

## GC to restrict online gaming, as consumer satisfaction soars

UK ONLINE GAMING

The Gambling Commission has released its review of the online gaming sector replete with new proposals on age verification, free play and a potential ban on credit betting.

The regulator said it expects the UK's online sector to grow from its current 34 percent of the market, to over 50 percent in the next five years, and that unlike land-based gaming, online operators enjoy "a great deal of commercial freedom."

The GC acknowledged that freeplay casinos are outside of its jurisdiction but proposes age verification nonetheless. In real money gaming, spending limits may be imposed until affordability checks have been completed.

It also proposes new measures to tackle "unacceptable marketing and advertising and unfair terms," while improving complaints and disputes procedures; and "strengthening requirements to interact with consumers who may be experiencing, or are at risk of developing, problems with their gambling."

The regulator also highlighted five areas where it will undertake further

research, the most consequential of which is a potential ban on credit betting.

"Consumers should not gamble with money that they do not have" the GC asserted, yet estimated credit cards enable between ten and 20 percent of gambling deposits.

The measures, according to the GC's interim chief executive Neil McArthur, are designed to make gambling "even fairer and safer for consumers".

Meanwhile, running analogous to the GC review of the online sector is a consumer satisfaction survey commissioned by Morgan Stanley, which shows emphatically high levels of between 80 and 90 percent for consumers' chosen online gaming company.

"The elevated levels of customer satisfaction, even after a period of sporting results going against the gambler, demonstrate that the internet gambling industry is serving its customers very well, and contrasts with the surveys produced by the Gambling Commission," said Warwick Bartlett of consultancy GBGC.



## Regulator counsels restraint on stakes, ups ante on player data

UK REGULATION



The Gambling Commission often leaves its advice open to interpretation, and its suggestion for a stake "at or below £30" leaves plenty of wiggle room. Yet for licensing expert David Clifton, even the most restrained rendition of the GC's recommendations, would result in "significant cost burdens" associated with player data.

British bookmakers saw their stock lifted in March after the UK regulator published its headline-grabbing recommendation that stakes on FOBTs be set to "at or below" £30, for non-slot games.

The Gambling Commission's relatively modest suggestion is far from binding, but as the result of the most extensive analysis of "billions of plays" on B2 terminals, most analysts consider it to be or paramount influence on the government's decision - leading shares at Ladbrokes Coral and William Hill to jump by 3.3 and 4.2 percent respectively.

Yet the devil is in the detail. According to licensing expert David Clifton, and director at consultancy firm Clifton Davies, even if the government adopts the GC's advice (which itself is far from certain) the demand for B2s might be less affected, but "significant cost burdens will arise" from its other proposals.

A 'pyramid of regulation' principle seems to have informed much of the regulator's conclusions, and the acknowledgement that, despite the media noise, adjusting stake limits are neither the only nor most effective way to reduce harm.

"A very low stake limit would make B2 a 'softer' form of gambling, that is available in arcades, bingo halls and pubs, which are less tightly regulated

than the betting shops and casinos in which B2s are permitted", the GC said in its submission.

In any case, it added, "a stake cut alone doesn't go far enough to protect vulnerable people."

Subsequently the package of recommendations is less political, and more nuanced than many analysts had expected.

Firstly, the "at or below £30" recommendation only applies to non-slot games such as roulette; on slot-style games the regulator did recommend the most extreme cut to £2.

Yet more of the measures refer to various stages of player tracking; facilitating protections such as ending the length of a consumer's session when a certain time or spend limit has been reached; and crucially, giving consumers access to this information thereby enabling them to "keep track of their own play and make informed choices about whether to continue".

Clifton noted that, taken as a whole, the yield lost from B2s would be less dramatic, but capturing and analysing the levels of data needed to meet these other recommendations would require considerable investments.

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### And into the fire...

“Significant cost burdens will arise from the need to have in place the hardware and infrastructure that would allow machines to identify who is playing (even if only via a number), and, in addition, to track what the player does on the machine and transfer data to a storage facility where it can be stored securely and analysed.”

would allow machines to identify who is playing (even if only via a number), and, in addition, to track what the player does on the machine and transfer data to a storage facility where it can be stored securely and analysed,” Clifton said.

He also highlighted the “ongoing cost” associated with the capture and storage of players’ details; monitoring that data to identify problematic behaviour; notwithstanding the added costs of complying with data protection requirements.

But perhaps one of the more expensive consequences of the recommendations will be the necessary employment of more staff.

“I think this is very likely,” Clifton added. “As too does the GC because it specifically flags up the need for adequate staffing levels when it says in its advice: ‘appropriate levels of well trained staff are necessary for operators to meet our expectations in full around social responsibility and keeping gambling crime free’.

“The recommended package of social responsibility measures contained in the GC’s advice (including identification of potentially problematic behaviour justifying intervention) also means that, again in the GC’s own words (and perhaps with a nod in the direction of the findings that led to the recent William Hill \$6.2 million penalty package), this ‘is likely to lead to a step-change in the level of resource operators use to monitor player behaviour’.”

### DON’T BET ON IT

“This is merely advice given by the GC pursuant to its statutory duty under section 26 of the Gambling Act 2005,” Clifton reminds.

“The government is not bound to follow it and can quite legitimately take into account public and parliamentary opinion. Indeed the GC’s advice states that ‘gambling regulation needs to be rooted in an understanding of what is acceptable in society, so it is important to take account of the opinions of consumers, parliamentarians, local authorities, faith groups and other stakeholders’.”

In any case, the GC’s own advice, specifically on the issue of FOBTs, is worded in such a way that a cut to £2 - even on the all-important issue of roulette style machines - would not be a contradiction.

“The Gambling Commission is not actually recommending a £30 maximum stake for non-slot FOBT games, despite certain newspapers suggesting that it is,” he pointed out. “It is instead recommending that the maximum stake for non-slot FOBT games ‘should be set at or below £30’ and therefore the government would not be contradicting the GC’s advice were it to set the maximum stake at any figure below £30, including £2.

## Cheltenham: bookies luck restored at final furlong

### UK RACING

**B**ookies endured a £100m thrashing over the first few days of the Cheltenham festival, as a swathe of well-backed and mostly Irish runners turned up trumps for punters.

A stroke of luck on the final day however saw the house return to black, with the defeat of favourites - the undefeated Apple’s Shakira and Might Bite in the Gold Cup, recouping much of the sector’s earlier aggregate losses.

The Gold Cup’s less likely winner, Native River, backed at 5/1 before the race, did cause Ladbrokes a final day headache, although victory for the 4/1 Might Bite would have been worse.

Compared to last year’s financial frenzy, bookies’ take home was a long way off, but several sportsbooks

revealed record betting levels, even above the 2017 event.

Perhaps the biggest winner was the ubiquitous OpenBet platform - now property of Scientific Games digital division - which processed a record 39 million bets (up ten percent) with 10.9 million of those placed on the Gold Cup (up 2.3 million.)

“This year’s stats show that we have further cemented our position as a trusted and reliable provider,” said Keith O’Loughlin, SVP Sportsbook and Platforms at SG Digital.

Overall, it was a great week for bets across all devices, and a better balance sheet for bookmakers than many had feared, but as Boylesport noted: “well off the dizzying heights of last year.”



## New responsible gambling requirement for ads

### UK ADVERTISING

**A**ll gambling adverts will now be required to include a responsible gaming message running throughout the entire length of the commercial.

The change comes within new guidelines issued in March by the Industry Group for Responsible Gambling (IGRG) which obliges firms to reference the begambleaware charity within the advertisement, following increasing pressure from public bodies.

IGRG chairman John Hagan said: “As part of a wider package of measures flowing from the government’s review, we believe this change to the Industry Code will help to improve the overall tone and content of gambling adverts, especially on television, in a way that will help to raise awareness of the need to gamble safely and responsibly.

“In addition, we are happy to reiterate our commitment to review the Code on an annual basis in order to consider any emerging issues.”

The IGRG, which comprises leading industry groups including the Association of British Bookmakers, BACTA and the Remote Gambling Associa-

tion, was founded in 2014 to provide a structure to better promote socially responsible gambling across all gambling sectors in the UK.

The group said the government had expressed repeated concerns that responsible gambling messages were not appearing on screen frequently enough, or for long enough to be sufficiently noticeable.

The IGRG announced a further enhancement to the Industry Code (‘the Industry Code’) for Socially Responsible Advertising. It requires that throughout each television advert a responsible gambling message or a reference to [www.begambleaware.org](http://www.begambleaware.org) will appear. The provision will come into force at the end of June 2018.

The Code was originally produced in 2007. It was followed by second and third editions in 2016 and 2017 respectively. Subsequently, as part of the Government’s wider review into gambling advertising, it became apparent that there were concerns that the previously required references to [begambleaware.org](http://www.begambleaware.org) and responsible gambling messages themselves were frequently not appearing on screen for long enough to be readily noticeable.