UK government to assess links between video gaming and gambling

UNITED KINGDOM REGULATION

The UK parliament will investigate the links between video gaming and online gambling, as part of an assessment of VR, AR, esports and the growing trend toward gamification.

The Digital, Culture, Media and Sport Committee will appraise the effect games such as FIFA, Fortnite and Call of Duty have on blurring the delineation between gameplay and gambling, as well as how this affect young players.

"During our recent inquiries, the committee has heard repeated concerns about the impact to society of the increasing amounts of time that people spend immersed in online worlds, and the potentially addictive nature of social media and gaming," said committee chair Damian Collins.

UK players spent £5.11bn on gaming in 2017, a 12.4 percent increase on 2016, and with the global revenue for competitive video gaming predicted by the British eSports Association to hit £1bn by 2020, the government is also keen to provide a forward-looking regulatory framework.

"We're seeing industries emerge that offer enormous potential for growth such as esports and gaming where the UK is rightly regarded as a world leader in production," said Collins. "We'll be looking at what action is needed to ensure we remain a key player."

Racing ahead - UK online market continues upward trajectory

UNITED KINGDOM FINANCIALS

The UKGC has reported that the UK online gambling industry GGY hit £5.3bn for the year ending March 31, with the sector now accounting for 37 percent of the country's £14.4bn market.

Total yield was up 4.2 percent on the same period ending 2017, with the contribution from remote gambling rising 12.8 percent.

Of the total, casino gaming accounted for 54.6 percent at £2.9bn, with betting bringing in £2.1bn, 38.7 percent of the figure. Bingo added £164.8m, or 3.1 percent, exchange betting £160.1m, or three percent, and pool betting yielded £28.7m, the final 0.5 percent.

The majority of the online casino figure, or 69.1 percent, was raised by slots, while football proved the high earner for sports betting, responsible for £1bn of the total.

Active customer account numbers rose 12.9 percent to 33.6m, with new registrations jumping 14.4 percent to 35.4m.

Best of British

Clifton: More tightening on the cards for 2019

UK REGULATION

2018 has been a transformative one for the UK's gambling market, marked by a wave of new regulations, record fines, and and rising costs for operators. According to licensing expert **David Clifton**, firms can expect further restrictions in 2019 - especially if Brexit induces a change in government.

i GAMING TIMES: What have been the most significant regulatory developments of the past year?

DAVID CLIFTON: Where does one even start?

- Financial penalties totalling a record £28m for AML and social responsibility failings incurred by UK-licensed gambling operators over the year as a whole.
- Clear indications that overseas based online operators licensed in the UK particularly need to raise their regulatory standards.
- PML holders' necks now placed firmly on the Gambling Commission's block where they are responsible for operators' failings - three are out of the industry already; more to follow?
- The soft launch of GamStop, set against a backdrop of self-exclusion control failings by some of the biggest names in the online gaming sector.
- The remote sector slammed by the Competition & Markets Authority for unfair bonus promotions and for placing unfair obstacles in the way of customers withdrawing their money.
- Introduction of more restrictive advertising standards on free bets and bonuses and inappropriately urgent "Bet Now!" type ads.
- A continuing realignment of marketing affiliate arrangements following some quite shocking infringements of advertising standards requirements and privacy law breaches.
- A mounting number of adverse ASA rulings against gambling operators and major concerns about the promotion of gambling to children and young

Political prim...

"Maybe the nation's moral compass has dramatically shifted or perhaps its age-old moral disapproval of gambling never disappeared. However, come what may, it has found the sheer volume of gambling advertising and problem gambling-related bad news media headlines utterly intolerable."

persons.

- Tougher LCCP rules that will open up operators to tougher enforcement action for breaches of advertising rules or consumer law.
- A "voluntary" pre-9pm "whistle to whistle" TV sports betting ban in the face of increasing public and parliamentary concerns about an over-proliferation of gambling advertising.
- The remote gaming sector left to pick up the tax shortfall from the effective abolition of FOBTs, with a remote gaming duty increase from 15 percent to 21 percent coming into effect in April.

iGT: How well are firms currently adjusting to the new climate, and which areas in particular will need the most focus if firms are to avoid further sanctions this year?

DC: Responsible operators have been adjusting their focus throughout at least the last year. Others have a distance to travel yet. A few still need to start the journey, but they may not get to finish it. The priorities will remain "same old, same old", i.e. AML, customer interaction, self-exclusion, unfair terms and practices and marketing & advertising.

iGT: 2018 will be remembered as a politically chaotic period for Britain - with parliament (and some rogue ministers) wielding their power and influence over a weak government. How has this instability affected gambling policy - and how does this affect the legislative outlook for 2019?

DC: With all else Brexit-related that has been going on in Parliament, it is quite surprising that gambling policy has received as much attention as it has this year. However, in many ways that has been for all the wrong reasons as far as the industry is concerned. Maybe the nation's moral compass has dramatically shifted or perhaps its age-old moral disapproval of gambling never disappeared. However, come what may, it has found the sheer volume of gambling advertising and problem gambling-related bad news media headlines utterly intolerable.

FOBTs, online gambling and perceived normalisation of gambling for children have been the main catalysts in this latter respect. Some thought that the Labour Party jumped on an opportunistic bandwagon when it launched its plan for a radical overhaul of gambling regulation and advertising but some aspects of that plan have received cross-party support and the "whistle to whistle" sports betting ban and Barclays recently announced gambling spend blocking tool have jumped directly from its pages.

The next few weeks may determine whether the Labour Party is given the power to enact its plan, which includes a compulsory levy on gambling operators of one percent GGY for gambling-related harm research, education and treatment (i.e. ten times the amount of the current voluntary levy), as well as a new Gambling Act with an increased emphasis on public health and harm prevention. Gambling policy will receive less attention if a Conservative government remains in power but, in the present political climate, no-one should be expecting anything in the way of liberalisation.

iGT: What incoming changes to regulations can the UK sector expect over the next 12 months?

DC: I'm certain that we will see LCCP changes aimed at further protecting children and keeping gambling fair and safe in line with the Gambling Commission's September 2018 consultation. My money is also on a ban on use of credit cards for online gambling and expansion of the tools operators must make available to consumers to control their gambling. The outcome of GambleAware-commissioned research into the effect of gambling advertising on children, young people and the vulnerable in Q2 2019 could heavily influence whether greater controls on such advertising are imposed. That might even extend to a ban on football team sponsorship by gambling operators. I suspect we will see yet further focus by the Commission on customer interactions and exploration of operators' corporate governance processes.

New sport minister moots credit card betting ban

UK REGULATION

Sport minister Mims Davies has said the government is looking "in detail" at whether consumers should be permitted to place bets using credit cards.

In a speech to the Gamble Aware conference in early December, the new minister for sport and civil society - who steps into the role after the Tracey Crouch resigned over delays to the implementation of new FOBT stakes - said the government would be focusing more on harm prevention and early intervention in 2019.

"Government wants to see an industry that generates employment and investment. However, there are risks and industry must mitigate those risks with appropriate protections," Davies said.

"Operators are in a unique position to deliver early interventions, before harm occurs, and I want to see rapid progress in this area.

"For example, I know there are increasing concerns around people gambling on credit cards and whether this should be permitted.

"This is an area we are already looking into in detail to understand the full situation and to consider if action in this space is needed."

She also stressed that the 2018 Gambling Review "did not mark the end of government action" but that - in words that may ring hollow - a "strong evidence base" would be essential to any further regulatory change.

UK online market jumps 12.8 percent for FY17/18

UNITED KINGDOM FINANCIALS

The UKGC has reported that the UK online industry's gross gaming yield for the 12 months to 31 March hit £5.3bn, as market yield jumped 4.2 percent to £14.4bn.

The online sector, which now accounts for 37 percent of the total market, saw its betting, bingo and casino revenue increase 12.8 percent, driving figures alongside comparatively slow-growing retail competitors.

Online casino betting led the verticals, contributing £2.9bn, or 54.6 percent of the total, £2bn of which came from slot machines, followed by £311.1m generated by table games.

Sports betting was the second most profitable market, adding £2.1bn, with football wagers coming in at £1bn and horse racing bets totalling £610m.

Bingo made up 3.1 percent of the online figure with £164.8m, exchange betting raised three percent with £160.1m, and pool betting added just £28.7m, equivalent to 0.5 percent.