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## Consultation on age and identity verification

### Overview

This consultation is relevant to all **remote gaming and betting licensees**, and some **remote lotteries**. The proposals would also affect **consumers of remote gambling**.

We encourage any licensee or prospective licensees, along with consumers and members of the public, to share their views and any supporting evidence or insight.

We are also keen to hear from **identity verification solution providers**, in particular where they can provide details of technological and information capabilities.

### Introduction

#### 1 What is your name?

Name

#### 2 What is your email address?

If you enter your email address then you will automatically receive an acknowledgement email when you submit your response.

Email

#### 3 What is your organisation?

Organisation or member of the public

## Overview

In March 2018 we published our **Review of online gambling** <<http://www.gamblingcommission.gov.uk/PDF/Online-review-March-2018.pdf>> . It set out several policy recommendations and areas of further work. Two of those recommendations were to strengthen the existing requirements to verify a customer's age and identity.

The review outlined the following specific proposals for consultation, to amend our Licence Conditions and Codes of Practice (LCCP):

- Requiring remote licensees to verify the age of all remote gambling customers **before they can deposit money or gamble**, and also **before they can access play-for-free** versions of gambling games that licensees make available on their websites
- Requiring remote licensees to **verify more information about their customers at an earlier stage in the relationship**, to ensure they are better equipped to reduce the risks to the licensing objectives.

We also intend to consult at a later date on proposals that would mean licensees have to **set limits on customers' gambling activity which can only be changed once the licensee has verified further information about the customer**. The purpose of this is to reduce the risk of gambling-related harm. Information the licensee could seek to verify might, for example, include:

- financial indicators to assess whether a customer can afford their current levels of gambling - this could be with reference to customer-specific data such as their credit profile information, or more generic sources such as postcode deprivation indices
- behavioural indicators such as time spent or intensity of gambling, which the licensee can monitor from the start of the customer relationship
- problem gambling self-assessment screens completed by the customers.

This information could inform the licensee's decision whether to relax or retain the original account limits.

At this stage, we are not consulting on introducing a specific licence condition or code about account limits. But, as part of this consultation, we are asking for any **information or evidence of good practice that helps licensees and customers to ensure gambling remains fair and safe**. We are interested in information about existing practice, current plans and what may be possible in future. This is an opportunity for respondents to influence any future specific proposals.

This consultation is relevant to all **remote gaming and betting licensees**, and we encourage any licensee or prospective licensees to share their views along with any supporting evidence or insight. We are also keen to hear from **identity verification solution providers**, in particular where they can provide details of technological and information capabilities.

Our proposals might also affect a very small number of **society lotteries and external lottery managers** – those who enable customers to participate in online 'instant win' or digital scratchcard games. We have engaged with the lottery licensees that we think will be affected and welcome formal responses from them.

We also welcome responses from **gambling customers or those impacted by gambling**. For example, we are interested in customers' views about the kinds of personal information that gambling licensees should ask for and review to keep gambling fair and safe.

We intend to bring resulting changes to licence conditions and codes into effect in **April 2019**.

## Why we are consulting – age verification

### The current '72-hour rule'

Under the current requirements, licensees have 72 hours to carry out age verification (AV) checks. The licensee can't permit customers to withdraw winnings until AV has been completed, and must return a customer's stake if it turns out they are underage. However, customers are still able to deposit funds and gamble during that 72-hour window. Further, a licensee does not routinely have to verify the age of customers who deposit money with a credit card, and only needs to conduct a programme of random AV checks among credit card users.

We are concerned that the current AV window provides an opportunity for children and young people to deposit money and gamble undetected for up to three days. We propose to remove this '72-hour' provision from LCCP along with the exception for credit cards (which are not on their own a satisfactory form of age identification). Instead, licensees would be required to verify the age of all customers **before they can deposit money or gamble**.

There are several reasons for strengthening controls in this policy area:

### Reducing the risk of underage gambling

We agree with the Responsible Gambling Strategy Board's (RGSB's) recommendations in its June 2018 report **Children, young people and gambling: A case for action** <<http://www.gamblingcommission.gov.uk/PDF/RGSB-Gambling-and-children-and-young-people-2018.pdf>>. There is a strong precautionary basis to remove the 72-hour rule to reduce the risk of harm to children and young people. In addition, data from remote licensees for the "numbers of individuals challenged having gambled but unable to prove their age" suggests that the current 72-hour rule presents significant risks.

**Table 1. Regulatory return data - numbers of individuals challenged having gambled but unable to prove their age**

Number of individuals challenged having gambled but unable to prove age	Apr 2015 to Mar 2016	Apr 2016 to Mar 2017	Oct 2016 to Sep 2017
Remote operators	50,256	55,567	56,584
Non-remote betting off-course, on-course and pool	21,330	15,016	13,400
Non-remote bingo	260	364	
Non-remote casino	34	21	
Adult Gaming Centres	2,298	1,815	1,815
Family Entertainment Centres	116	50	

Table 1 above includes data from our published Industry Statistics (taken from the regulatory returns submitted by licensees) and shows the number of individuals who were unable to demonstrate that they were of legal age to gamble. For remote licensees, these figures reflect the number of individuals who could not prove their age during the 72-hour window. For non-remote licensees the figures refer to individuals challenged on licensed gambling premises.

Not all of the individuals represented by the figures will have been underage, and some may have declined to prove their age rather than having been unable to do so. For example, some of the remote customers will have been over 18 but were unable, or declined, to provide further forms of ID to the licensee. Similarly, for the non-remote sectors, licensees may have requested ID as part of their Think 21 or Think 25 policy but the customer could or would not provide ID.

Importantly however, while a proportion of the 56,584 remote gambling customers between October 2016 and September 2017 would not necessarily have been under the age of 18, the table demonstrates that the current 72-hour age verification provisions pose a significant risk of potential underage gambling.

### Improvements in age verification methods

The current LCCP provision dates back to 2007 when technology and available data for online age verification were more limited. Our **response to the advice from RGSB** <<http://www.gamblingcommission.gov.uk/PDF/Gambling-and-children-and-young-people-response-2018.pdf>> notes that there have been significant improvements in technology and age verification tools since the 72-hour requirement was introduced. The implementation of point-of-consumption legislation now means that all British customers receive the same levels of protection.

We agree with the RGSB that processes to prevent underage gambling should always be effective and comprehensive and keep up with technological and social change. Verification software and solution providers have suggested that age verification for most gambling customers can

now be completed within a matter of minutes or seconds.

Consulting on strengthening age verification protections for online gambling customers is consistent with the Government's wider ambition to make Britain the safest country in the world for children and young people to be online. See **HM Government's Digital Charter** <[https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment\\_data/file/676715/2018-01-25\\_Digital\\_Charter\\_final.pdf](https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/676715/2018-01-25_Digital_Charter_final.pdf)> for more information.

There has, and continues to be, significant parliamentary interest in the scale and impact of underage gambling, and support for strengthening online protections to prevent it.

### **Society lotteries and ELMs**

With the exception of customers who only participate in subscription and low-frequency lotteries (defined in LCCP as a series of lotteries, promoted on behalf of the same non-commercial society, in respect of which there is a period of at least two days between lotteries), remote lottery licensees are currently required to verify the age of their customers within 72 hours of them registering to gamble and depositing money. In practice, this means that customers who want to access online instant win and digital scratchcards, or higher frequency lotteries such as daily play, must be age verified within 72 hours.

We propose to remove this 72-hour rule from LCCP, consistent with the proposals outlined above for remote betting and gaming licensees. This would mean that customers had to be **fully age verified before they could participate in any lottery other than a subscription or low frequency lottery, and before they could access any free-to-play versions of online instant win games.**

We note that the National Lottery verifies a customer's age before any deposit or lottery participation can take place. In any case, we do not expect the proposed removal of the 72-hour rule to have a significant impact on existing societies or ELMs. We have engaged with licensees who provide online instant wins and it appears they already verify their customers' age before they can participate in instant wins.

Instant win lotteries are potentially a higher risk product than draw-based lotteries due to the frequency and intensity with which customers can participate in such products. As noted in the Commission's response to RGSB's advice, we will work with DCMS to consider whether instant wins, including physical scratchcards and online instant wins, should continue to be offered to people under the age of 18. We will take into account that any decision made will have implications for other lottery products.

### **Play-for-free games**

Alongside the proposal that all remote gambling customers must be age verified before they can deposit money and gamble, we also propose that all customers must be age verified **before they are able to access free-to-play versions of gambling games that licensees make available on their website.** While free-to-play games are not technically gambling (there is no prize involved), there is no legitimate reason why they should be available to children.

The purpose of such games is to promote real gambling products and we are therefore concerned they may encourage children to attempt to gamble. Preventing children from accessing such games would therefore reduce the risk of them being harmed by gambling.

## Proposals for changes to social responsibility code provisions – age verification

We propose to amend social responsibility (SR) code provisions 3.2.11 (remote licensees excluding lotteries) and 3.2.13 (remote lotteries). The details of the proposed additions and deletions to each code provision are outlined below in red text.

We do not intend to prescribe how operators should complete age verification. Nor, in proposing to delete certain parts of the existing codes, do we intend to prevent licensees from using third party verification software or carrying out searches of credit reference databases to verify age. LCCP sets out outcomes-focused regulations where what matters is that the requirement has been delivered, rather than the means. It is the responsibility of licensees to ensure those outcomes are delivered, making use of available technology to verify age effectively.

We have been clear in the draft code below that age verification would not necessarily need to be completed at the point a new customer account is opened and registered; but verification *would* need to be completed before that customer was able to **deposit or gamble** online, **and** before they could access any free-to-play versions of games made available. For example, the proposals would mean that:

- If a customer can access free-to-play games *before* depositing any of their own money into their account, then the licensee must complete age verification pre-deposit and before the customer can access free play games.
- Similarly, if a customer can register and gamble for a prize using free bonus funds provided by the licensee without having to first deposit cash funds, then the licensee will need to complete verification earlier than the point of deposit (ie at the point of account registration or the point where the free bonus can be used by the customer).

The current SR code 3.2.11 also imposes a duty on licensees to require their customers to "affirm that they are of legal age". We think that this provision would become redundant given that licensees would be required to verify the age of their customers before they gamble. We have included a consultation question on the proposal to remove this provision from SR Code 3.2.11. It would however still be relevant to SR Code 3.2.13 for lotteries that rely on self-verification.

Overall, the proposals would simplify the requirements of both SR Codes 3.2.11 and 3.2.13 by enabling most existing provisions to be deleted. This is where such provisions are only necessary to support the current 72-hour rule.

## Proposed changes to Licence conditions and codes of practice

### Proposed changes to social responsibility code provision 3.2.11

#### Access to gambling by children and young persons – remote SR code

All remote licences (including ancillary remote betting licences **in respect of bets made or accepted by telephone or email**), except lottery licences, gaming machine technical, gambling software, host, ancillary remote casino, **and ancillary remote bingo, ~~remote betting intermediary (trading rooms only) and remote betting (standard) (remote platform) licences.~~**

1 Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.

2 Such procedures must include:

**a** Verifying the age of a customer before the customer is able to:

**i** deposit any funds into their account;

**ii** access any free-to-play versions of gambling games that the licensee may make available; or

**iii** gamble with the licensee using either their own money or any free bet or bonus.

**ab** warning potential customers that underage gambling is an offence;

**b** requiring customers to affirm that they are of legal age;

**c** regularly reviewing their age verification systems and implementing all reasonable improvements that may be made as technology advances and as information improves;

**d** ensuring that relevant staff are properly trained in the use of their age verification procedures; in particular customer services staff must be appropriately trained in the use of secondary forms of identification when initial verification procedures fail to prove that an individual is of legal age;  
**and**

**e** enabling their gambling websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access to relevant pages of those sites.;

**f** ~~in the case of any UK resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures:~~

~~**i** verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18;~~

~~**ii** carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage;~~

~~**iii** not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed; and~~

~~**iv** in any event, a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:~~

~~**e** the account will be frozen~~

~~**e** no further gambling will be permitted until age verification has been successfully completed~~

~~**e** if on completion of age verification the customer is shown to be underage, the operator must return to the customer any money paid in respect of the use of the gambling facilities, but no winnings shall be paid~~

~~**g** in the case of any non UK resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures:~~

~~**i** taking all reasonable steps to make use of information available for age verification purposes from whichever country the potential customer is resident in; and~~

~~**ii** each of the following steps, unless they cannot reasonably be implemented or, in the case of the fourth bullet point, a period of more than 72 hours was reasonably required:~~

~~**e** verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18~~

- ~~e carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage~~
- ~~e not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed~~
- ~~e a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:~~
  - ~~▲ the account will be frozen;~~
  - ~~▲ no further gambling will be permitted until age verification has been successfully completed; and~~
  - ~~▲ if on completion of age verification the customer is shown to be underage all deposits held by the operator are returned to the customer and no winnings paid.~~
- ~~h in the case of any customer who registers to gamble and deposits money using a credit card, conducting a programme of random checks of credit card users for compliance with age restrictions.~~

### **Proposed changes to social responsibility code provision 3.2.13**

#### **Access to gambling by children and young persons – remote lottery SR code**

##### **All remote lottery licences**

- 1 Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.
- 2 Such procedures must include:
  - a warning potential customers that underage gambling is an offence;
  - b requiring customers to affirm that they are of legal age;
  - c regularly reviewing their age verification systems and implementing all reasonable improvements that may be made as technology advances and as information improves;
  - d ensuring that relevant staff are properly trained in the use of their age verification procedures; in particular anyone who sells lottery tickets including canvassers and customer services staff must be appropriately trained in the use of secondary forms of identification when initial verification procedures fail to prove that an individual is of legal age;
  - e enabling their gambling websites to permit filtering software to be used by adults (such as parents or within schools) in order to restrict access to relevant pages of those sites;
  - ~~f in the case of any GB resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures apply:~~
    - i in the case of both subscription lotteries and low frequency lotteries [1], and provided it is clear in the terms and conditions that those under the age of 16 are not permitted to participate and that the prizes will not be paid out to those found to be under 16, customers must be required to verify their age before being able to make any subscription or purchase entry into the lottery. (The operator is expected to conduct a programme of random checks of users who self-verify for compliance with age restrictions);
    - ii in every other case, **licensees must verify the age of a customer before the customer is able to:**
      - **access any free-to-play versions of lotteries (for example, instant win or digital scratchcard lotteries) that the licensee may make available; or**
      - **in any case, participate in a lottery.**
  - ~~verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 16;~~
  - ~~iii carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage;~~
  - ~~iv not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed; and~~
  - ~~v in any event, in a case which falls within ii above, a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money:~~
    - ~~e the account will be frozen~~

~~e no further gambling will be permitted until age verification has been successfully completed~~

~~e if, on completion of age verification the customer is shown to be underage, the operator must return to the customer any money paid in respect of the use of gambling facilities, but no winnings shall be paid.~~

~~g in the case of any non-UK resident customer who deposits money using any type of payment method other than a credit card, and unless the licensee has established that a third party has satisfactorily carried out age verification, the following age verification procedures:~~

~~i taking all reasonable steps to make use of information available for age verification purposes from whichever country the potential customer is resident in; and~~

~~ii each of the following steps, unless they cannot reasonably be implemented or, in the case of the fourth bullet point, a period of more than 72 hours was reasonably required:~~

~~e verifying additional information about the customer, such as carrying out searches of credit reference and other databases that list names and addresses of individuals over the age of 18~~

~~e carrying out secondary age verification checks in any circumstances which give the operator reason to suspect that the person may be underage~~

~~e not permitting the customer to withdraw any winnings from their account until age verification has been satisfactorily completed~~

~~e a requirement that if age verification has not been satisfactorily completed within 72 hours of the customer applying to register to gamble and depositing money: - the account will be frozen;~~

~~- no further gambling will be permitted until age verification has been successfully completed; and~~

~~- If on completion of age verification the customer is shown to be underage all deposits held by the operator are returned to the customer and no winnings paid.~~

~~h in the case of any customer who registers to gamble and deposits money using a credit card, conducting a programme of random checks of credit card users for compliance with age restrictions.~~

*[1] For the purposes of this code, a 'low frequency lottery' is one of a series of separate lotteries promoted on behalf of the same non-commercial society or local authority, or as part of the same multiple society lottery scheme, in respect of which there is a period of at least two days between each lottery draw.*



## Why we are consulting – customer identity verification

We outlined in our review of online gambling that our casework, **which we have summarised in our Enforcement Report 2017/18**, <http://www.gamblingcommission.gov.uk/PDF/Raising-standards-for-consumers-enforcement-report.pdf> continues to show that many regulatory failings arise because licensees do not know enough about their customers at a sufficiently early stage. Inadequate identification and insufficient knowledge of customers from the start of a relationship can lead to several areas of regulatory risk:

**Licensees are less able to prevent harm from gambling or detect criminal activity.** The Commission has investigated several cases, most involving remote licensees, where problem gamblers or criminals have gambled sums that were well in excess of what should be affordable based on their income. Licensees have ongoing duties under the Money Laundering Regulations, the Proceeds of Crime Act, the Gambling Act and LCCP to reduce the risks of gambling-related harm and criminal spend. This means that licensees must consider these responsibilities *throughout* their relationship with a customer. However, we think that if licensees were to gather sufficient knowledge and information about a customer from the *outset* of their relationship as a matter of course, they would be better equipped to identify customer accounts which pose a regulatory risk. **We have previously urged licensees to raise standards in this area** <http://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2017/Commission-urges-operators-to-review-when-customer-identity-checks-are-made.aspx> .

**Some licensees are treating their customers unfairly** by requesting additional identity information only at the point where the customer requests to withdraw funds from their account, and after the customer has potentially spent significant amounts of money gambling. This can stop or delay customers from withdrawing their winnings on the basis of checks which, if designed to prevent money laundering, should more properly have taken place at the time the customer deposited funds or when their spend/play patterns indicated a heightened risk. Sometimes, licensees may have a genuine regulatory reason to withhold the release of funds upon a customer's request (for example, where the police have enquired about a customer's account), but these occasions are comparatively rare.

Delays in the withdrawal of funds are a significant area of customer complaint. Around 15% of the customer complaints we receive are about a licensee not allowing a customer to withdraw funds from their account until they submit certain forms of ID. We also understand that over 10% of referrals to IBAS in 2016/17 generally related to **disputes between customers and licensees around proof of customer identity** <https://www.ibas-uk.com/sector-information/online-account-identity-disputes/> .

In some instances, customers might use proxy accounts in order to access bonus offers or circumvent commercial restrictions. We recognise the challenges inherent in managing online transactions. But we have seen evidence (including where licensees have required their customers to provide notarised documentation) of operator actions which appear disproportionate and timed only at the point where the customer seeks to withdraw funds the licensee has permitted them to accrue.

If certain information is critical to a licensee's decision whether to transact with a customer, the licensee should **obtain that information much earlier in the relationship with the customer**.

We propose to introduce a licence condition that would require **remote licensees to obtain and verify information about their customers at an earlier stage in their relationship with them**. Licensees would be required to ensure that they at least obtain details – and verify the basic identity – of customers before they are allowed to gamble, including their name, address, date of birth and email address.

Where a licensee requires any further information in addition to these basic identifiers, the proposed condition would require them to obtain and verify that information, where practicable, before the customer was permitted to gamble. This would apply in circumstances where, for example, further information is needed to allow a customer to promptly withdraw funds from their account, or to enable a licensee to apply gambling management tools or self-exclusion consistently across multiple accounts held by a customer with the licensee (or with other licensees in the same group structure).

### Existing customers

The proposed condition would apply to the verification of **new** customers from the date it took effect (which we propose would be April 2019). However, we would also expect licensees to be able to assure the Commission that they have verified the identities of their **existing customers**, to the standards required by the proposed new condition. Licensees should therefore consider whether they would need to take any retrospective action to obtain and verify the details of existing customers.

Obtaining and verifying customer identity information will also be essential for licensees to fulfil their responsibilities under the GamStop self-exclusion system. The proposed condition could support, or indeed be necessary for, the delivery of effective multi-operator self-exclusion.

### Transparency and fairness

It is important that customers are made aware, before they commit funds to a new gambling account, of the level of information they may need to provide to a licensee before being allowed to withdraw their funds. We therefore also propose that remote licensees must make clear to their prospective customers, before they deposit funds into a new account, the forms of identity documentation the licensee might require them to provide, and when.

**Matching payment methods to the account holder**

We are concerned that some licensees might not routinely be ensuring that the name associated with a payment method used to fund a gambling account matches the verified name of that account holder. Consequently, a customer might for example be using their partner's debit or credit card (or perhaps a stolen card) to deposit funds into their own gambling account. Consent may not have been obtained to use the payment method and, in any case, in such circumstances it is someone other than the gambling account holder who is funding the stakes put at risk for gambling.

We propose that the condition should also include a requirement for licensees to ensure that the name associated with any payment method used by a customer matches the verified identity of that same customer.

We ask licensees to provide us with details of any technical or procedural barriers they may face in meeting this proposed requirement, and what changes they might need to make to their systems or contracts with third parties to be able to verify such information. We also welcome details of any other issues that might require us to introduce further arrangements, in particular to ensure that consumers are not adversely affected by the proposal. Any such arrangements might need to address, for example, circumstances where customers are already using someone else's debit card, and to ensure that any funds in their gambling account are paid back to that card in full before the licensee stops accepting further payments from it.

**Society lotteries and ELMs**

Instant win and higher frequency lotteries such as daily play present higher risks to the licensing objectives than less frequent draw-based lotteries. Consistent with the proposal that customers of such lotteries should be age-verified before they can participate, we propose to apply the proposed condition on customer identity verification to such lottery licensees as it would apply to remote betting and gaming licensees.

**Security of identity details**

Consumers often express concerns about how secure their personal data is with licensees, and the use to which that data can be put. These concerns can particularly arise where licensees require consumers to send extensive details about their identity from a number of documentary sources.

Licensees will already be aware of their existing responsibilities under data protection legislation. However, in asking for proof of identity, licensees should also consider what steps they can take to reassure their own customers as to the security of the data, and place appropriate limitations on the use and retention of this data.

**Proposal for a new licence condition – customer identity verification**

As the proposed new provision aims to support all three of the licensing objectives, we consider it appropriate to deliver the provision via a general licence condition rather than a social responsibility code.

## Proposed new licence condition

### Verification of customer identity

**All remote licences (including ancillary remote betting licences in respect of bets made or accepted by telephone or email), except any lottery licence the holder of which only provides facilities for participation in low frequency [1] and subscription lotteries, gaming machine technical, gambling software, host, ancillary remote casino, and ancillary remote bingo.**

1. Licensees must obtain and verify information in order to establish the identity of a customer before that customer is permitted to gamble. Information must include, but is not restricted to, the customer's name, address, date of birth and email address.

2. If a licensee requires any further information about a customer, including (but not restricted to) circumstances where further information would be required in order to:

- allow a customer to promptly withdraw funds from their account on request (provided there are no other legal obligations which prevent withdrawal); or
- enable a licensee to relate each of a customer's accounts to each of the others, where the licensee allows customers to hold more than one account with them (and, where relevant, to enable the licensee to relate accounts held with other companies in the group company[2]),

such information must, where practicable, be obtained and verified before the customer is permitted to gamble.

3. Before permitting a customer to deposit funds, licensees should inform customers what types of identity documents or other information the licensee may need the customer to provide, the circumstances in which such information might be required, and the form and manner in which such information should be provided.

4. Licensees must ensure that the name associated with any payment method used by a customer matches the verified identity of that same customer.

5. Licensees must take reasonable steps to ensure that the information they hold on a customer's identity remains accurate.

[1] *For the purpose of this condition, a 'low frequency lottery' is one of a series of separate lotteries promoted on behalf of the same non-commercial society or local authority, or as part of the same multiple society lottery scheme, in respect of which there is a period of at least two days between each lottery draw.*

[2] *In this condition, 'group company' has the same meaning as in condition 15.2.1 and social responsibility code 3.9.1.*

## Questions on age verification – proposed changes to SR Code 3.2.11

We welcome responses to the questions below from licensees, consumers, members of the public and identity verification solution businesses. Some questions are only relevant for licensees, and these are annotated accordingly.

**4 Do you agree that remote betting and gaming licensees should be required to verify the age of customers before they can deposit money or gamble?**

(Required)

*Please select only one item*

Yes  No

Please state the reason for your answer

**5** Do you agree that remote betting and gaming licensees should be required to verify the age of customers before they can access play-for-free versions of gambling games that licensees make available on their websites?

*Please select only one item*

Yes  No

Please state the reason for your answer

**6** Do you agree that we should remove the current provision that licensees must 'require their customers to affirm that they are of legal age'?

*Please select only one item*

Yes  No

Please state the reason for your answer

**7** For licensees: If possible provide an estimate of the costs that might be incurred by your business through implementing the proposed changes to SR Code 3.2.11. Such costs might include, for example, technological changes (including software development and associated staff time), familiarisation costs in terms of staff training, or other business impact costs. Please also provide details of one-off costs and any annual or ongoing costs from the proposals.

Details of your estimated costs

**Please attach a copy of any documents you wish to include to this printout.**

If you have this information in a document you can upload it here

Upload supporting information

**8** For licensees: How long a lead-in time would your business need to implement technical developments in order to deliver the changes proposed to SR Code 3.2.11?

How long for your business?

### Questions on age verification – proposed changes to SR Code 3.2.13

**9** Do you agree that lotteries should verify the age of customers before they are able to participate in online instant wins/digital scratchcards or any lottery (other than a subscription or low frequency lottery)?

*Please select only one item*

Yes  No

Please state the reason for your answer

**10** Do you agree that lotteries should verify the age of customers before they are able to access any free-to-play versions of lotteries online (for example, online instant wins or digital scratchcards)?

*Please select only one item*

Yes  No

Please state the reason for your answer

- 11** For licensees: If possible provide an estimate of the costs that might be incurred by your business through implementing the proposed changes to SR Code 3.2.13. Such costs might include, for example, technological changes (including software development and associated staff time), familiarisation costs in terms of staff training, or other business impact costs. Please also provide details of one-off costs and any annual or ongoing costs from the proposals.

Costs for your business

**Please attach a copy of any documents you wish to include to this printout.**

If your costs are in a document you can upload the document here

Upload supporting information

- 12** For licensees: How long a lead-in time would your business need to implement technical developments in order to deliver the changes proposed to SR Code 3.2.13?

How long for your business?

### Questions on customer identity verification – proposed new licence condition

- 13** Do you agree that remote licensees should verify, as a minimum, the name, address, date of birth and email address of their customers before they are permitted to gamble?

*Please select only one item*

Yes  No

Please state the reason for your answer

- 14** Do you agree that licensees should obtain and verify any further information they might require (in particular, information to enable customers to withdraw funds promptly from their accounts, or to enable multiple accounts to be related to one another) before permitting customers to gamble, and where practicable to do so?

*Please select only one item*

Yes  No

Please state the reason for your answer

- 15** Do you agree that licensees should be able to provide assurance to the Commission that they have verified the identity of all of their existing customers?

*Please select only one item*

Yes  No

Please state the reason for your answer

#### Questions on customer identity verification – proposed new licence condition - matching payment methods to the account holder

- 16** Do you agree that licensees should be required to verify that an account holder's identity matches up with the name linked to the payment method they use (for example, that the name associated with a debit card matches the verified name of the gambling account holder)?

*Please select only one item*

Yes  No

Please state the reason for your answer

**17** Does the Commission need to consider introducing any other arrangements to address any practical issues arising from this proposal?

*Please select only one item*

Yes  No

In particular, are any arrangements necessary to ensure that consumers are not adversely affected by this proposal (for example, in circumstances where gambling account holders are already using someone else's payment details to fund that account)?

**18** For licensees: What barriers might licensees face in meeting the proposed requirement to verify that an account holder's identity details match the payment method they use? What changes might they might need to make to their systems or contracts with thirds parties to be able to verify such information?

Your comments on potential barriers

**Questions on customer identity verification – proposed new licence condition - remote lotteries and identity verification**

**19** Do you agree that the proposed condition on customer identity verification should apply to online lotteries (other than subscription and low frequency lotteries)?

*Please select only one item*

Yes  No

Please state the reason for your answer

**Questions on customer identity verification – proposed new licence condition - other questions for licensees**



**20** For licensees: If possible provide an estimate of the costs that might be incurred by your business through implementing the proposed condition. Such costs might include, for example, technological changes (including software development and associated staff time), familiarisation costs in terms of staff training, or other business impact costs. Please also provide details of one-off costs and any annual or ongoing costs from the proposals.

Costs for your business

**Please attach a copy of any documents you wish to include to this printout.**

If you have your costs in a document you can upload it here

Upload supporting information

**21** For licensees: How long a lead-in time would your business need to implement technical developments in order to deliver the requirements of the proposed condition?

How long for your business?

**22** For licensees: Specifically, how long might it take you to implement any necessary changes to your systems to ensure that you can verify whether an account holder's identity details match the payment method they use?

How long for your business?

Any other comments

**23** Do you have any other views that you think the Commission should take account of as part of this consultation, and which are not covered specifically by any of the consultation questions previously?

Your comments on the proposed changes

### Questions on mandatory account limits

Our review of online gambling stated our intention to consult on requirements for licensees to **set limits on customers' gambling activity which could only be changed once the licensee had further verified information about the customer.**

Such further information might include, for example:

- financial indicators to assess whether a customer can afford their current levels of gambling - this could be with reference to customer-specific data such as their credit profile information, or sociodemographic indicators that are not specific to the customer, such as postcode deprivation indices
- behavioural indicators such as time spent or intensity of gambling, which the licensee can monitor from the start of the customer relationship
- problem gambling self-assessment screens completed by the customers.

We are not proposing at this stage to introduce a specific licence condition or code to require mandatory account limits. However, we are asking consultation respondents to provide us with **information or evidence of good practice that helps licensees and customers to ensure gambling remains fair and safe.** We ask for evidence both in terms of **existing practice and what is possible**, and which could later inform specific proposals on mandatory account limits to strengthen provisions for preventing gambling-related harm.

We would therefore welcome feedback in response to the broad questions outlined below. The list of questions is not exhaustive and respondents may provide any information that they think may be relevant. We would welcome responses from **licensees**, from third parties such as **identity verification solution providers**, and from **gambling customers** about the information licensees might use to impose account limits.

This is an opportunity for respondents to influence any future specific proposals. We intend to consult on strengthening requirements for customer interaction in early 2019 and the responses provided to the questions below may help to inform the development of proposals in that area.

**24** What are licensees able to do to ensure they know enough about a new customer to assist them in preventing that customer from experiencing gambling-related harm?

Your answer

**25** What types of information are you able to access that could help inform you as to how much a new customer might be able to afford to gamble?

Your answer

**26** How do you try to get to know a customer's gambling preferences from a commercial perspective (for example, the markets they like to bet on, what days of the week they like to bet, whether they participate in betting and gaming) and can this information assist you in assessing the risk of the customer experiencing harm?

Your answer

**27** What information from your customer retention strategies could help to inform you about individual customers?

Your answer

**28** What behavioural risk indicators or markers of harm are present or could be detected very early on in a relationship with a new customer; and which might inform the basis of account limits to prevent harm?

For example:

- failed deposit at first attempt since registration
- use of high interest credit cards
- choice and number of payment methods at account opening
- bonus requests
- void requests
- patterns of deposit or loss in the first few weeks of relationship
- deposit and loss levels in the first few days after registration.

Your answer

**29** What elements of relevant research or industry good practice (for example, the RGA Behavioural Analytics Good Practice) have you implemented, and what are you finding most effective?

Your answer

**30** Have you conducted any research among your own customer base?

*Please select only one item*

Yes  No

What research did you do?

**31** Did the research generate any information that could inform your harm prevention strategies?

*Please select only one item*

Yes  No

**32** Are there opportunities to collaborate with other licensees to run harm prevention-focussed research among your respective customer bases?

*Please select only one item*

Yes  No

If 'yes' what are they?

**33** What information have you already acquired from the application of any limits on your customers' accounts?

Your answer

**34** What information have you gathered from your enforcement of these limits as part of your customer interaction processes?

Your answer

**35** Do you consider socio-demographic or economic data, that is not specific to the customer's identity, but which could help to inform an assessment of what they might be able to afford to gamble? (eg postcode deprivation indices)

*Please select only one item*

Yes  No

Please state the reason for your answer

**36** And could these be used to inform limit setting?

*Please select only one item*

Yes  No

Please state the reason for your answer

**37** Do you verify any economic information specific to the customer (eg credit scoring data, employment history or indicators of income and expenditure) as part of your risks assessment?

*Please select only one item*

Yes  No

Please state the reason for your answer

**38** Do you monitor the use of gambling management tools from the outset of the relationship, and what do these tell you about the customer?

*Please select only one item*

Yes  No