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At KnowNow HQ we're very excited about the days agenda for our Player Protection Forum in May. So to bring us 'up to speed' on customer interactions we hand over to David Clifton from [Clifton Davies Consultancy](#).

## Customer Interactions.

I very much look forward to chairing the [Player Protection Forum on 22 May](#). One of the key issues that will most definitely arise will be the importance of effective and timely customer interactions.

## Background.

In June last year, the Gambling Commission published its first ever [report into enforcement action](#) that it had taken against operators over the previous year. It listed the Commission's primary areas of regulatory concern within the gambling industry.

Second on that list was "customer interaction", described by the Commission as:

*“How you identify people who may be experiencing, or at risk of developing, problems with their gambling, and how you interact with them to offer help or support.”*

That description was first provided in the Commission’s [customer interaction guidance for remote gambling operators](#), published just four months earlier. That guidance was designed to assist remote operators:

- to identify customers who may be experiencing, or are at risk of developing, problems with their gambling and
- to consider whether their own customer interaction policies and procedures (required by [LCCP code provision 3.4](#)) sufficiently meet the Commission’s expectations.

With the benefit of hindsight, it is regrettable that the Commission did not also produce similar guidance for non-remote operators. I certainly recommended that land-based gambling operators should nevertheless take heed of what was said in the remote operators’ guidance, not least because it underlined the importance of adopting the following three principles in order to conduct the most effective customer interactions:

1. identify
2. interact
3. evaluate

**Current consultation (running until 9 May 2019).**

Those same principles now form the core of the

Commission's current **consultation** on, amongst other things, planned changes to the following customer interaction requirements within the LCCP.

## **Proposed changes to Social Responsibility code provision 3.4.1.**

SR code provision 3.4.1 presently requires all operating licence-holders (except non-remote lottery, gaming machine technical, gambling software and host licences) to “*put into effect policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate problem gambling*”. It goes on to prescribe exactly what must be contained within those policies.

The Commission proposes to change its approach by focusing more on the outcomes that it wants operators to achieve, stating that its “*experience through compliance activity and case work suggests that a prescribed set of requirements can lead to assumptions amongst operators that simply following a ‘checklist’ will mean that harm cannot occur, or that the operator is in any case compliant*”.

It concludes that it does “*not think this is an appropriate approach to customer interaction, as operators may focus on compliance with technical details rather than on achieving the key outcome that the code provision intends*”.

The proposed new wording of SR code provision 3.4.1 is as follows:

1. *Licensees must interact with customers in a way which minimises the risk of customers experiencing harms*

*associated with gambling. This must include:*

*A. identifying customers who may be at risk of or experiencing harms associated with gambling,*

*B. interacting with customers who may be at risk of or experiencing harms associated with gambling,*

*C. understanding the impact of the interaction on the customer, and the effectiveness of the Licensee's approach.*

*2. Licensees must take into account the Commission's guidance on customer interaction.*

It seems clear that such guidance will be based on last February's guidance for remote operators, and will focus on the following three key outcomes that operators will be expected to meet:

1. Identify, i.e. use a range of different indicators that are appropriate to the gambling product, the environment and what is known about the customer, or can be inferred, in order to identify at risk of or experiencing harms associated with gambling (supported with robust, proportionate and effective systems for monitoring and recording)

2. interact (itself a three-part process involving:

A. observation – that triggers the interaction,

B. action – to make contact with the customer,

C. outcome – i.e. what happened as

a result)

3. evaluate, i.e. understand the impact of the interaction on the customer and the effectiveness of the licensee's approach to interaction.

### **Proposed removal of Ordinary code provision 3.4.2.**

OC provision 3.4.2 presently recommends that all such licence-holders should:

1. work together to share experience and deliver good practice across the full range of social responsibility requirements for customer interaction,
2. keep a record of customer interactions, and where an interaction has been ruled out, the reasons for this (adding that, where an interaction has taken place at a later date, this should also be recorded) and
3. have, as a minimum within their training on staff responsibilities for customer interaction, policies for induction training and refresher training.

The Commission proposes to entirely remove this OC provision. In summary, its rationale is as follows:

1. in relation to (a) above, the Commission's new national strategy to reduce gambling harms (to be launched in April 2019) will include specific priorities for collaboration by gambling businesses on trialling and evaluating approaches for player protection;
2. in relation to (b) above, the Commission proposes to include the

necessity of accurate record-keeping, including where an interaction has not taken place, as part of its guidance (which will have to be taken into account under the new SR code provision 3.4.1);

3. in relation to (c) above, the Commission believes that such a requirement is unnecessary within the LCCP because such induction and refresher training is an essential factor in being able to meet the required outcomes and should be inherent in each operator's approach.

## **Conclusion.**

You can read more about the Gambling Commission's proposed customer interaction changes [here](#). You can respond to its current consultation by no later than the 9 May 2019 deadline by completing an online survey you will find [here](#).

Pending the LCCP changes occurring, all affected gambling operators licensed by the Gambling Commission would be well-advised not only to absorb and adopt the principles set out in the Commission's existing customer interaction guidance, but also pose to themselves the following "good practice questions" that were set out in the Commission's June 2018 enforcement action report:

1. Do you have policies and procedures in place to identify customers who may be experiencing or at risk of developing problems with their gambling? Have you allocated sufficient resources to be able to interact with customers early and

- effectively when you have concerns?
2. Are you curious about your customers and monitor customer activity and do you record interactions?
  3. Do you track customers across your different platforms and do enough to spot multiple customer accounts?
  4. Are your systems in place to identify potential problem gamblers? Do these include appropriate trigger points for when the usual pattern of gambling becomes unusual (these should not be just financial)? How do you protect new customers (where a pattern of play cannot yet be established)?
  5. Will your processes keep pace with increased demand? Will your growth or any merger affect your ability to monitor customers?
  6. How are you evaluating these measures and procedures to ensure they are effective. How do you plan to make improvements over time?
  7. Are your staff sufficiently trained to spot problem gamblers and know how to report concerns? Are there clear procedures once a concern has been raised?
  8. Where concerns arise, are you able to intervene early and engage with a customer?
  9. Do your customer interaction policies and procedures also cover VIP customers? Are you alert to the particular risk these customers bring? Are commercial considerations overriding customer protections?

**Protection Forum.** In the meantime if you require advice on:

- how the proposed LCCP changes relating to customer interaction might affect your business (including your social responsibility policies & procedures and the potential effect of such changes on your AML/CTF policies & procedures) and/or
- what you need to do to (a) respond to the consultation or (b) plan for implementation of the proposed changes,

Please contact him or his business partner Suzanne Davies.

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