

Competition (<https://www.gov.uk/topic/competition>) – press release

CMA launches investigation into online gambling

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The CMA has today announced it is investigating whether online gambling firms are treating their customers fairly.



This follows concerns raised by the Gambling Commission about potential breaches of consumer law, including misleading promotions and unfair terms, being used by firms to block players' payouts.

The Competition and Markets Authority (CMA) is today issuing Information Notices under consumer protection legislation requiring evidence from companies as a first step to establishing whether enforcement action is required. It is also asking people who use gambling sites and have experienced such issues to provide us with further material.

Nisha Arora, CMA Senior Director for Consumer Enforcement, said:

“ Gambling inevitably involves taking a risk, but it shouldn't be a con. We're worried players are losing out because gambling sites are making it too difficult for them to understand the terms on which they're playing, and may not be giving them a fair deal. We are now investigating to see whether firms are breaking the law.

Around 5.5 million Britons gamble online and they must be treated fairly. We've heard worrying complaints suggesting people may be lured into signing up for promotions with little chance of winning because of unfair and complex conditions. We're now working closely with the Gambling Commission to examine this more closely.”

Sarah Harrison, Gambling Commission Chief Executive, added:

“ We expect the gambling industry to ensure terms and conditions are not unfair. However, operators are still not doing enough. I continue to have concerns that many of these appear to bamboozle rather than help the customer make informed choices.

Gambling, by its very nature, is always going to involve risk but customers must have faith that if they win, they will not end up feeling that the deck is stacked against them because of an obscure condition that they did not properly understand.

We approached the CMA to work with them to address issues in the gambling sector and we are delighted to have agreed a joint programme of work to ensure terms are fair and transparent.”

Online gambling has grown by around 146% since 2009 and now more than 5.5 million people regularly log on to sports betting, gaming and casinos using gambling websites. The initial CMA review of the £4 billion-a-year sector has highlighted examples of potentially unfair treatment that require more comprehensive examination. In particular, the CMA is concerned that players may be losing out as a result of:

- Being locked into complex and strict requirements linked to gaming promotions that are difficult to understand and may be unachievable. These can include terms that require people to play for longer than they had bargained for before they can withdraw money. The CMA is also concerned that players may not be able to withdraw what remains of their deposit, and any winnings, when they want to stop playing.
- Companies having a wide discretion to cancel bets or alter odds after bets have been accepted, because they made a mistake when the odds were first set. The CMA is investigating whether the terms operators rely on in cases such as this are fair.
- Terms restricting players' ability to challenge a firm's decision, for example by placing very short time limits on making a complaint or inaccurately suggesting that other means of redress are not available.

This investigation is part of a joint programme of work with the Gambling Commission to tackle issues around fairness and transparency in the gambling industry. The investigation may lead to further action, such as enforcement action, or guidance being issued by the CMA or the Gambling Commission, to secure improved compliance across the remote gambling sector.

All information relating to this investigation can be found on the case page (<https://www.gov.uk/cma-cases/online-gambling>). This also sets out how people can get in touch with information on the concerns identified above.

Notes for editors

1. The CMA is the UK's primary competition and consumer authority. It is an independent non-ministerial government department with responsibility for carrying out investigations into mergers, markets and the regulated industries and enforcing competition and consumer law. For CMA updates, follow us on Twitter @CMAgovuk (<https://twitter.com/CMAgovUK>), Flickr (<https://www.flickr.com/photos/cma-gov-uk/>) and LinkedIn (<https://www.linkedin.com/company/competition-and-markets-authority>).
2. The key pieces of consumer protection legislation relevant to the CMA's investigation are the Consumer Protection from Unfair Trading Regulations 2008 (CPRs) and Part 2 of the Consumer Rights Act 2015 (CRA). The CPRs contain a general prohibition against unfair commercial practices and specific prohibitions against misleading actions, misleading omissions and aggressive commercial practices. Part 2 of the CRA aims to protect consumers against unfair contract terms and notices, and requires contract terms to be fair and transparent.
3. As an enforcer under Part 8 of the Enterprise Act 2002 (EA02), the CMA can enforce the above legislation through the courts. Ultimately, only a court can decide whether a particular term or practice infringes the law.
4. The CMA can give Notice to any person under Part 3 of Schedule 5 to the CRA requiring that person to provide the information specified in the Notice to enable it to exercise, or consider whether to exercise, its

consumer protection law enforcement functions under Part 8 of the EA02. If a person fails to comply with such a Notice, the CMA may make an application to the court. If it appears to the court that that person has failed to comply with the Notice, the court may make an order requiring the person to do anything the court thinks it is reasonable for the person to do to ensure that the Notice is complied with.

5. The CMA has not at this stage made any finding on whether online gambling firms' terms or practices have breached consumer protection law.
6. The Gambling Commission is an independent non-departmental public body sponsored by the Department for Culture, Media and Sport (DCMS). The Gambling Commission was established under the Gambling Act 2005 to regulate commercial gambling in Great Britain in partnership with licensing authorities.
7. Media enquiries should be directed to Simon Belgard (simon.belgard@cma.gsi.gov.uk, 020 3738 6472).

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