

We have noted the point raised in relation to deposit limits and the potential for consumers to incorrectly assume that this limit applies to their gambling account balance and any winnings (see footnote 28). In practice we would expect licensees to make it clear to consumers what each limit applies to and how it is calculated (including any start and end points for the limit's calculation).

²⁸ For example a player has a balance of £200 and sets a loss limit of £100. At the end of a subsequent gaming session the player has won £400 (and not incurred any losses). The player may then conclude that the loss limit now applies to the new £600 balance when in fact the limit excludes winnings and only calculates from the original £200 balance.

15 Reality checks – amended requirements (RTS 13)

Consultation proposals

- 15.1** The requirement for operators to offer consumers a ‘reality check’ in order to help manage the time spent gambling came into effect on 30 April 2016 and was supplemented with additional guidance on our website. We proposed to incorporate the majority of our supplementary blog guidance into the RTS 13B implementation guidance. We also invited views on any suggested amendments or additions to the requirement and current guidance (both within the RTS and as was provided on the blog). This included providing views on what constitutes good practice.
- 15.2** The blog sets out two acceptable approaches for implementing the reality check requirement based on whether the licensee uses:

Player account level implementation

This is where the reality check is set at account level and as a result there is a single reality check for all products. In the main there are two different approaches to account level implementation.

1a Reality check commences at start of the gaming session

This is likely to be considered the most optimal approach as it allows the consumers to set a reality check reminder for their account which would apply to all gaming sessions and could be amended by consumers as required. It means a single reality check is in operation and consumers will not have multiple reality checks running concurrently if they choose to play multiple products. The reality check would pause when a customer exits a gaming session and recommence when another session is opened.

We proposed to update definition of terms to explain how the Commission expects licensees to interpret a ‘gaming session’.

1b Reality check commences when manually set by the consumer or is automatically triggered by account login

A licensee may elect to simply implement the timer so that it commences when the consumer sets it and/or subsequently logs into their gambling account. The timer in this scenario would commence independent of whether a consumer has opened a new gaming session. Whilst this solution would meet the requirement it does not take into account natural breaks in play, such as the time spent between gaming sessions (eg in the casino lobby). This solution would also mean that non applicable gambling activity, such as betting, is included in the reality check rather than just the applicable activities (eg bingo and casino games).

Product level implementation

This is where an individual product or sub-set of products (eg bingo or casino games) have their own reality check. In this instance a single reality check does not apply to all products and the consumer may have multiple reality checks operating concurrently. However, the option to set a reality check before each gaming session must be made easily accessible to consumers ie before commencing play on a particular slot game or, if applicable, a group of slot games offered by a particular supplier.

- 15.3 Regardless of which implementation method is used the information provided to consumers must clearly set out how the option available works and in the case of product level implementation, consumer must be advised that they will need to set a limit for a product or group of products each session.

Consultation questions

32. Do you consider the proposed definition of *gaming session* to be sufficient?

33. Do you agree with the proposed amendments and additions to RTS 13B?

Respondents' views

- 15.4 Overall, the proposed definition for *gaming session* to be sufficiently clear and *in line with existing regulation and guidance*. Some respondents, meanwhile, expressed a preference for their own internal definition for *gaming session*. For example, it was suggested that the term should apply to all account based activity therefore commencing and ending when a customer logs in and out of their account. Clarification was sought on how the definition could be applied to *multiple-game play and side games* where a *player may play casino side games within another gaming session*. One respondent advised that it was *not uncommon* for player to switch off their device whilst still logged into their account, which could *affect checks that are time dependent*. Applying the proposed definition of *gaming session* could lead to mixed levels of compliance and *cause ambiguity and unrealistic expectations* as to what can be delivered.
- 15.6 Some respondents felt that the proposed amendments and additions to RTS 13B *clearly detail the Commission's expectations for reality check functionality* and should lead to *greater consistency in the application of the requirements in RTS 13B*. Permitting licensees to implement one of a number of solutions based on their set-up was considered a fair approach, providing that the details of the adopted solution are made clear to the player. An account level solution whereby reality checks rolled across different verticals (eg casino and bingo games) was considered *preferable from a player's point of view* but difficult to implement where these games are delivered by different suppliers. Product level implementation was considered the least effective option from a consumer perspective because *the reality check is not consistent, the options may vary between each games they play, and [players] are more likely to switch to another game than ever reach their reality check time limit*.
- 15.7 It was suggested that section b (ii) be reworded to "this approach will require a customer, **who wishes to do so**, to set a reality check..." (proposed addition highlighted in bold). There was also concern that in *a lot of scenarios there is no way for the operator to establish that the player has terminated a game*. One respondent commented that option for licenses to adopt a *wide variety of solutions...highlights the flaws in [the requirements] implementation*. It was suggested that the requirement *simply does not reduce problem gambling, nor gives a consumer any useful tools*. Another respondent requested *that the gaming session definition is redefined, and the implementation guidance [made] less specific*.

The Commission's position – reality checks

We consider the optimal solution to be one in which a consumer is able to set a single reality check for each account login. This is referred to in the updated guidance as the 'account level' solution and removes the need for consumers to set a new reality check for each *gaming session* (see definition below). The updated guidance details alternative approaches for licensees that face the following restrictions:

- The inability to set an account level reality check that will automatically roll across to different *gaming sessions* and verticals (eg bingo, casino, sportsbook).
- The ability to set an account level reality check that automatically rolls across to different *gaming sessions*, but separate reality checks need to be set for specific verticals or wallets (eg bingo, casino, sportsbook).

We are satisfied that the updated guidance sufficiently accommodates the above restrictions, though there were some reservations as to the effectiveness of different solutions and the reality check requirement in general. We expect licensees to continue to evaluate the impact of the requirement in order to develop and improve the protections afforded to vulnerable customers.²⁹

Some respondents expressed concern over their limited capacity to monitor a consumer's transition between different games. We consider this issue to be sufficiently accommodated in the updated guidance, in which it is permissible for the reality check clock to commence *before* the player accesses a *gaming session*. This solution would meet the requirement although it would not take into account natural breaks in play, and will continue to tick-over during time spent in-between gaming sessions (eg in the casino lobby).

We note that there are instances in which a consumer might switch off their device without first logging out of their account, though it is not clear how this would affect the implementation of the reality check solution. We suspect problems arise where account preferences are not 'reset' unless the consumer logs in and out of their account. It is not possible to cater for every eventuality and licensees will be afforded flexibility in resolving issues where they exist. We would, however, expect that consumers be made aware of any technical limitations that have been identified (eg the need to manually log out of their account prior to turning off their device).

The wording of section b (ii) will be amended to clarify the consumer's role in *choosing* whether or not to set a reality check for each individual gaming session.

Gaming Session and Account Login

We recognise that the terminology used in game development is varied and a single term can have different meanings when applied across a broad spectrum. The updated guidance captures a number of implementation methods, which differ dependent on whether the reality check rolls across to other games and/or products. We therefore consider use the term *gaming session* to describe a period of activity within a specific game to be appropriate.

For clarity, a distinction is made between *gaming sessions* and *account login*. For example, the optimal account level solution will enable a consumer to open multiple *gaming sessions* that are all subject to a single reality check. A product level solution meanwhile would require a consumer to set a new reality check for each individual *gaming session*.

²⁹ The need to consolidate a culture of evaluation is one of several key priority areas [National Gambling Strategy](#).

The term *account login* is used in reference to a website's ability to save a player's account preferences after a consumer has exited their *gaming sessions* and logged out of their account. The updated guidance will require that, where possible, a player's preferences should be applied to all future *account logins*. If this is not possible players must be provided with clear information that explains that they will need to set a reality check for each *account login*.³⁰

The updated RTS will contain a glossary of terms, which will provide further clarity on the definitions we have adopted for implementation purposes.

16 Live dealer studios – new requirement (RTS 18)

Consultation proposals

- 16.1** A number of remote casinos offer consumers the ability to gamble on physical casino events such as actual roulette wheels and card games administered by a croupier. The events often take place in dedicated live dealer studios with video live streamed to consumers.
- 16.2** Last year we consulted on changes to our testing strategy for compliance with remote gambling and software technical standards. The [consultation](#) proposed that, given the defined scope of a live dealer operation, audits performed to other jurisdictions standards should suffice of our compliance assurance requirements. However, where live studios have not been audited, we proposed that one will need to be carried out against standards similar to those of other jurisdictions. The proposed new requirements sets out the specific standards that we would expect live dealer provision to adhere to. Adherence to these standards will need to be verified by a [Commission approved test house](#) and on an annual basis thereafter. Licensees audited by other jurisdictions will generally be able to provide evidence of those audits to satisfy this requirement.
- 16.3** We considered it to be more appropriate to include these standards within the RTS given the testing strategy's focus on pre-release testing for gambling software. Further, the testing strategy does not address the fairness assurance of live dealer operations, as fairness is controlled by physical factors, such as people, physical equipment, processes and procedures.

Consultation questions

- 34. Do you agree with the inclusion of a set of standards in the RTS for providers of live dealer studios that have not been audited by other jurisdictions?**
- 35. Do you consider the live dealer standards, as set out above, to be sufficient?**

Respondents' views

- 16.4** Respondents agreed with inclusion of the live dealer studios standards. One respondent noted that there are *significant differences between the* standards adopted by other jurisdictions. It would therefore be *beneficial* to list those jurisdictions the Commission would consider to be acceptable. Another respondent suggested that it be made more explicit that the standards are *only for live dealer studios that have not been audited by other jurisdictions*.

³⁰ Where preferences are saved for future *account logins* do not expect the reality check clock to commence from the point of the previous *account login*. For example, if a reality check was set for 30 minutes and a consumer logs out of their account after 25 minutes of play we would expect the clock be restart from 0 on the account login.

The Commission's position – live dealer studios

The live dealer requirements cover the minimum standards we would expect a live dealer studio to meet. We have modelled the standards based on consultation with live dealers and on standards adopted by other jurisdictions including Isle of Man, Alderney and Denmark. Whilst there will be some variance between different jurisdictions, our proposed standards are sufficiently high level and reflect the priority areas already present in the other jurisdictions. It is also the case that live dealers are often serving multiple jurisdictions so they have to ensure their processes comply with all of them.

We do not consider it to be necessary or practical to provide an exhaustive list of jurisdictions that contain similar standards. It would be expected that live dealer operators ensure their processes comply with our requirements and whether audits of their processes as required for other jurisdictions will also cover our requirements. Where this isn't the case we may seek further assurance.

The new requirements will apply to any live dealer licensed by us, regardless of whether or not they have been audited by other jurisdictions. Where they have been audited by another jurisdiction and that audit sufficiently covers our requirements then it won't be necessary to obtain another audit just for our purposes. If no audit has been performed for other jurisdictions then one will be required to satisfy our compliance audit purposes. We will update the testing strategy to reflect this.

17 Linked progressive jackpots – new requirement (RTS 9)

Consultation proposals

- 17.1** Progressive jackpots have grown in popularity and prize levels are reaching significant values. In addition, the complexity involved due to multi-party arrangements and by linking games which were not designed to operate in a jackpot system introduces risks to the fairness and openness of these products. We have received enquiries about how to handle certain situations related to jackpot operations and can see a need to formalise expectations within the RTS.
- 17.2** Although some of the existing RTS requirements give guidance on certain aspects of jackpot operators, there are other areas not adequately covered. We therefore proposed to add a new jackpot RTS requirement to capture these in one area. To summarise we proposed to cover the following areas:
- Customer information regarding whether the game is eligible to win a jackpot, how the jackpot can be won and greater transparency in relation to the customer contributions that fund the jackpot's increase.
 - Ensuring jackpot values are refreshed frequently enough on customer displays, including adequate refresh or notification upon a jackpot win and rest
 - Rules and technical capability to handle simultaneous wins, especially where communication delays increase their likelihood
 - How to handle contributions which may exceed the ceiling limit of a jackpot (pooling them in a reserve fund)
 - Timely notification of a jackpot win to the winning customer and other participating customers
 - Acceptable procedures for the fair decommissioning of a jackpot containing customer contributions.

- 17.3 We also sought feedback on the proposed measures, in particular how customers using restricted display devices can always see the current value of a jackpot, and on the technical ability to notify participants when someone else has triggered a jackpot

Consultation questions

36. Do you consider the progressive jackpot standards, as set out above, to be sufficient?

Respondents' views

- 17.4 Responses to the proposal were mixed. There was some concern that licensees would be required to disclose *commercially sensitive information* that would be of *no benefit to the player*, such as specific details on contribution and seed levels. Respondents queried whether players needed to be given the *exact amounts and percentages* that determined the jackpot; information that would be difficult to provide for complex products. It was suggested that the information provided should be more general in nature ie informing the player that *a jackpot starts at a start-up seed amount* and a proportion of player contributions are used to fund the progressive jackpot prize; recover the start-up seed amount and compensate other operational costs (bank charges, administration fees, interest on seeded amounts etc). Another respondent felt it would be sufficient to state that *a proportion of each stake is added to the progressive jackpot and that chances of winning are proportionate to stake*.
- 17.5 A few respondents felt that the proposed drafting of requirement 9B (b) that 'the chances of winning a jackpot should increase in correlation with the amount contributed', was not 'technically correct'. Rather, in the event that every player doubled their number of jackpot entries, their chances of winning would remain the same (ie not increase "in correlation with the amount contributed"). Another respondent noted that in bingo games the stake *doesn't affect the amount won* but will, with the exception of multi-stake bingo, affect the chance of winning the jackpot (in the sense that a player who buys more tickets has more chances to win). Community Bingo jackpots also exist where players may receive a share of a jackpot without making any stake (syndicate jackpots) or where their share in the jackpot is based on number of qualified players (rather than stake amount). It was proposed that the Commission adopt an approach consistent *with other jurisdictions* and the requirement be re-worded to "the amount of the progressive jackpot paid out to the player must be linearly proportional to the player's contribution".
- 17.6 Some respondents disagreed with the principle that all customers that contribute to jackpot pools should be eligible to win the jackpot. One respondent commented that there are a *wide range* of existing bingo games that would fail to meet this requirement. Further the state of the jackpot before each game may be such that *one or more jackpots may not be winnable*.³¹ Another respondent noted that *it is accepted practice that different jackpot games have different criteria to qualify for a chance to win the jackpot*. For example some progressive games require a player to bet with the maximum possible bet (or lines) for the game to be eligible to qualify for the jackpot, though there are also games in which all bets are eligible to qualify for a jackpot.
- 17.7 One respondent expressed concern that the new eligibility requirement will *reduce prize levels significantly [and] the rate at which they grow, which in turn will reduce attractiveness to UK players*. Progressives often have different rules on eligibility amount, which players contribute to prize pool, which costs are recovered and how the prize is paid out (eg whether as a lump sum or annuity). It is therefore important to ensure that this information is set out in the game rules and made easily accessible to players.

³¹ Respondents advised that details of such an arrangement will be displayed in the games artwork.

Another respondent noted that games are designed to ensure consumers are made aware of whether or not they are eligible for the jackpot (for example, the jackpot value is hidden or greyed out if they reduce their stake below the threshold, and the Help screen states the eligibility criteria).

- 17.8** There were a number of queries concerning the example solutions for decommissioned jackpots.³² One respondent queried whether an operator would require *regulatory approval* to adopt an approach that was different to the listed examples or whether it would be sufficient to explain in the game's rules how such a situation would be resolved. In one instance it was felt that the option to wait until the jackpot was next awarded would not be a practical solution if both the probability of winning the jackpot and popularity of the game is low (resulting in a decision to decommission it). One respondent commented that some games have complicated staking structures, which can make it difficult to *engineer each individual stake*. For this reason the third solution – returning remaining contributions as a one off event – would be *exceptionally difficult to implement*. It was noted that players could receive values of less than 10p, *which causes confusion and leads to an increase in customer queries*.
- 17.9** The proposed drafting of requirement 9B (c) was queried by one respondent where we suggested that licensees prioritise the customers who contributed to a jackpot if it was being decommissioned. The terminology was considered to be misleading as it *assumed that players have some claim over the jackpot fund*. There was, however, agreement with the principle that businesses should not be able to close progressives and profit from the customer funds. It was noted that the rules for decommissioned funds should be set out in the operator's terms and conditions (linking from the game's help files) as individual operators may have different ways of settling disputes.
- 17.10** The Commission was asked to provide additional guidance to clarify the intention of the requirement set out in 9A (b) whereby a game's rules should describe what happens when two or more players are awarded (or due to network latency issues they appear to be simultaneously awarded) the same jackpot value. It was suggested that, technically, it would be *impossible for* players to be awarded the same jackpot value as bets will be queued according to the design of progressive gaming systems. In the event that there is some degree of time lag the *game's win celebration will always display the correct jackpot value*. It was also proposed that the Commission define an upper limit for the updating of jackpot values, to ensure suppliers designed games with minimal latency.
- 17.11** Other respondents considered the new requirements to be *reasonable and proportionate* and to *formalise what is custom and practice within the land-based bingo industry*. One operator asked for clarification on how a progressive jackpot should be treated in the event that the winning player is subsequently identified to have breach the site's terms and conditions and/or a self-exclusion arrangement. In one instance concern was expressed that the new requirement doesn't cover multiple games that share a common progressive jackpot and the need for *players to be informed how that relates to the RTP of the specific game they are playing*.

The Commission's position – Linked progressive jackpots

The amount of detail provided to players in the game / jackpot rules should be sufficient for the player to know how the jackpot winners are determined (eg if it's triggered by a symbol combination within the game; or if it's determined outside the game then how). We won't require the intricate detail on seeding and contribution percentages and will alter the guidance to reflect this. We would expect that at least the seed / start-up value (£) of all jackpots is stated along with any ceilings applied.

³² RTS implementation guidance 9B (c) (i)

We require players to be informed on the likelihood of winning (RTS 3) and for most games of chance this is typically represented with an overall RTP percentage. Where a game is connected to a jackpot system this increases the RTP over the base game amount. RTP displayed should either be the total RTP or a breakdown of the base game and jackpot percentages should be provided (ie Total game RTP including jackpot system is 95%; or base game is 90% and jackpot contributes an extra 5% to the RTP). This would be particularly important if some players aren't eligible for the jackpot and hence would only be receiving the base game RTP. It is also expected that game performance monitoring measures the base game and progressive jackpot performance separately.

We will alter the wording for simultaneous wins acknowledging that two or more players won't be awarded the same *displayed* jackpot value as it will be divided between the winning players.

Where a player is not eligible to win the jackpot (for example because it only applies for those staking above a certain amount), this must be made clear along with the reduced RTP they are receiving.

We don't intend on prescribing time limits for the synchronisation of jackpot displays and win notification. Our preference will be to ensure that jackpot systems contain adequate measures to ensure players are able to see an up-to-date value of jackpot values. Further that players are treated fairly in an instance where they trigger the jackpot while it was displaying £X, but due to a simultaneous win are actually only awarded X/2.

With regards to jackpot decommissioning, whilst we provided the three main approaches that could be used, there will be other options. We don't intend on approving each approach but would expect the overall aim is to return player contributions and not to profit from decommissioning a jackpot. Jackpots are advertised prizes and have been funded by the financial contributions from players' bets.

18 Virtual sports odds

Consultation proposals

- 18.1** The consultation sought views on providing further guidance for virtual products odds: an area in which technical advances have increased the complexity of some virtual betting products which can now feature in-play and accumulator bets. The following issues were identified as requiring further consideration:

Odds vs Likelihood of winning

- 18.2** Unlike real event betting, where the odds offered are based on the opinion of the bookmaker, the outcomes of virtual event betting are determined by design. The odds offered on a particular real event (ie football match) can be used to determine the implied probability of a particular outcome occurring but this is then subject to uncertainties of a real life event. However, for virtual event betting the precise probability of each outcome is known (and only to the operator) and therefore our view is that the odds offered (allowing for the operator's margin) should accurately reflect the likelihood of an event occurring in order not to mislead customers.
- 18.3** We considered it important to reinforce this principle as part of the fair and open provision and proposed to include further guidance to RTS 3C.

Rounding of odds

- 18.4** As the complexity of virtual betting products has increased, this has highlighted cases where the typical odds ladder offered by operators does not offer sufficient granularity to the reflected probability of the outcome occurring. This could lead to the odds to be offered to the nearest available odds on the ladder. If we assume consumers use the odds offered as the basis for the likelihood of an outcome occurring this has the potential to not give an accurate reflection of the real likelihood.
- 18.5** This raises two issues: firstly the granularity of the odds ladder; and secondly the approach to rounding. For the granularity of the odds ladder we proposed to add guidance to RTS 3C to ensure granularity is sufficient to avoid misleading consumers on the likelihood of an outcome occurring, due to their being insufficient intermediate steps on the ladder.
- 18.6** In the case of rounding, we proposed additional guidance to ensure that licensees set out their treatment of rounding in the rules and/or terms and conditions so consumers are made aware of the approach. We also intended to require that where rounding takes place it is to the nearest odds (ie not always rounded down to the disadvantage of consumers).

Presentation of odds (fractional and decimal)

- 18.7** We accept that operators will present odds in different formats to meet consumer preference, however sometimes there will be a difference in player return between the decimal and fractional odds for the same outcome. We therefore proposed to include further guidance in RTS 3C setting out our expectation that the rules made available should explain how bets are settled when consumers are offered the opportunity to choose odds to be displayed in other format. For example licensees might state that “all bets are settled at fractional/decimal odds”.

Consultation questions

37. Do you agree with the principle of adding further guidance for virtual sports odds to ensure the fair and open objectives are met?

38. If you agree, is the Commission’s position (as set out above) sufficiently clear? If not, what changes should be made?

Respondents’ views

Odds vs likelihood of winning

- 18.8** Respondents agreed with the requirement that the odds displayed in virtual event betting should reflect the probability of each event occurring as closely as possible. One respondent noted that the requirement should allow for the operator’s margin and apply only to win markets. For other derivative markets such as each way, forecasts, tri-casts it was suggested that virtual products should *either reflect the same rules for probability as per the win markets or should reflect common practice in real event betting markets*. It was suggested, for example, that fractional each way terms on virtual events should replicate industry standard each way terms for real events. It was suggested that the guidance was problematic as it *assumed every runner is offered to a specific margin which is not the case for actual sporting events or the case for virtual*. Rather, it is *standard trading practice* for operators to manage liabilities by amending their margins for a customer base which *mainly or only backs favourites*.

Rounding of odds

- 18.9** A couple of respondents expressed concern that virtual sport events are different to gaming products and applying a gaming RTP mentality to them would affect margins and the ability of betting operators to set their own odds and manage their liabilities. Parallels were drawn with *other fixed odds betting* events in which the Commission did not impose *comparable rounding up or down requirements*. Another respondent felt that the guidance could lead to licensees imposing *higher total over-rounds to compensate for operators inability to set their own prices*.
- 18.10** Other respondents agreed that adding rounding standards would *reinforce the fair and open provision* and licensees should *set out their treatment of rounding odds in their rules*. One respondent noted that whilst rounding should be to the nearest available fractional odds, there were circumstances where *following this rule would lead to the creation of a negative margin of error for the operator*. For example in instances where *virtual events have very high RTP percentages (eg 98%)* the difference between two consecutive prices on the odds ladder is often greater than the overall margin for the event, with rounding up creating a betting opportunity with a negative expectancy for the operator. Seeking to address this issue by introducing additional fractional odds would result in the presentation of unfamiliar odds to the player (eg 41/40). Similarly, increasing the profit margin would enable operators to round to the nearest odds but at the expense of offering poor value to the consumer. It was therefore proposed that rounding down be permitted in situations where rounding up would create an *over broke book*.
- 18.11** One respondent noted that selections should be settled at the price quoted to the customer, not the rounded up figure. To do otherwise could lead to *a rise in confusion and complaints as to what the actual odds were when the bet is placed*.

Presentation of odds (fractional vs decimal)

- 18.12** None of the respondents disagreed with the proposal that the odds format that will take precedent in settling bets must be set out in the rules.
- 18.13** In response to whether the Commission's position on virtual odds is sufficiently clear, it was proposed that minimum stake, maximum winnings and theoretical RTP over a defined period (10 million games) should be set out in the betting rules section.

The Commission's position – virtual sports odds

Odds vs likelihood of winning

The revised RTS will formalise the requirement that *the odds displayed in virtual event betting should reflect the probability of each event occurring as closely as possible*. The requirement does not seek to interfere with the ability of operators to set their own odds and we would expect the prices to account for an operator's margin.

Some respondents noted that the calculation of derivatives (each way, forecasts, tri-casts) might not necessarily correlate with true probabilities (as the odds are a fraction derived from the win price). We consider it to be implicit within the updated guidance that licensees must ensure derivative prices offer a fair reflection of the win price.³³

³³ This would most likely be achieved by applying the same calculations for derivatives used in real event betting.

Other considerations

We are concerned that the mechanics of virtual betting present risks that are not inherent in real events, primarily:

1. Real event vs virtual event - outcomes

Unlike real event betting the outcome of virtual events is determined by the operator's design. We accept that some games might seek to replicate the various factors that can influence an outcome in real event betting (such as weather, ground condition etc). However, these scenarios form part of the games design and the operator is still able to determine the true likelihood of an event. A less scrupulous operator could offer odds of, for example, 2/1 on a particular outcome despite knowing that the true likelihood is in fact 20/1 thus impairing a consumer's ability to manage and control their gambling activity. This scenario is less likely to manifest in real event betting where there is less certainty as to the true outcome of an event.

2. Real event vs virtual event - pricing

Real event betting often consists of multiple bookmakers offering odds for a single live event, enabling consumers to shop around for the most competitive prices. Virtual event markets are generally accessible via individual operators who set the odds based on the game's design (which is unknown to the consumer and may be different to the virtual events offered by other bookmakers).

Another option we considered after further discussion was to require the display of the actual likelihood of each outcome occurring. For example in a six runner virtual horserace another column on the bet selection screen would be required to denote the percentage chance each runner has of winning, and this would be based on the designed probability. In this way the consumer is as knowledgeable as the operator regarding their chances of winning, as per real event betting or a roulette / card game where players will know there is a 1 in 37 or 1 in 52 chance of their number / card appearing. This would achieve maximum transparency and is the most accurate way of informing players as to the likelihood of winning. There would then be no need to display the margin for each runner / market as it would be obvious when comparing the actual likelihood against the offered odds.

However we decided against this measure on the basis that it may confuse some players and would require extensive backdating to update existing virtual event offerings. The updated guidance will none the less mitigate the risk of misleading by formalising that the virtual odds *reflect the probability of each event occurring as closely as possible*.

Rounding of odds

A number of respondents expressed concern that the practice of rounding to the nearest odds would interfere with an operator's ability to run the events at their desired margin. We also considered that the 'likelihood of winning' section is not the correct place to specify how odds should be rounded. Further, the rounding of odds is something that cuts across real event and virtual event betting in both the terrestrial and remote environments and addressing it in RTS 3, which is limited to virtual events in the remote environment only, was not holistic.

We are satisfied that by introducing the above principled approach (to ensure odds closely reflect the likelihood of winning) we are addressing the core concern. For these reasons we will not add this requirement as proposed and will keep the issue under review. We would expect that in providing a fair and open betting service operators to be disclosing pertinent policies in their rules. Social Responsibility and Ordinary codes also require the disclosure of such information.

Presentation of odds (fractional vs decimal)

All respondents agreed that the odds format which takes precedence in settling bets should be stated in the rules. Further we have noticed that this is an area where an absence of such clarity creates consumer complaints, it is in keeping with the fair and open objective to be clear here. We will make the proposed updates to RTS guidance as follows:

The odds format that will take precedence in settling bets must be set out in the rules.

However rather than amend guidance in RTS 3C (which specifically addresses the likelihood of winning for remote gaming and virtual betting products) we will add it to the more appropriate RTS 2B as this applies to both real and virtual event betting and pertains to the information required to inform the conditions applying to a customer's gamble.

19 Information security standards

Consultation proposals

- 19.1** The security requirements within the RTS were selected from the ISO 27001 information security management standard. Our aim in setting out the security standards is to ensure that customers are not exposed to unnecessary security risks by choosing to participate in remote gambling. In addition to the risks inherent in other forms of ecommerce, those of personal information and credit card theft, remote gambling carries additional risks. Remote gambling operators, like banks, hold customer deposits and the operator controlled gaming system that accepts the customer's bet also decides whether the gamble wins or loses.³⁴
- 19.2** We intended to review the information security standards contained within the RTS to ensure they still remain appropriate to capture the main risks inherent in remote gambling. It was proposed that the following requirements were pertinent to remote gambling and should be added to the RTS:

16 Information Security Incident Management (numbering from the ISO 27001 standard) – Even systems with the most mature information security measures can be compromised. This might result in the breach of player data, loss of player funds or the loss or corruption of historical gambling transactions. A key event already exists for the reporting of notable incidents to the Commission. This new provision aims to ensure a consistent and effective approach to the management of information security incidents. This would include ensuring adequate preparations are in place to rapidly respond to incidents and determine the appropriate communication.

14.2 Security in development and support processes

There are a total of nine sub-requirements to this section. They cover things such as ensuring restricted access to who can modify sensitive source code, oversight of any aspects outsourced to external developers, and system security testing performed during development. This is important in a gambling environment, particularly where the gambling software determines results. We already have bespoke requirements covering the secure development of gambling software in the testing strategy (section 6) and therefore this is not an uncontrolled area at present. Adding these elements into the security requirements would be a duplication of some parts but would also provide a more holistic set of security requirements. We sought views on the merit of its inclusion.

³⁴ The risk is increased as there is no separation between the bet acceptor and the outcome determination.

14.3 Test Data

There is one requirement in this section dealing exclusively with ensuring that test data is carefully selected and controlled. As development environments are often not subject to the same security and audit logging measures as operational systems there is a risk of customer data and other sensitive information being misused or stolen when it resides in development environments. To test system developments it is often the case that a copy of the operational data is used as it more accurately reflects the live environment. Properly controlled test data should have personal information garbled to render it useless in the event it is compromised.

- 19.3** We also welcomed input on the overall security requirements we have selected and whether there are others that should be included. We acknowledged that the more holistic approach would be to require the complete ISO 27001 standard and many operators have voluntarily elected to do so. However, the original aim in selecting only a subset of the entire standard was to ensure we are proportionate and primarily focused on player related risks rather than business risks that will already be managed by licensees. That is why, for example, we have chosen not to select *17 information security aspects of business continuity management*, as the ability for an operator to continue trading after an incident is not of primary concern to the regulator but will be a primary business risk already managed by operators. We have however included the linked *system backup* requirements to ensure gambling transactions and player balances are protected.

Consultation questions

39. Do you agree with the inclusion of the following additional ISO 27001 standards:

- **16 Information Security Incident Management**
- **14.2 Security in development and support processes**
- **14.3 Test data**

40. Are there standards not listed above that you think should be included in the amended RTS?

Respondents' views

- 19.4** The majority of respondents agreed with the proposal to include the additional ISO standards. The standards were considered to be *important and highly applicable to the industry*. The proposed new requirements would *bring the security section of the RTS in line with industry requirements (eg General Data Protection Requirements) for application security assurance*. A number of respondents have adopted the full ISO 27001:2013 standard. To reduce duplication of effort, resource and cost, it was proposed that these licensees be exempted from the Commission's information security audit and relevant sections of the games testing audit. Under this arrangement ISO 27001:2013 certificate should be accepted in place of the current Information Security Audit report to remove the need for licensees to submit distinct reports to the Commission which mirror part of the audit reports that form the basis for the ISO certification.
- 19.5** Although no respondents disagreed with the overall inclusion of additional standards, one respondent observed that *16 Information Security Incident Management* and *14.2 Security in development and support processes* are covered by key event and existing good practice requirements respectively. The development requirements will also be partially tested for those in scope for the new annual games testing audits. Another respondent requested greater alignment between the definitions used for the purposes of the RTS and those set out within the 2005 Gambling Act and 'The Data Protection Act'. For example, it was noted that *the definition of sensitive data is not the same as that stated by the ICO or as defined in the Act*.

19.6 In response to Q40, the majority of respondents felt that the proposed additions would be sufficient. One respondent expressed concern that it might be difficult for smaller software developers to adhere to the new requirements and that in *the long run all operators and software providers will need a full ISO 27001 certification*. It was proposed that the RTS place greater focus on data protection and incorporate specific elements of the GDPR and DPA. The following additions were considered to offer further mitigation against player-related risks:

- *6.1 Internal Organization*
- *6.1.1 Information security roles and responsibilities*
- *8.1.3 Acceptable use of Assets*
- *8.2 Information Classification*
- *11.2.2-11.1.4 control of equipment-related provisions*
- *12.1.2 Change management*. Whilst it was accepted controls associated with changes to games will be reviewed in detail by approved test houses in separate annual audits, changes impacting security are also important and relevant to the industry.
- *12.6 Vulnerability management*
- *12.6.1 Management of technical vulnerabilities*
- *13.2 Information transfer*.
- *17 Information security aspects of business continuity management* Information – should be required in the absence of a SAFE in the British regulatory framework.
- *18.1.3 Protection of Records* and
- *18.1.4 Privacy and protection of personally identifiable information* were proposed on the basis that the requirements *primarily focus on the protection of player-related information and protection of players' interests*.

19.7 Clarification was sought as to those requirements that applied to those licensees that hold a remote ancillary bingo licence, though it was noted that current data protection structures used within the bingo industry meet and, in many cases, exceed the requirements.

The Commission's position – Information Security Standards

The three additional ISO standards will be added to the existing RTS security requirements as proposed.

One of the new requirements focuses on having adequate contingency plans in place to deal with information security incidents. We note a recent DCMS survey of 1,500 UK businesses found very few had adequate contingency plans in place for a cyber-attack. Having adequate contingency plans in place to react to breaches allowed 98% of businesses to be effective in dealing with any breach.

On a procedural point in conducting the annual security audits: While we don't require operators to become fully certified with the ISO 27001:2013 standard many have opted to do so. For these operators we already allow them to supply existing information, rather than having to duplicate effort. Existing information would include:

- Accreditation certificate (ensuring that the entities and business functions covered by the accreditation are clearly defined);
- Statement of Applicability (SOA, ensuring it covers all RTS security elements);
- Copy of last audit report (including management response and action plan for any findings); and
- A forward schedule of future audit focus (or some other way of demonstrating that all RTS security elements will be reviewed at least every three years).

20 Other changes (in-running vs in-play betting)

Consultation proposals

- 20.1** Since the RTS was written in 2007 language surrounding betting has developed and the Commission wished to keep the document relevant. The previous versions of the RTS uses 'in-running' to describe bets placed on 'live' events. This is more closely associated with racing events and does not adequately cover the other types of events that are bet on after the event has started. We proposed to replace in-running with the more common and widely recognised terminology *in-play*.

Consultation questions

- 41. Do you agree with the proposal to replace 'in-running' with 'in-play'?**

Respondents' views

- 20.2** Respondents agreed with the proposed change and did not see any adverse effect of the Commission changing 'in-running' with 'in-play'.

The Commission's position

References to 'in-running' will be replaced with the term 'in-play'.

21 Regulatory impact

Consultation questions

- 42. Are there any other potential impacts of the proposals in this document that we have not identified?**

- 21.1** There was concern that the sum total of changes proposed would require licensees to *undertake a significant amount of development* and place an *unnecessary burden on licensees in accordance with [the Commission's] Statement of Principles*. Some respondents queried the extent to which the proposals were justifiable, proportionate and evidence based. One respondent asked whether it was *appropriate to introduce further changes* given that the effectiveness of existing requirements (eg reality checks, auto-play, time-outs, online self-exclusion) is yet to be determined. There was concern that, contrary to paragraph 2.7 of the Statement of Principles, the proposed changes would have a disproportionate impact on smaller suppliers, particularly if implementation dates were set within 3 months of publication. The introduction of new requirements coupled with an upcoming *raft of consultations* could prohibit the capacity for operators to *get ahead of the curve and step up the pace of change*.
- 21.2** One respondent asked for greater delineation in the RTS between those requirements that apply to B2Bs and B2Cs to *avoid unnecessary confusion amongst licensees*. It was suggested that a similar distinction is made between B2Bs and software developers to reflect their different roles and responsibilities. Clarification was also sought as to the RTS's applicability to land based bingo clubs which rely on their remote ancillary licence to use EBTs and table top equipment to play interval, linked games and the National Game.

- 21.3** Some respondents requested clarification on the *legal status* of the guidance that we publish online. This query was raised partly in response to our decision to incorporate online guidance on reality checks into the updated RTS. It was further suggested that the merger of IPAs with technical standards would *place more focus on new guidance appearing on the blog*.
- 21.4** Whilst it is important to ensure consumers have access to relevant information concerning their gambling activities, it was suggested that the Commission needed to be mindful of what was termed *information overload*. This point was primarily made in relation to the proposed game identifier requirement, which respondents felt would mean *very little to the average consumer* without explanatory guidance. The desired approach would be to *keep things simple and more importantly understandable to the consumer*.
- 21.5** Respondents provided a list of other areas that could be added to the RTS, these included:
- The use of software that alerts consumers when they risk breaching the terms of a bonus offer (eg exceeding the ‘maximum stake per game’).
 - Setting automatic alerts to inform consumers whose bets had the potential to exceed the operator’s advertised maximum pay out.
 - Automatic IP address screening at point of registration to determine whether a consumer had excluded from other entities within a wider group.
 - Automatic Debit/Credit Card checking to warn consumers that payment methods registered to a third party could result in bets or games being subsequently cancelled. The automatic check would determine if a card or payment method had ever been used to fund a different individual’s account with the same website and suspending the account opening process, pending further investigations. Similar checks were recommended on mobile telephone numbers for operators who allow accounts to be funded using mobile credit.

The Commission’s position

We are somewhat concerned by the points raised in paragraph 21.1 – which appear to run counter to our expectation that licensees move towards a culture of evaluation or one in which data is used for non-commercial reasons as effectively as it is used for commercial reasons. One respondent noted that the effectiveness of existing requirements has yet to be measured. However, we expect licensees to provide ongoing feedback and insight as to how existing measures could be further enhanced and, where appropriate, developed.

There is, to some extent, a greater expectation on the remote gambling sector with its account based play and unlimited stake and prizes, to narrow the gap between customer retention and consumer protection measures. The expectation is that licensees will use datasets and player analytics (tools often used for commercial reasons) to monitor the effectiveness of gambling management controls and target those consumers most at risk of problem gambling. It is no longer sufficient to use player take up as the sole means through which to measure the effectiveness of social responsibility controls.

In relation to our statement of principles, it is not correct to suggest that our aim to deliver evidence based regulation restricts our duty to regulate in the public interest with regard to, and in pursuit of, the licensing objectives. The Commission’s statement of principles sets out our approach as follows:

In interpreting the available evidence, the Commission will take a precautionary approach. For example, caution may be justified where evidence is mixed or inconclusive, and the Commission would not want to restrict its discretion by requiring conclusive evidence that something was unsafe before taking measures to restrict it.

The online sector captures significant amounts of data on player activity, which is used to identify specific user groups, patterns of play and suspicious player behaviour, such as potential fraud, money laundering or corrupt betting. Consultations, such as this one, offer licensees the opportunity to draw on the significant data stores used to measure and evaluate the effectiveness of gambling management controls, explore potential enhancements and share good practice.³⁵

The concerns expressed in paragraph 21.1 primarily related to the following three proposals:

- The display of a unique game identifier (and supplier details)
- The provision of a win/loss total *across all* gambling products
- The capacity for licensees to provide 12 months' worth of live gambling history data.

Our final position on each of the above areas is provided under the relevant sections of this document (sections 8 and 4 respectively). We have decided to not pursue the provision of game identifiers or the requirement to display win/loss across all products, pending a separate review into the information made available to consumers. We noted the challenges highlighted in relation to displaying a win/loss total across all gambling products, though we encourage licensees that are able to offer this facility to do so. Licensees will, as a minimum, be required to display the win/loss total for each individual product, though our position in relation to a single overall total will be kept under review.

The capacity for licensees to provide 12 months' worth of live historic gambling history data was explored during the consultation's workshops. The responses indicated that implementation would be difficult and pointed to evidence that consumer demand for this facility was relatively low. We consider it sufficient for consumers to be given immediate access to 3 months of history without having to contact the licensee, with a minimum of 12 months available upon request.

We remind the industry that while all feedback was welcome we prefer if viable alternatives that still achieve the same policy aim are suggested. We would also expect licensees to evaluate the impact and effectiveness of any requirement in order to develop and improve the protections afforded to vulnerable customers.³⁶

The remote gaming sector has a complex structure in which the roles and responsibilities of commercial entities (eg B2Bs, B2Cs, content developers) will differ across the sector. We do not consider practical, nor desirable, to adopt a prescriptive 'multi-tiered' approach in which technical standards are apportioned to specific business types. It is primarily the responsibility of licensees to ensure their operations/products uphold the licensing objectives and adhere to the relevant technical standards. For the purposes of the RTS 'relevant standards' will be determined by the type of facilities/products, and may not necessarily correlate with specific business types.

Some respondents requested clarification on legal status of guidance made available on the Commission's website. Guidance is primarily used to further illustrate how certain requirements could be implemented. Licensees are not bound by the examples published on the Commission website, and may decide to pursue alternative arrangements in order to meet a specific requirement.

In publishing additional guidance our aim is to offer a clearer indication of implementation practices that would be deemed sufficient to meet a specific technical standard.

³⁵ [The National Responsible Gambling Strategy for 2016-17 to 2018-19](#) identifies 12 'priority actions' for the sector, including the need to: Understand and measure harm; Consolidate a culture of evaluation; Improve methods of identifying harmful play To build a culture where new initiatives are routinely evaluated and findings put into practice.

³⁶ The need to consolidate a culture of evaluation is one of several key priority areas in the [National Responsible Gambling Strategy](#).

In some instances we may use guidance as a means to improve awareness of common practices or to delve into more detail. This is particularly useful in areas where technology or practices might evolve over time, such as [RTP monitoring](#).

We note the proposed additions listed under paragraph 21.5. Over time, the Commission may make amendments to the RTS to tackle any specific remote technical issues emerging from our work with the Competition and Markets Authority about the use of potentially unfair terms and misleading practices.

We can confirm that, as per licence condition 2.3.1 the RTS does not apply to holders of a remote bingo ancillary licence.

22 Implementation timetable

| Requirements to come into force with immediate effect |
|--|
| <ul style="list-style-type: none"> • Restricted display device (not a new requirement) • Display of Commission licence status (formalising our interim position) • Live RTP monitoring (came into force 1 September 2016 as part of testing strategy updates) • Play for fun games (requirement not altered, scope clarified) • Reality checks (incorporating existing guidance already published) • Live dealer studios (based on existing standards / practice and new requirement makes our position clear) |
| Requirements to come into force 1 October 2017 |
| <ul style="list-style-type: none"> • Peer-to-peer poker • Use of third party software • Linked progressive jackpots • Virtual sports odds • Information security standards (security audits submitted after the implementation date will need to include the new requirements) |
| Requirements to come into force 1 April 2018 |
| <ul style="list-style-type: none"> • Display of transactions • Gambling account history • Display of net deposits • Financial limits |

23 List of respondents

23.1 Gambling industry stakeholders

| | List of Respondents | Category |
|----|---------------------------------|-------------------|
| 1 | Carnaby Gaming Machines Limited | Licensed Operator |
| 2 | Mazooma Interactive | Licensed Operator |
| 3 | Greentube Group | Licensed Operator |
| 4 | Small Screen Casinos Limited | Licensed Operator |
| 5 | MyLotto24 Limited | Licensed Operator |
| 6 | Cashpoint Malta | Licensed Operator |
| 7 | edict egaming GmbH | Licensed Operator |
| 8 | NetEnt | Licensed Operator |
| 9 | Sigma Gaming | Licensed Operator |
| 10 | Realistic Games | Licensed Operator |
| 11 | Peoples Postcode Lottery | Licensed Operator |
| 12 | NMI | Test Lab |
| 13 | SIQ | Test Lab |
| 14 | Scientific Games | Licensed Operator |
| 15 | Trisigma B.V | Test Lab |
| 16 | RGA | Trade Association |
| 17 | Bede Gaming | Licensed Operator |
| 18 | Yggdrasil | Licensed Operator |
| 19 | Inspired | Licensed Operator |
| 20 | eCogra | Test Lab |
| 21 | Playtech | Licensed Operator |
| 22 | Aspire Global | Licensed Operator |
| 23 | Microgaming | Licensed Operator |
| 24 | William Hill | Licensed Operator |
| 25 | Ladbrokes | Licensed Operator |
| 26 | Tombola | Licensed Operator |
| 27 | Paddpower Betfair | Licensed Operator |
| 28 | IBAS | ADR |
| 29 | ElectraWorks | Licensed Operator |
| 30 | Sporting Odds | Licensed Operator |
| 31 | IGT | Licensed Operator |
| 32 | Betway Limited | Licensed Operator |
| 33 | Casumo | Licensed Operator |
| 34 | Castle Leisure Limited | Licensed Operator |
| 35 | Evolution Gaming | Licensed Operator |
| 36 | The Bingo Association | Trade Association |

Keeping gambling fair and safe for all

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Annex A

RTS SUMMARY

| Products | RTS Requirements | | | | | | | | | | | | | | | | | | |
|--------------------------------------|---|--|--|--------------------------------------|------------------------------|---|---------------------------------------|---------------------------------|------------------------------|------------------------------------|---|---------------------------|-----------------------------|--------------------------|------------------------------------|---------------------------------|---|---------------------------------|---------------------------|
| | RTS 1/IPA 1 – Customer account information | RTS 2/IPA 2 – displaying transactions | RTS 3-Rules, game descriptions and likelihood of winning | RTS 4/IPA 4 –time critical events | RTS 5 – result determination | RTS 6 – Result determination for play for fun games | RTS 7 - Generation of random outcomes | RTS 8 – Auto play functionality | RTS 9 – Progressive jackpots | RTS 10/IPA 6– Interrupted gambling | RTS 11/IPA 7 – Limiting collusion/cheating | RTS 12 – Financial Limits | RTS 13A – Time requirements | RTS 13B – Reality checks | RTS 14 -Responsible product design | RTS 15 (Formally IPA 3)–In play | RTS 16 (Formally IPA 4)– Third party software | RTS 17 – Live dealer studios*** | Security requirements**** |
| Bingo | X | X | X | X | X | X | X | | X | X | X* | X | X | X** | X | | | If applicable | X |
| Casino | X | X | X | X | X | X | X | X | X | X | X* | X | X | X** | X | | | If applicable | X |
| Betting (Virtual) | X | X | X | X | X | X | X | | | | | X | X | | X | X | | | X |
| Betting (Real event) | X | X | | | X | | | | | | | X | X | | X | X | | | X |
| Betting (Peer-to-peer) | X | X | | | X | | | | | X | | X | X | | | X | X | | X |
| Lotteries | | X | X | | X | X | X | | | | | X | X | | X | | | If applicable | X |
| Instant Win/High frequency lotteries | X | X | X | | X | X | X | | | | | X | X | X | | | | If applicable | X |

*Peer-to-peer gaming only

**Excluding peer-to-peer gaming

*** Any gambling where results are determined / streamed live

**** The following categories of licences require the full security audit by an independent auditor: Remote betting – general (but not telephone only or trading rooms), pool and intermediary, remote casino, remote bingo and remote lotteries (with entries greater than £250,000 per year).