# Autumn 2023 Consultation on proposed changes to Licence Conditions and Codes of Practice (LCCP) and Remote Gambling and Software Technical Standards (RTS)

*This print version of the consultation is laid out differently than the online version.*

## Overview

The Gambling Commission regulates most forms of commercial gambling in Great Britain. We are consulting on a series of proposed changes to our requirements on gambling businesses, through the Licence Conditions and Codes of Practice (LCCP) and Remote Gambling and Software Technical Standards (RTS). All stakeholders, including consumers, gambling licensees and members of the public are invited to share their views on these proposals.

## Why your views matter

In April 2023, the government published its [White Paper High stakes: gambling reform for the digital age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age), which set out a plan for reform of gambling regulation following a review of the Gambling Act 2005.

This consultation package includes the second set of proposed changes to the regulatory framework required to implement the Gambling Commission’s commitments as part of that review.

Our consultation on the first set of proposed changes was published in July this year and closed in October. We are currently analysing the consultation responses we have received and will set out one or more responses to this consultation in 2024.

We will shortly be launching a further consultation covering two topics relating to ‘business as usual’ matters. This consultation will include proposals relating to clarity and transparency to the way financial penalties are calculated, and financial key event reporting by licensees to make sure we have the right information for risk-based regulation.

## Responding to this consultation

Thank you for taking part in this consultation. This consultation document covers five areas of proposals, and each has a number of questions. You can choose to respond to as few or as many areas and questions as you wish to. You can choose to respond to each area in whichever order you wish. We will consider all responses.

We ask that stakeholders respond to the consultation using the online survey. If you cannot submit online, responses can also be submitted by post to: **Policy Team, Gambling Commission, 4th Floor, Victoria Square House, Birmingham, B2 4BP.**

We may decide to publish the names of individuals (if responding in a personal capacity) or the organisations they are responding on behalf of on our website as part of the published response(s) to this consultation. In the survey, we ask you to indicate whether or not you provide consent to the Commission publishing:

* your name, if you are responding in a personal capacity, or
* the name of your organisation, if you are replying on their behalf.

If you provide consent, then this information may be placed on our website to provide information about who responded to the consultation exercises. Information about how the Gambling Commission processes your personal information, including a specific section on information we collect as part of a Gambling Commission consultation exercise, can be found in the [Gambling Commission’s Privacy Policy](https://www.gamblingcommission.gov.uk/about-us/guide/privacy-policy).

**The consultation will last for 12 weeks and will close on 21 February 2024.**

## Introductory questions

What is your name?

[free text]

What is your email address?

[free text]

What is the name of your organisation?

[free text]

As part of this consultation, we may decide to publish your name (if you are responding in a personal capacity) or the name of your organisation (if you are responding on your organisation’s behalf) on our website to indicate you responded to this consultation. Do you provide your consent to these details being published?

Please select only one item:

I CONSENT to the publication of my name or organisation to indicate I responded to this consultation.

I DO NOT CONSENT to the publication of my name or organisation to indicate I respond to this consultation.

The [Commission’s privacy notice](https://www.gamblingcommission.gov.uk/privacy-policy) is available on our website.

Tell us a bit about you to help us understand your perspective. Are you:

Please select only one item:

An academic, responding as an individual

A person, responding in a personal capacity who is or has worked in a gambling business

A member of the public

A person representing a charity/non-profit

A person representing a gambling business

A person representing a trade association

A person representing a professional body, including academic organisations

A person representing a licensing authority or other regulator

[**Note**: the following introductory questions covering gambling habits and exposure to negative consequences as a result of gambling are only asked of the following types of respondent:

* an academic, responding as an individual
* a person, responding in a personal capacity who is or has worked in a gambling business
* a member of the public]

## Introductory questions (continued)

In this section, we ask a number of questions to help us understand the perspective of the responses we receive to inform and tailor our policy decisions.

If you or someone you know is struggling with gambling-related problems, contact the [National Gambling Helpline](https://www.gamcare.org.uk/), 0808 8020 133 free of charge 24 hours a day, 7 days a week.

How often do you gamble?

Please select only one item:

Two or more times a week

Once a week

Less than once a week, more than once a month

Once a month

Every 2-3 months

Once or twice a year

Never

Have you gambled online in the past four weeks?

Please select only one item:

Yes

No

To what extent do you agree or disagree that in the past 12 months, you or someone close to you has experienced negative consequences as a result of your gambling?

Please select only one item:

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Prefer not to say

To what extent do you agree or disagree that in the past 12 months, you have experienced negative consequences as a result of someone else’s gambling?

Please select only one item:

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Prefer not to say

## Executive summary

### Introduction

The Gambling Commission is the independent regulator of commercial gambling in Great Britain. As part of our role, we provide formal statutory advice to the Secretary of State under section 26 of the [Gambling Act 2005 (the Act).](https://www.legislation.gov.uk/ukpga/2005/19/contents)

From December 2020 to March 2021, the Department for Digital, Culture, Media and Sport (DCMS) conducted a [Call for Evidence on the Gambling Act 2005](https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence), the Act which sets out how gambling in Great Britain is regulated. The Secretary of State asked us to provide advice on Government policy and legislation in relation to gambling and specifically on each of the topics of the review.

In April 2023 the government published its white paper [High stakes: gambling reform for the digital age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age), which set out a plan for reform of gambling regulation following the review of the Gambling Act 2005.

We are consulting on a series of proposed changes to our requirements on gambling businesses, through the Licence Conditions and Codes of Practice (LCCP) and Remote Gambling and Software Technical Standards (RTS), under Section 24 of the Gambling Act 2005. These proposals are not intended to be considered in isolation, but as part of a package that helps us meet our objectives to make sure that gambling is conducted in a fair and open way, and that vulnerable persons are protected from being harmed by gambling.

This consultation package includes the second set of proposed changes to the regulatory framework required to implement the Gambling Commission’s commitments made in the Gambling Act Review. Our consultation on the first set of proposed changes was published in July this year and closed in October. We are currently analysing the responses.

All stakeholders, including consumers, gambling operators and members of the public are invited to share their views on these proposals.

## Summary of proposals

We are consulting on five sets of proposed changes to the regulatory framework following on from the Government’s Gambling Review. The government’s white paper sets out the policy intent and evidence on which these changes to the regulatory framework are based. This was informed by significant engagement, and a call for evidence, and indeed our [Advice to Government](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005).

### Socially responsible incentives

We want to ensure that incentives such as free bets and bonuses are constructed in a socially responsible manner and do not encourage excessive or harmful gambling. As a result, we are consulting on proposals to ban or limit on the use of wagering requirements in promotional offers and a proposal to ban on the mixing of product types (e.g. betting, bingo, casino and lotteries) within incentives. We are also consulting on changes to the section of our LCCP that covers rewards and bonuses to make it explicit that incentives should be constructed in a manner that does not lead to excessive or harmful gambling.

### Customer-led tools

We have been exploring the role of customer-led tools as part of our wider work on online protections, including considering how easy it is to set and keep meaningful account limits. We are consulting on proposed changes to the Remote Gambling and Software Technical Standards (RTS) to make sure that consumers who want to make use of pre-commitment tools such as deposit limits can do so easily, in ways that work for them and with the minimum of friction.

To inform future thinking, we are also seeking views on consumer ability to choose limits across accounts held by multiple operators, and on any concerns or specific examples where consumer decision-making has been influenced or encouraged through the use of friction or other barriers.

Improved transparency on customer funds in the event of insolvency

We want to ensure it is clear to consumers throughout their relationship with a gambling licensee with a ‘not protected’ rating that their funds are not protected. We want to improve transparency for customers of these gambling businesses and we therefore propose a new requirement be added to the existing LCCP provision. This is that gambling businesses should remind customers that their funds are not protected. We are consulting on two policy options on how to achieve and implement this. To be clear, the proposals do not apply to gambling businesses that do not hold customer funds at all.

### Changes to the frequency of regulatory returns submissions

Regulatory returns submissions from gambling licensees are a vital source of information for us, government and the public, providing an understanding of the size and shape of the gambling market in Great Britain. Some gambling licensees send us annual submissions, whilst others submit them quarterly. We are consulting on a change to the LCCP so that all regulatory returns would have to be submitted to us quarterly. This would provide a timelier and more accurate picture of the gambling sector.

### Removing obsolete Commission requirements due to the government's upcoming statutory levy (LCCP RET list)

The government has recently published its [consultation on a statutory levy on gambling licensees](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators#:~:text=Consultation%20description&text=There%20are%20significant%20complexities%20around,55pm%20on%2014%20December%202023.) and once the statutory levy is brought into force, it will replace the current system for funding research, prevention and treatment (RET) where the amounts raised are voluntary. We currently require gambling licensees to make an annual financial contribution to one or more organisation providing RET on a list that we maintain. That requirement in the LCCP will become obsolete and we are consulting on removing it once a levy is introduced or at the beginning of the financial year in which a levy is introduced.

## Our approach to evidence and stakeholder engagement

The Gambling Commission uses a range of data, research and insights to inform the decisions that we make and provide advice to the Government about gambling behaviour and the gambling market. We track the size and shape of the gambling industry, rates of participation in gambling, and the prevalence of problem gambling in both adults and children. In addition, we consider wider trends in consumer behaviour, listen to the full breadth of consumer voices through our Consumer Voice programme, and focus quantitatively and qualitatively on key issues, impacts and emerging areas of interest.

We work with a variety of stakeholders and interested parties to gain insight and perspective. This helps to support our own commissioned research, statistics, regulatory casework and operator data analysis, to build a large volume and diverse range of evidence. We also have ready access to a wide range of experience and perspectives through our expert panels: the [Lived Experience Advisory Panel](https://www.gamblingcommission.gov.uk/about-us/governanceCommitteesAndBoards/lived-experience-advisory-panel), the [Advisory Board for Safer Gambling](https://www.gamblingcommission.gov.uk/absg) and the [Digital Advisory Panel](https://www.gamblingcommission.gov.uk/about-us/governanceCommitteesAndBoards/digital-advisory-panel).

We use a rigorous, consistent, and transparent evidence assurance process to collate, interpret and weigh up the overall strength of the evidence base for a given issue or topic. Where there are gaps in the evidence base, we are transparent about that and identify what ideal evidence would look like, and how those gaps could be filled. We have recently published our [Evidence Gaps and Priorities 2023-2026](https://www.gamblingcommission.gov.uk/about-us/guide/evidence-gaps-and-priorities-2023-to-2026) which includes topics related to the Gambling Act Review. This plan will need us to prioritise our resource on those gaps. For example, a key area will be using our research tools to focus on gambling licensee practices, how they influence consumer behaviour and assessing the effectiveness of interventions designed to reduce gambling harms.

A number of the proposals in this consultation were set out in [Advice we provided to government](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005). For this document we take the following approach for relevant proposals, noting the headline conclusion on the evidence in the Commission's earlier advice and flagging where:

* The position has not changed since we provided the advice,
* Further evidence has been obtained since the advice and the impact on our assessment of the evidence, and/or
* where and how we are further building the evidence base to help contribute to the final conclusions following the consultation.

This 12-week consultation provides stakeholders with the opportunity to comment on, and inform, the specifics of those proposals. We remain open to direct engagement during this period, primarily through existing meetings, networks and fora. We will review consultation responses alongside additional evidence that is obtained prior to the conclusion of this consultation and provide an update in our consultation response document.

## Evaluating the impact of relevant proposals

The Gambling Commission works to assess our overall progress towards the strategic objectives set out in our [corporate strategy](https://www.gamblingcommission.gov.uk/about-us/guide/our-strategy-for-the-next-three-years).

This includes our work on [Impact Metrics](https://www.gamblingcommission.gov.uk/about-us/impact-metrics). The proposals in this consultation support our strategic objectives, including proposals to help gambling customers to make informed choices and proposals to reduce the risk of gambling customers experiencing gambling-related harms.

Alongside this work to measure overall impact, the Commission is developing its approach to further evaluation related to these consultation proposals which take forward the Commission’s commitments following the [Government’s White Paper- High stakes: Gambling Reform for the Digital Age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age)

Our approach will be proportionate in nature. Recognising the complexity associated with evaluating proposals that are part of a multi-year and interconnected programme of work, related available evidence, and key areas that can be expected to deliver the most insights and opportunities for learning, we are likely to focus on policies that have a direct impact on gambling consumers. We will present further details on evaluation in our published response(s). We will take into account views on the evidence that would help inform evaluation, as well as evidence presented throughout the consultation process.

We recognise that there are significant complexities and challenges involved in the evaluation of the overall impact of all aspects of the Gambling Act Review, particularly the difficulty of attributing any observed changes to particular policies. However, it is important to understand the impact that policy changes are having.

To help us to deliver an important overview evaluation, we intend to commission an evaluation partner (or partners) to help us to design the evaluation framework which will best enable us to achieve this aim. The framework is expected to include activities that are being led by both the Commission and DCMS and will reflect that it may take a prolonged period of time for all the impacts to be fully realised.

In approaching this programme of evaluation, there are some key principles which inform our work and which have been explored in our advice to government and in earlier consultations.

The proposals for consultation are a part of a package of measures set out in our advice to government, which include protections that we recommend apply at each stage of the consumer journey. Together these measures are intended to make gambling products inherently safer but also support and empower customers to control and manage their gambling and to seek redress where things go wrong.

Therefore, we will seek to understand the overall impact of our package of work in delivering our strategic outcomes (as set out in our Impact Metrics). These may include metrics such as population level participation and prevalence statistics, building on our new methodology.

Compliance assessment is a key input to our assessment of impact. Our compliance data can help us identify if we continue to see cases highlighting consumer harm which can inform the need for enforcement activity or further changes to the regulatory controls, but can also help us identify examples of good practice which can be shared.

Our regulatory data is a key way to gather trend data on particular themes. One of the actions set out in the government's white paper is that the Commission will 'build on the expansion of datasets it collects from operators for regulatory purposes to develop a rich resource that will strengthen the evidence base on gambling and inform data-led regulatory action. It will explore how this anonymised regulatory data can be shared with researchers.' The proposals in this consultation include those relating to increasing the frequency of regulatory return data which helps support data-led regulatory action. This regulatory data could for example include information about the use of customer-led tools, to help us understand how these tools are used in practice.

Ongoing understanding of the consumer voice, and the voice of people with lived experience of gambling harms, is a further key input to assessing overall impacts on consumer behaviour and understanding perspectives on individual policies.

Targeting our resources for deep dives into specific topics for evaluation can enhance our understanding of impact of our most significant proposals. It is likely this will build on the evaluation framework mentioned above, working with our evaluation partner (or partners).

## Impact assessment

In developing these proposals, we seek to understand the impact and proportionality of the approach we propose to take to implementing the white paper in terms of the impact on businesses. Throughout this consultation we have included questions inviting views on the direct costs which may be incurred by affected businesses associated with implementing the proposals.

## Equalities impacts

The Commission is committed to upholding the Public Sector Equality Dutyas set out in the Equalities Act 2010. This includes giving due consideration to any potential equalities impacts, having regard to the need to eliminate discrimination, advancing equality of opportunity and fostering good relations between those who share a protected characteristic and those who do not when proposing changes to our regulatory framework.

Our key overarching equalities considerations focus on the demographics of gamblers, the demographics of where harm is most experienced, and the possible positive and unintended adverse equalities impacts of any proposals. As part of providing advice to government in April as part of their review of the Gambling Act 2005, we considered the available evidence relating to harms for all areas of our advice and the supporting recommendations.

The proposals in this consultation take account of the fact that some people are more likely to experience harm than others and are intended to further protect those more at risk of experiencing gambling harm while also making gambling fairer and safer for all consumers. In developing our proposals, we have considered the potential equalities impacts for each topic and consider that the following proposals are likely to have a positive effect on people who are more likely to experience gambling harm and those who may be more likely to also have one or more protected characteristic:

* proposals relating to incentives such as free bets and bonuses, to make sure they do not encourage harmful or excessive gambling
* proposals to empower consumers and make it easier for them to manage their gambling in ways that work for them, such as deposit limits
* proposals to increase transparency to consumers if their funds are held by licensees that offer no protection in the event of insolvency.

We also consider that the remaining two proposals: changes to the frequency of regulatory returns submissions and removing obsolete requirements due to the government’s upcoming statutory levy, will have no negative impact on equalities as they are focused on operational changes for gambling licensees that do not have a direct impact on consumers.

Therefore, we consider that our proposals to reduce harm and make gambling safer should have a positive equalities impact overall. We are not aware of any significant adverse equalities impacts arising from these proposals but will keep this under review. We also ask specific questions in this consultation to explore any potential equalities effects for each set of proposals and we welcome responses on these issues.

## Next steps

Following consultation, we will analyse the responses alongside input from stakeholders and additional evidence gathered during the consultation period to formulate our response(s). We anticipate (subject to the consultation) that the majority of topics will have a minimum of a three-month notice period between publishing the response and for proposed changes to take effect. We are seeking views from respondents about any issues we should be aware of in implementing each of the changes and new requirements, should they progress to implementation.

We will shortly be launching a further consultation covering two topics relating to ‘business as usual’ matters. This consultation will include proposals relating to clarity and transparency to the way financial penalties are calculated, and financial key event reporting by licensees to make sure we have the right information for risk-based regulation.

## Consultations contents page

Please select a consultation section below. If you have answered all of the ones you wish, please select the ‘finished’ option.

Please select only one item:

Socially responsible incentives

Customer-led tools

Improved transparency on customer funds in the event of insolvency

Changes to the frequency of regulatory returns submissions

Changes to funding arrangements due to the government’s statutory levy (LCCP RET list)

## Socially Responsible Incentives

The government’s white paper [High Stakes: gambling reform for the digital age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) sets out that “To reduce the potential risks of bonus offers, the Gambling Commission will consult further on appropriate action, considering issues such as maximum caps on wagering requirements and minimum time limits before offers expire.”

In our [Advice to Government](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005), we committed to undertake a review of incentives such as free bets and bonuses and consult on further measures to ensure that they are constructed in a socially responsible manner and do not encourage excessive or harmful gambling.

We have identified three key areas for consultation in relation to incentives:

1) A proposal to ban or limit the use of wagering requirements in promotional offers

2) A proposal to ban the mixing of product types (e.g. betting, bingo, casino, and lotteries) within promotional offers

3) Proposed changes to Licence Conditions and Codes of Practice (LCCP) Social Responsibility (SR) Code 5.1. (Rewards and Bonuses) to make the structure and wording clearer.

### Incentives - Summary of proposals

These proposals are designed to reduce the likelihood of customers experiencing negative effects, such as excessive or harmful gambling, because of taking up an incentive. We have considered the types of incentives currently offered in the gambling market, alongside the evidence base relating to the engagement and impact of incentives, which has led us to focus particularly on online free bets and casino bonuses.

We have prioritised proposals in respect of two mechanics that we are most concerned about, which are wagering requirements and the mixing of products within incentives, that could lead customers to excessive or harmful gambling. These mechanics also add layers of complexity to incentives leading to customers getting caught out by terms and conditions attached to the incentive. Therefore, this consultation contains proposals which seek to address the potential harms caused by specific mechanics and to aid transparency and better understanding of the offer. This is in line with our licensing objectives to ensure that gambling is fair and open, and to protect vulnerable persons from being harmed or exploited by gambling. The purpose is to strengthen customer protections and improve transparency for all consumers, not just those experiencing harms.

The proposals seek to address the following issues:

#### Incentives Issue 1: Wagering requirements

The evidence shows that high levels of wagering requirements attached to bonuses leads to higher intensity of gambling activity, and adds complexity to offers, which in turn increases the risk of excessive gambling and risk of harm. Therefore, we are consulting on two alternative proposals to address this issue, which are:

a) A proposal to ban wagering requirements applied to all bonus funds in promotional offers, or

b) A proposal to set a cap on wagering requirements to all bonus funds applied to promotional offers. We are consulting on three alternative thresholds:

1. Wagering requirements set up to a maximum of 1 time.
2. Wagering requirements set up to a maximum of 5 times.
3. Wagering requirements set up to a maximum of 10 times.

#### Incentives Issue 2: Mixing of products within incentives

Some promotional offers are structured to combine different product types, primarily for new customer sign up offers. This typically involves gambling licensees providing a combination of free bets and free casino spins. We have evidence to show that these can be problematic because they can lead to consumer confusion and likelihood of experiencing harm. We are therefore consulting on introducing a ban on the mixing of product types (e.g. betting, bingo, casino, and lotteries) within promotional offers, for new and existing customers.

#### Incentives Issue 3: Changes to drafting and structure of LCCP to make the structure and wording clearer

LCCP Social Responsibility Code 5.1 (Rewards and Bonuses) sets out rules to ensure incentives are constructed in a socially responsible manner. However, based on compliance engagement and casework, it has become apparent that the structure and wording of aspects of this provision are not clear as they ought to be. Therefore, we are consulting on a new structure and wording to make it explicit that incentives should be constructed in a manner that does not lead to excessive or harmful gambling.

#### General background on marketing and advertising

The Gambling Act 2005 allows for the offering of incentives to gamble but any such incentives are subject to rules and conditions and must be structured and presented in a way that is reasonably consistent with the licensing objectives. Incentives are an important part of the gambling industry, designed to attract new, and retain existing, customers. There is a diverse range of incentives available in the market, including sign-up offers, multi-bet offers, free bets, free spins, refund offers, better odds, competitions, cash-back offers, and many more.

Many consumers enjoy taking up offers and see them as an integral part of their gambling experience. Our [Consumer Voice research (2023)](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/exploring-consumer-journeys-using-gambling-promotional-offers-and-incentives) found that over a quarter (26 percent) of 901 respondents reported actively searching for incentives using a search engine. Respondents reported that they often looked for the best deal and a way to receive enjoyment from gambling without staking their own money. Newer customers view taking up incentives as an opportunity to learn, or build upon their knowledge, about gambling.

There are rules in place on how incentives must be advertised and constructed. Gambling licensees are required to treat consumers in a fair, open and transparent way. This extends to the terms and conditions and practices in relation to incentives, ensuring all significant terms are presented in an accessible, clear and transparent way. In February 2023, the Social Responsibility Code provision 3.4.3 (Remote Customer Interaction) requirement 10 came into force, requiring licensees to prevent the marketing and take up of new bonus offers where strong indicators of harm have been identified. Therefore, no customer who has been identified as displaying strong indicators of harm should be targeted with marketing or new bonus offers. Our [Summer 2023 consultation](https://consult.gamblingcommission.gov.uk/author/summer_2003_consultation_lccp_rts_regpanels/) proposed giving customers greater control over the direct marketing they wish to receive.

However, we remain concerned about promotional offers that are designed in a way that could lead to excessive or harmful gambling. We have seen examples of incentives available on online betting, casino and bingo sites where, even though the significant terms and conditions are available, the construct of the offer is complex, may not be properly understood, and is likely to lead to an excessive increase in the intensity of gambling activity in a short period of time.

In our advice to government, we acknowledged that there were some gaps in the evidence base on the influence of offers and incentives on gambling behaviour and harms. We have worked to fill this gap using our Consumer Voice Research Programme, in which we conducted a targeted project that investigated consumers’ engagement with, and perceptions of, gambling offers.

Taking into account all the research and evidence available, we have taken the provisional view to prioritise action on two mechanics that we are most concerned about and to invite views on these proposals; this evidence is detailed below. We consider these can lead customers to increase the intensity of gambling and add layers of complexity to incentives where customers could get caught out by complex terms and conditions.

Together, this increases the likelihood of excessive gambling and risk of harm to consumers. The purpose of the proposed changes is to strengthen customer protections for all consumers, not just for those experiencing harms, and ensure that gambling is conducted in a fair and open way. We will evaluate the impact of any new rules we introduce and then consider whether further work on incentives needs to be undertaken.

Our proposals on socially responsible incentives should not be considered in isolation. Our broad package of ongoing work to make gambling safer, such as safer game design, customer interaction, combined with increasing online protections, aim to make the playing of the advertised product considerably safer and fairer.

The Government’s White Paper also set out concerns about the way in which some bets and bonuses are described as ‘free’, which may draw in those who are vulnerable to gambling-related harm. The Committee of Advertising Practice (CAP) has banned gambling licensees from presenting offers as entirely ‘risk free’ and have published [guidance on the use of “free” claims in advertising](https://www.asa.org.uk/resource/free-claims.html). While “free” claims in general are not prohibited, they must not be presented irresponsibly (for instance, they must not be accompanied by messaging that trivialises decisions to gamble). The work done by CAP and our rules to ensure gambling licensees comply with consumer protection law, including the measures we propose in this section of the consultation, will lead to more transparent incentives. We will continue to work with CAP to monitor compliance with the advertising rules and evaluate if further action needs to be taken.

### Incentives Issue 1- Wagering requirements

#### Background

A wagering requirement is the number of times customers play through, or stake, bonus funds before they can withdraw winnings derived from the bonus. For example, a bonus of £10 with a 50 times wagering requirement requires the customer to play through (wager) £500 within a specified timeframe, such as 14 days before the winnings derived from the bonus can be withdrawn.

Gambling licensees often use wagering requirements to allow customers to gamble longer on a product and to enable them to promote higher value, and therefore, more attractive incentives. However, they are also applied to prevent customers using bonus offers for ‘matched betting’ strategies without spending their own money, and to limit the costs of offering bonuses as customers are unable to withdraw funds until the wagering requirements have been fulfilled.

The Commission does not currently set a threshold on a permitted level of wagering requirements. The application of wagering requirements is a significant term, which under the marketing rules must appear prominently within the advert so that offers are not misleading to consumers. Gambling licensees are also required to ensure incentives are not constructed in a way that leads customers to gamble harder and faster, leading to excessive or harmful gambling. The level of wagering requirements can typically vary from 1 to 60 times, but most typically, we see offers that set wagering requirements between 20-30 times. In some extreme cases, wagering requirements are set at up to 100 times. We have also seen recent examples where some gambling licensees have begun to apply very low wagering requirements, or none at all.

Matched deposit bonuses, typically offered by casinos to new customers, are a good example of how these mechanics may be presented. This is where the customer’s first deposit is matched by the casino up to a certain amount or percentage. The mechanics of the offer vary in each promotion, but typically, the higher the value of an offer, the higher the wagering requirements. A timeframe for completion is set, most typically within 7 to 14 days.  For example, a deposit of £100 is matched by the casino of up to 150 percent (bonus of £150), to be used within 7 days, with 50 times wagering requirements applicable before withdrawals of winnings can be made, which requires a play through of £7,500.

Matched deposit packages add more complexity to the structure of the offer, where the mechanics of the example above, are applied to several deposits, with varying percentages of each deposit matched. For example, a bonus worth £1,000 may be split between three deposits, with varying wagering requirements and other terms applicable to each deposit. There is evidence to suggest that customers may not understand how this mechanic impacts their gambling activity whilst playing through the offer, and how the cumulative effects of each deposit could encourage harmful levels of gambling. For instance, qualitative findings from our [Consumer Voice programme (2023)](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/exploring-consumer-journeys-using-gambling-promotional-offers-and-incentives) show that attempts to meet wagering requirements can result in prolonged gambling sessions, in which consumers often attempted to meet requirements in one sitting. Similarly, [Hing et al., (2018)](https://acquire.cqu.edu.au/articles/report/Effects_of_wagering_marketing_on_vulnerable_adults/13447859) found that bettors underestimate the true cost of using offers that have play-through conditions attached, i.e., wagering requirements. We can infer that any harmful gambling associated with wagering requirements is amplified for consumers using matched deposit packages and other offers that utilise several deposits.

We have also come across an example where the design of an incentive led to a safer gambling interaction. The gambling licensee intervened because of concerns about a customer’s high level of spend. However, this was primarily due to the customer trying to complete, close to the end of the expiry date, the terms of a poorly designed promotional offer. The customer claimed they lost more than they had intended to and was chasing the advertised value of the offer.

Our review of the evidence points to the need to act on wagering requirements to limit risks of serious harms, but also seeking to balance consumer freedom, choice and enjoyment of incentives.

#### Evidence

Evidence from the Advisory Board for Safer Gambling (ABSG), our Lived Experience Advisory Panel (LEAP), and academic research has established a clear link between the use of wagering inducements and increased gambling frequency and intensity. [Balem et al., (2021)](https://www.ncbi.nlm.nih.gov/pmc/articles/PMC9293013/) found that this association was stronger for those engaging in at-risk gambling behaviours. In their study, [Hing et al., (2018)](https://acquire.cqu.edu.au/articles/report/Effects_of_wagering_marketing_on_vulnerable_adults/13447859) found that nearly three fifths of participants underestimated the true cost of bonus bets with play through conditions, such as the amount they would need to bet to withdraw any winnings. This finding extended to even frequent and highly involved bettors.

In 2023, the [Behavioural Insights Team (BIT)](https://www.bi.team/publications/how-do-slot-game-advert-features-impact-gambling-behaviour/) conducted an online experimental study, aiming to investigate how features of slot game adverts may impact gambling behaviour, and comprehension and attitudes towards the advertised product. In one experiment, participants were presented with a list of descriptive statements about wagering requirements and were asked to identify whether each statement was true or false. For each statement, an average of 67 percent of the 5,975 participants either answered incorrectly or reported that they did not know whether it was true or false.

As a part of the [Consumer Voice research programme (2023)](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/exploring-consumer-journeys-using-gambling-promotional-offers-and-incentives), we commissioned Yonder to investigate how gamblers engage with and understand bonus offers and incentives for a range of gambling activities. Specifically, this work considered what motivates their gambling behaviour and what influences their decision making, and in what circumstances offers could become misleading to them or harmful to vulnerable groups. The research involved a quantitative survey of 1,002 people who had gambled online in the previous four weeks and had used a promotional offer or incentive, and qualitative research with a further 27 people who use promotional offers or incentives at least one a month.

Whilst promotional offers were seen as highly valued features within gambling, consumers did report behaviours that may put some gamblers at greater risk of harm, such as prolonged gambling sessions as a result of the urgency to meet wagering requirements within an allotted time. During the qualitative phase of the project, one respondent remarked that ‘*you do find yourself staying up till the middle of the night doing your spins so you can meet the minimum wagering requirement.’* The qualitative findings also showed that the gamblers perceived deposit-based offers to typically have high wagering requirements, which often required stakes that they were not prepared to make.

The findings also showed that wagering requirements had an impact on gamblers’ betting or playing experiences and their assessment of the true value of an offer. Gamblers reported feeling that they had more money/credit to gamble with, despite potentially having to stake their own money to meet wagering requirements. The money staked to fulfil an offer, particularly when wagering requirements were involved, did not appear to always be factored into gamblers’ mental accounting of losses.

This research also highlighted that the impacts of wagering requirements can depend on the level of gambling experience that individuals have. Those who previously had poor experiences with offers and had been ‘caught out’ by the terms and conditions attached to them, pledged to learn from their mistakes rather than practising closer inspection of terms and conditions. Instances of ‘losing out’ on the benefits of an offer tended to be attributed to perceiving the conditions attached to the completion of wagering requirements being unrealistic, and technicalities of which games they could or could not play, and their respective weightings. By weightings we refer to offers which include games as eligible for completing wagering requirements that contribute less than 100 percent. For example, a particular game category may only contribute 20 percent towards the wagering requirements meaning a customer would need to gamble 5 times the initial amount if they only played this type of game.

More experienced gamblers felt confident in managing the risk of offers with wagering requirements by selecting offers with a number of wagering requirements they found to be acceptable. Interestingly, gamblers tended to accept that wagering requirements form part of the way incentives are structured and report being happy with this, with some resistant to change on how incentives are currently structured.

However, the research also showed that some wagering requirements appear unachievable and can result in longer gambling sessions, with some gamblers playing for prolonged sessions to fulfil the terms of the offer. They often attempted to complete the terms, such as meeting with wagering requirements, within one gambling session regardless of the timeframe given.

The experience of gambling rules in other jurisdictions has been brought to our attention by the industry and as part of our ongoing international engagement, we consider it important to include this as part of the evidence base for this consultation. Several governments and regulators in other jurisdictions have taken varying approaches to deal with marketing and bonus incentives. Some have brought in specific regulations and rules that deal solely with bonuses with wagering, time and placement requirements. Others have combined them with general restrictions or outright bans on advertising and marketing.

It is important to note that each jurisdiction has a unique historical and socio-economic relationship with gambling and varying regulatory frameworks, and measures which are effective or ineffective in one jurisdiction may not have a similar impact elsewhere. Measures adopted worldwide include, by way of example:

* Denmark: All bonuses need to be available for a minimum of 60 days with a maximum wagering requirement of 10 times on the bonus amount.
* Spain: Sign-up offers are prohibited as part of a wider ban and bonuses are capped at a maximum value of 100 Euros, which can be offered to verified customers.
* Sweden: Bonus offers have been limited to one sign-up offer per licence.

### Details of the proposal

The Commission’s provisional view is that the evidence points to the need for a significant reduction of wagering requirements. We consider wagering requirements can lead customers to increase the intensity of gambling and add layers of complexity to incentives where customers could get caught out by complex terms and conditions. Together, this increases the likelihood of excessive gambling and risk of harm to consumers.

Therefore, we are consulting on two alternative options to address this issue:

a) A proposal to ban wagering requirements applied to all bonus funds in promotional offers, or

b) A proposal to set a cap on wagering requirements to all bonus funds applied to promotional offers. We are consulting on three alternative thresholds:

1. Wagering requirements set up to a maximum of 1 time.
2. Wagering requirements set up to a maximum of 5 times.
3. Wagering requirements set up to a maximum of 10 times.

A proposal to ban wagering requirements will give clarity to all gambling licensees, and customers, that wagering requirements are not permitted. It is likely to lower the value of incentives that gambling licensees can advertise, more specifically, it would end incentives that claim excessive amounts could be won stated in the headline of the offer. A ban would also significantly reduce the lengthy terms and conditions associated with wagering requirements, such as weightings attributed to specific games, which would help to make them much more simple and easier to understand. As mentioned in our evidence, there are current examples whereby gambling licensees have not applied any wagering requirements and have taken a ‘you get what you bet’ approach, who have reported little impact on customer take up of the incentives. However, we recognise that such examples are primarily applied by licensees with a large market share.

The evidence shows that the impacts of wagering requirements can depend on the level of gambling experience that individuals have and that some gamblers are resistant to changes made to the structure of incentives. Our engagement with gambling licensees has identified that low levels of wagering requirements are sometimes necessary as a means to prevent gamblers from taking away ‘free’ money which could have a commercial impact, such as a high cost to offering incentives without such mechanics in place. Therefore, we are also consulting on an alternative proposal to cap wagering requirements, with three possible values namely:

1. Wagering requirements set up to a maximum of 1 time.
2. Wagering requirements set up to a maximum of 5 times.
3. Wagering requirements set up to a maximum of 10 times.

In identifying the thresholds, we have drawn upon international comparisons and our engagement with gambling licensees as a guide, although this does not point conclusively to a specific level that would be appropriate. Setting a threshold too high risks not sufficiently protecting consumers from the impacts of wagering requirements and the objective of these proposals.

As a starting point, our provisional view is that a maximum of up to 10 times wagering requirements is considered to be the highest appropriate threshold in some other jurisdictions. For example, the Danish Gambling Authority (DGA) has set a level of 10 times applicable to the bonus amount. which is most appropriate international comparator we have in terms of setting a threshold. It is important to note that the DGA draws upon other rules in relation to promotional offers that are not in scope of this consultation, which could affect the overall impact of applying this threshold. We do not currently consider wagering requirements of higher than 10 times would sufficiently protect consumers.

However, our provisional view is that a lower threshold may be appropriate and better protect consumers and therefore a cap of 1, or a maximum of up to 5 times, may better achieve our aims. Our engagement with gambling licensees identified that, in some cases, it is necessary to have as low as a one-time wagering requirement to prevent customers from taking ‘free’ money derived from the winnings of a bonus. As a mid-point between 1 and 10, we are also consulting on threshold of a maximum of 5 times.

Below are examples of what impact the three proposed threshold levels would have on a free casino incentive and the playthrough value which is how much a gambler would need to wager before the winnings derived from the bonus can be withdrawn.

Example 1:

Deposit: £5

Bonus amount: £10

Wagering requirement of 1 time

Playthrough value: £10

Example 2:

Deposit: £5

Bonus amount: £10

Wagering requirement of 5 times

Playthrough value: £50

Example 3:

Deposit: £5

Bonus amount: £10

Wagering requirement of 10 times

Playthrough value: £100

We invite views on whether, if a cap rather than a ban is introduced, what level this should be set at.

We have considered other mechanics such as time limits in which offers must be completed and the value of the offers. Given that wagering requirements, the value of an offer, and the timeframe for completion, are inextricably linked, we consider action on the former will have an impact on the two latter mechanics.

We recognise concerns expressed about the combination of high wagering requirements and tight time limits to claim winnings poses clear risks in terms of creating a sense of urgency to gamble, incentivising high intensity play and potentially gambling more than one had originally planned to. The evidence demonstrates that customers are most likely to complete wagering requirements in one sitting, either at the beginning or at the end of the time limit set. Therefore, in these circumstances, restrictions on timeframes would not necessarily have an impact on the intensity of a customer’s gambling, and would vary depending on the context, such as the product and type of incentive. Therefore, the Commission is not currently minded to make any specific proposals to restrict the timeframes to claim winnings. We will monitor and review the impact of any changes that may be implemented as a result of this consultation, particularly on mechanics such as time limits.

We also recognise concerns expressed about the high value of incentives and how the combination of high wagering requirements could lead to advertised bonuses to be set at a value that is unachievable. We consider a ban or cap on wagering requirements would reduce examples of gambling licensees offering excessively high value bonus offers, making the offers more fair, open and transparent for consumers. Therefore, the Commission is not currently minded to make any specific proposals to restrict the value of incentives.

#### Proposed revisions for option A – ban wagering requirements:

If adopted, the proposal to ban wagering requirements would lead to the introduction of a new LCCP requirement under LCCP 5.1. as follows:

As part of revised LCCP 5.1.1 (see incentives issue 3 below for full provision)

Licensees must not:

1. apply wagering requirements to incentives. A wagering requirement is where a consumer is required to make wagers totalling a particular value for funds to become withdrawable.

#### Proposed revisions for option B – cap wagering requirements:

If adopted, the proposal to impose a cap on wagering requirements would lead to the introduction of a new LCCP requirement under LCCP 5.1. as follows:

As part of revised LCCP 5.1.1 (see issue 3 for full provision)

Licensees must not:

a) apply wagering requirements to incentives, which require customers to play through bonus funds, over a maximum of [1] [5] [10] times. A wagering requirement is where a consumer is required to make wagers totalling a particular value for funds to become withdrawable.

#### Consultation questions

If one of these proposals were to be adopted, which do you prefer?

[Only choose one answer]

Option A – ban wagering requirements.

Option B – cap wagering requirements.

To what extent do you agree with the proposed option A to ban wagering requirements?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons, including any evidence, for your answer.

[Free text box]

To what extent do you agree with the proposed option B to cap wagering requirements?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer.

[Free text box]

If wagering requirements were to be capped, which threshold do you prefer?

[Only choose one answer]

Up to a maximum of 1 time.

Up to a maximum of 5 times.

Up to a maximum of 10 times

Please give your reasons, including any evidence, for your answer below.

[free text box]

Do you have any further comments on these proposals?

[free text box]

Do you have any comments about implementation issues, timelines and practicalities?

[free text box]

Please provide an estimate, including any evidence, of the direct costs associated with implementing these proposals, identifying to which proposals the estimated costs relate.

[free text box]

### Incentives Issue 2 - Mixing of gambling products within incentives

#### Background

We have seen individual incentives that combine different product types, often targeting new customer sign ups, and free bets and casino bonuses. For example, an incentive could comprise ‘bet £10 and get £20 free bets and £10 casino bonus’. The terms and conditions set out the type and level of activity required to qualify and achieve the bonus, including wagering requirements for the casino products. Given the evidence, we consider these to be confusing, which could increase the likelihood of harm.

We recently consulted on giving consumers power to choose what direct marketing they receive by product and channel. Although we are still considering responses and formulating our final position on the proposal, there is some read across to the objectives of the consultation, including the need to provide additional protections from harm.

The aim of the proposal to prohibit the mixing of gambling products within incentives is not to prevent licensees from marketing different products to new and existing customers, but to ensure that incentives are constructed in a manner that means consumers are not confused by complex offers, which could lead to excessive or harmful gambling.

#### Evidence

We know that consumers that gamble on multiple products score more highly on the Problem Gambling Severity Index (PGSI) compared to those that only gamble on one product; according to the [Health Survey for England (2018](https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2018)), 0.2 percent of respondents that indicated they gambled on a single product were classified as a problem gambler. The proportion is higher for all other categories involving multiple gambling products, 0.7 percent for 2-3 activities rising to 1.2 percent and 15.1 percent for 4-6 and 7 plus activities, respectively.

Quantitative evidence from the Commission’s 2021 release ‘[Consumer experiences and attitudes to Free Bets & Bonuses’](https://www.gamblingcommission.gov.uk/about-us/guide/consumer-experiences-and-attitudes-to-free-bets-and-bonuses), shows that 28 percent of respondents started to gamble on a new activity as a result of receiving a bonus offer. Similarly, qualitative evidence from our Lived Experience Advisory Panel (LEAP) indicates that consumers who sign up to one product, very quickly receive offers for other potentially riskier products, such as casino games, which in some cases, leads them to experience harmful gambling. LEAP members found that they did not necessarily understand the products outside of their primary gambling activity, particularly for those who are betting customers but were marketed casino or bingo bonus offers.

According to the [Patterns of Play research (Forrest & McHale, 2021)](https://natcen.ac.uk/publications/patterns-play), engagement with multiple activities is associated with higher gambling expenditure, raising important questions about the appropriateness of gambling licensees actively encouraging customers to expand their take up of different products through cross selling and promotions, particularly to those products associated with a higher problem gambling rate such as online slots ([Health Survey for England, 2018)](https://digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2018/health-survey-for-england-2018-supplementary-analysis-on-gambling). ‘Dual’ customers lost an average of around £600 in a year compared to roughly £300 for gaming-only and £135 for betting-only.

As a part of the [Consumer Voice research programme (2023)](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/exploring-consumer-journeys-using-gambling-promotional-offers-and-incentives), Yonder found that persistent marketing increases engagement in promotional offers that are unrelated to the gamblers’ primary form of gambling. Gamblers take part in new gambling types from promotions despite not having full understanding of the offer or of the game itself, which leads to riskier behaviour. Gamblers can lack understanding, knowledge and even enjoyment in the activities they are engaging with through cross-selling offers.

The findings also showed that losses from gambling products that are not the gamblers’ primary form of gambling are perceived to be discounted from their overall losses, showing a 'didn't count' attitude. This is particularly enhanced when offers have removed the feeling that the individual has staked their own money. Whilst initially used as a means to fund their main gambling activity, new gambling activities become a staple within their gambling routine.​​ The research found that, over time, offers increase the prevalence of customers gambling on more types of products.

### Incentives - Details of the proposal

The evidence shows that the risks associated with gambling on multiple products is higher than for a single product, and the mixing of products within the incentive adds to the complexity of terms and conditions. This could lead to a risk to the licensing objectives to ensure gambling is conducted in a fair and open way and protecting vulnerable persons from being harmed or exploited by gambling, such as if players are encouraged to take part in forms of gambling that they may not have experienced before or are comfortable with.

Therefore, we propose to ban the inclusion of more than one type of gambling product (betting, casino, bingo, and lotteries) within the incentive, for new and existing customers. For example, gambling licensees would not be able to offer an incentive containing both a bingo and lottery product, but it could include more than one type of the same type of gambling product, for example, a lottery scratchcard and a raffle.

The lotteries category has been included within this proposal to further support our advice on [’Offering lottery, gaming and betting products under common branding](https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/offering-lottery-gaming-and-betting-products-under-common-branding-june-2012)’. The advice sets out our position on lottery promotors who intend to offer lottery products alongside betting or gaming remote activities. In considering a scenario where an External Lottery Manager (ELM), or a society, wishes also to offer gaming or betting activities under common branding, we consider that there is a risk to the licensing objectives, in particular ensuring that gambling is conducted in a fair and open way and protecting children and vulnerable adults from being harmed or exploited by gambling if players are not clear about the characteristics of the gambling being promoted. However, those risks could be mitigated or removed if principles stated within the advice were applied. The advice also sets out that gambling licensees must ensure that any marketing material which expresses, or implies, an association with a lottery or lottery brand relates to lottery products only and not to any other type of facilities for gambling.

#### Proposed revisions

If adopted, the proposal would lead to a revision to LCCP 5.1 (see incentives issue 3 for full provision) to include a new condition as follows:

As part of revised LCCP 5.1.1 (see incentives issue 3 for full provision)

Licensees must not:

1. include more than one type of gambling product (betting, casino, bingo, and lottery) within the incentive.

#### Consultation questions

To what extent do you agree with the proposal to ban the mixing of more than one type of gambling product within an incentive?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons, including any evidence, for your answer below.

[free text box]

Do you have any comments about implementation issues, timelines and practicalities?

[free text box]

Please provide an estimate, including any evidence, of the direct costs associated with implementing this proposal.

[free text box]

### Issue 3 – Revisions to LCCP SR Code 5.1.1 Rewards and Bonuses

#### Background

The LCCP social responsibility code 5.1.1. Rewards and Bonuses, sets out the rules for how incentives should be constructed and to ensure they are done so in a socially responsible manner. It was written to, in principle, allow licensees the ordinary commercial freedom to offer customers incentives to gamble, provided that there appeared to be no serious risk that those incentives would frustrate the [licensing objectives](https://www.gamblingcommission.gov.uk/about-us/guide/licensing-objectives).

The challenge has been to find suitable wording that better reflects what is, or is not, acceptable, distinguishing between the innocuous and harmful incentives. In 2014, we consulted on proposals to improve the clarity of the code provision, which did not result in any changes. However, there was consensus that the acceptability of an incentive depends upon the context in which it is offered or accepted, and on its impact on the licensing objectives.

Given that we are consulting on proposals that, if accepted, would require a change to the Code, we consider this an appropriate time to revisit the structure and wording of LCCP SR Code 5.1.1 to ensure it is easy to read and understand.

#### Proposed revisions

Based on compliance engagement and casework, it has become apparent that the structure and wording of aspects of this provision are not as clear as they ought to be. Therefore, we propose a number of changes to the structure and wording of LCCP Social Responsibility Code 5.1. Rewards and Bonuses, for better presentation, making it easier and clearer to read and understand.

Firstly, we propose to restructure the Code to set out what licensees must and must not do where they make such incentives available. This requires a small number of changes to the words to current paragraph 1, making it clear that the Code applies to licensees who offer incentives.

We propose to make minor changes to the wording of existing 1 (a) to make the requirements regarding terms and conditions clearer. This is reflected in the proposed amended underlined wording at 2 (a).

We also propose to make minor changes, relating to the tense and order of words, to the current code 1 (c) and (d) to ensure it fits into the new structure, setting out what licensees must not do in scenarios relating to value and spend, and subsidised travel or accommodation.

The revisions include the above proposals on wagering requirements and mixing of products, so that it is clear how this would be presented if they were to be implemented, subject to the outcome of the consultation. This can be seen in the proposed amended wording (underlined) in paragraph 3 on what licensees must not do.

We propose to completely re-word the current SR Code 5.1.1 1(b)(i) which currently states ‘neither the value nor amount of the benefit is dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency’. Our casework has identified this has led to confusion and is not easily understood by gambling licensees. The code attempts to prohibit activity being specified that would push customers into excessive play rather than to prevent any qualifying period or spend being defined. It currently states that rewards may not be dependent on the customer gambling for a 'pre-determined length of time or with a pre-determined frequency', but this rules out practices that are legitimate and appropriate. It is not unreasonable for a gambling licensee to define a qualifying level of activity in order for a customer to earn a particular reward, as long as it does not encourage excessive gambling.

Whilst the offering of incentives is typically to encourage a customer to choose a particular provider or product, we would be concerned about marketing that is linked to excessive intensity of gambling. In short, rewards should not be offered to customers for gambling harder or faster. The marketing code of practice aims to protect this principle. Therefore, we propose to delete the wording in the current SR Code 5.1.1 1(b)(i) and make it explicit that licensees must ensure the design and structure of the incentive does not lead to excessive intensity of gambling which may risk customers experiencing harms associated with gambling (see proposed amendments 5.1.1. (2) (b) which is shown by the underlined text).

#### Current wording of LCCP Social Responsibility Code 5.1.1 Rewards and Bonuses

1. If a licensee makes available to any customer or potential customer any incentive or reward scheme or other arrangement under which the customer may receive money, goods, services or any other advantage (including the discharge in whole or in part of any liability of his) (‘the benefit’) the scheme must be designed to operate, and be operated, in such a way that:
   1. the circumstances in which, and conditions subject to which, the benefit is available are clearly set out and readily accessible to the customers to whom it is offered;
   2. neither the receipt nor the value or amount of the benefit is:
      1. dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency; or
      2. altered or increased if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered.
   3. if the value of the benefit increases with the amount the customer spends it does so at a rate no greater than that at which the amount spent increases; and further that:
   4. if the benefit comprises free or subsidised travel or accommodation which facilitates the customer’s attendance at particular licensed premises the terms on which it is offered are not directly related to the level of the customer’s prospective gambling.
2. If a licensee makes available incentives or reward schemes for customers, designated by the licensee as ‘high value, ‘VIP’ or equivalent, they must be offered in a manner which is consistent with the licensing objectives.

Licensees must take into account the Commission’s guidance on high value customer incentives.

#### Proposed amended wording of LCCP Social Responsibility Code 5.1.1 Rewards and Bonuses

Applies to:

All licences (including ancillary remote licences), except gaming machine technical and software licences

Underlining shows new or amended text

1. The following applies where a licensee makes available to any customer, or potential customer, any incentive or reward scheme or other arrangement under which the customer may receive money, goods, services or any other advantage (including the discharge in whole or in part of any liability of his) (‘the benefit’).

2. Licensees must:

* 1. Set out terms and conditions, in relation to the incentive, which are clear, transparent, and fair and readily accessible to the customers or potential customers to whom it is offered.
  2. Ensure the design and structure of the incentive does not lead to excessive intensity of gambling which may risk customers experiencing harms associated with gambling.

3. Licensees must not:

a) i.) apply wagering requirements to incentives, which require customers to play through bonus funds. A wagering requirement is a where a consumer is required to make wagers totalling a particular value for funds to become withdrawable.

or

ii) apply wagering requirements, which require customers to play through bonus funds, over a maximum of [1] [5] [10] times. A wagering requirement is a where a consumer is required to make wagers totalling a particular value for funds to become withdrawable.

b) Include more than one type of gambling product (betting, casino, bingo, and lottery) within the incentive.

c) Alter or increase the receipt or the value, or amount of the incentive if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered.

d) Construct incentives where, if the benefit comprises of free or subsidised travel or accommodation which encourages the customer’s attendance at a particular licensed premises, it is offered on terms that directly relate to the level of the customer’s prospective gambling.

4. If a licensee makes available incentives or reward schemes for customers, designated by the licensee as ‘high value, ‘VIP’ or equivalent, they must be offered in a manner which is consistent with the licensing objectives.

5. Licensees must take into account the Commission’s guidance on high value customer incentives.

#### Consultation questions

To what extent do you agree with the new structure and proposed wording of LCCP 5.1.1, excluding views on proposed requirements on wagering requirements and mixing of products which are dealt with above?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons, including any evidence, for your answer below

[free text box]

Do you have any comments on the new wording of 2 (b) which replaces SR Code 5.1.1 1(b)(i) which states ‘neither the value nor amount of the benefit is dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency’.

[free text box]

Incentives - Attaching additional information:

If you have any further documents in support of your responses to this section of the consultation on socially responsible incentives, please use the ‘choose file’ button below.

[choose file option]

### Incentives - Equalities considerations

The Commission is committed to giving consideration to potential equalities impacts, having regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The Commission does not currently consider that the proposals set out in this incentives section of the consultation give rise to known negative impacts in the context of the above objectives. This position will be kept under review. We would welcome views in relation to the same.

Do you have any evidence or information which might assist the Commission in considering any equalities impacts, within the meaning of section 149 of the [Equality Act 2010](https://www.legislation.gov.uk/ukpga/2010/15/contents), in the context of any proposals considered in this section of the consultation?

[free text box]

### Incentives - Consultation section completed

You have now reached the end of this section of the consultation. Please select either to return to the consultation home page to respond to a different topic or if you have finished select ‘finished’.

Consultations home page

Finished

## Empowering consumers - customer-led tools

The Government’s [White Paper, High stakes: gambling reform for the digital age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age), (white paper) sets out the commitment that the Gambling Commission will review and consult on requiring operators (which we sometimes refer to as gambling licensees) to improve player-centric tools such as financial limits and activity statements, such as by making deposit-setting mandatory or opted in by default.

In our [Advice to Government](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005#6ZYFtWrK3D7XhxbtcK9KFB), we signalled our intention to explore the role of customer-led tools as part of our wider work on online protections, including measures to empower and enable all customers to manage their gambling in ways that work for them, including making it easy to set and keep meaningful customer-led financial limits, balanced alongside operator-led protections.

The Gambling Commission is committed to ensuring that gambling systems offer the right levels of consumer protections at all points in the customer journey and we support the government’s view that “behavioural barriers and friction should only be used to keep customers safe rather than impede them from taking decisions”.

### Customer-led tools - Summary of proposals

This section of the consultation covers three issues. Issue 1 relates to proposals to amend the existing [Remote Gambling and Software Technical Standards (RTS)](https://www.gamblingcommission.gov.uk/standards/remote-gambling-and-software-technical-standards/rts-1-customer-account-information) and we are consulting on those proposals.

In relation to Issues 2 and 3, we are seeking stakeholders’ views on cross-operator customer-led deposit limits and barriers to consumer choice. We are seeking views to help inform our future approach to these issues, but we are not at this stage putting forward any proposals for changes on these issues.

### Customer-led tools Issue 1 – account-level customer-led limits

The intention of these proposals is to ensure the gambling system is optimised to enable and empower consumers to maintain awareness and control over their gambling in order to help all consumers that choose to gamble to do so in ways that work for them. One way to do this is to ensure that consumers who want to actively make use of customer-led pre-commitment tools such as financial limits can do so easily, in ways that work for them and with the minimum of friction. In this section of the consultation, we set out a series of proposed changes to the existing [Remote Gambling and Software Technical Standards (RTS)](https://www.gamblingcommission.gov.uk/standards/remote-gambling-and-software-technical-standards/rts-1-customer-account-information), including a proposal that customers should be able to benefit from personalised feedback on their gambling activity at regular intervals in the form of activity statements. We are consulting on two options for implementation – for tools to be presented as the default option for new customers, with the ability to opt out, or for all new customers to set a limit on their account.

### Customer-led tools Issue 2 – cross-operator deposit limits

A number of other jurisdictions have announced, trialled or implemented customer-set financial limits (in the form of deposit limits) that apply across all accounts held by an individual customer. We are seeking stakeholders’ views on this issue but are not consulting on specific proposals for change.

### Customer-led tools Issue 3 – artificial barriers to consumer choice

In response to the [Call for evidence for the white paper](https://www.gov.uk/government/publications/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence/review-of-the-gambling-act-2005-terms-of-reference-and-call-for-evidence) some stakeholders submitted evidence of friction being applied at various points in the customer journey, which may dissuade customers from acting in their own interest. We are seeking views on stakeholders’ concerns and specific examples where consumer decision-making has been influenced or encouraged through the use of friction or other barriers in this way. We are not consulting on specific proposals for change.

### Customer-led tools - Background

We stated in our [Advice to Government](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-review-of-the-gambling-act-2005#6ZYFtWrK3D7XhxbtcK9KFB) on the Gambling Act Review, that there is a need to extend the role of player-centric controls, in particular the role of deposit limits and the extent to which such gambling management tools should be encouraged or mandated.

In April 2023 the government published its [white paper](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) and stated that tools like deposit limits can help people gamble within their means but may be underused and not widely optimised for harm prevention. The government believes that these types of tools can be strengthened and have asked the Commission to consult and consider best practice to increase the uptake of gambling management tools.

Our current requirements and implementation guidance for how customer-led financial limit-setting should be offered is set out in [RTS 12 – Financial limits](https://www.gamblingcommission.gov.uk/standards/remote-gambling-and-software-technical-standards/rts-12-financial-limits). In summary:

* The gambling system must provide easily accessible facilities for customers to impose their own financial limits, as part of the registration process or at the point of first deposit or payment
* Limits could be in the form of deposit limits, spend limits, or loss limits
* The period/duration of the limits on offer should include 24 hours **and** 7 days **and** one month
* Where a customer sets simultaneous time frames, for example a daily deposit limit and a weekly limit, the lowest limit should always apply
* Customer-led limits can only be increased at the customer’s request, after a cooling-off period of 24 hours has elapsed and the customer has taken positive action at the end of the cooling off period
* Limit reductions are to be implemented within 24 hours of the request being received.

### Evidence review

We conducted an evidence review and assurance process to expand on the evidence set out in our Advice to Government and the white paper, and to inform and support the development of these proposals. The following themes emerged:

* [The Commission’s 2021 research into how consumers generally engage with safer gambling opportunities](https://www.gamblingcommission.gov.uk/statistics-and-research/publication/consumer-protection-throughout-their-gambling-journey) found that in terms of gambling management tools, consumers are most aware of financial limits as a gambling management tool. However, uptake of tools is generally low. Of those who do use them, m~~o~~st consumers see the tools as beneficial to support budgeting, although some see them as associated with problem gambling, therefore unnecessary for them personally.  Limits set voluntarily have a low uptake but tend to be more meaningful for consumers, rather than limits which are ‘forced’
* Consumers are generally poor at estimating limits in relation to actual spend
* Highly engaged gamblers are more likely to set higher limits and change them more often
* Some consumers will set ‘excessive’ limits as they don’t want to be limited
* There is an association between setting limits and reducing gambling intensity or spending.

### Developing these proposals

The government’s white paper sets out the evidence and rationale for consulting on proposals to improve the way customer-led tools such as financial limits are offered in order to increase uptake of these tools. In developing the detailed proposals, we have:

* Considered how other jurisdictions use or propose to use precommitment tools like financial limits in the context of their own regulatory frameworks
* Commissioned a [bespoke consumer survey of online gamblers](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools), the findings of which have been published alongside this consultation
* Engaged with industry representatives and the largest gambling licensees to better understand current practice and how customers engage with tools.

### Awareness and usage of customer-led limits

The Commission reports awareness and usage of financial limits as part of our [impact metrics](https://www.gamblingcommission.gov.uk/about-us/impact-metric/so1-protecting-children-and-vulnerable-people-from-being-harmed-by-gambling/customer-awareness-and-use-of-gambling-management-tools). Between 2019 and 2021 this data was collected via an online tracker survey.

Table 1: Percentage of past 12 months gamblers who are aware of and who have used gambling management tools. Both datasets include respondents who do not gamble online.

|  |  |  |  |
| --- | --- | --- | --- |
|  | 2019 | 2020 | 2021 |
| % ever used financial limits | 9% | 8% | 11% |
| % aware but not used | 49% | 51% | 52% |

The online tracker survey has since ended and we are undertaking a project to develop a new approach for collecting data on adult gambling participation and the prevalence of problem gambling, which will be called the Gambling Survey for Great Britain (GSGB). During 2022, the GSGB was in an experimental statistics phase whilst the methodology was developed and refined. Questions on financial limits were included on the survey during the experimental phase but are not comparable to previous findings due to the change in methodology and change to the way the question was worded in the new survey. The experimental statistics are:

* 4 percent of gamblers had set spend, loss or deposit limits on the amount of money spent gambling.
* 47.5 percent of gamblers were aware of these tools but had not used them.

There are number of other sources using different methodologies which suggest usage and awareness may be higher among regular and engaged gamblers:

* The [Patterns of Play research](https://natcen.ac.uk/publications/patterns-play) found that 21.5 percent of account holders used deposit limits
* In 2021, [Citizens Advice](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20publications/Annex%202%20Online%20gambling.pdf) polling found that 74 percent of online gamblers were aware of opt-in tools, and 20 percent used deposit limits
* The [European Betting and Gaming Association](https://www.egba.eu/uploads/2023/07/230713-EGBA-Annual-Sustainability-Report-2022-23.pdf) (Bet365, Betsson, Entain, Flutter, Kindred, Mr Green, 888 William Hill) reported that in 2022, 23 percent of active customer accounts had a voluntary deposit limit set (up from 16 percent in 2021), although it is worth noting that these figures relate to Europe, not just Great Britain
* Our [consumer survey (commissioned to support this consultation)](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools) found that 64 percent of respondents were aware of financial limits and 23 percent had ever used them
* In our discussions with the largest online gambling licensees, they reported usage of limits, such as a deposit limit, among their customer bases between 30 percent to 50 percent.

### Impact and evaluation

As noted, we report awareness and usage of financial limits as part of our overall [impact metrics](https://www.gamblingcommission.gov.uk/about-us/impact-metric/so1-protecting-children-and-vulnerable-people-from-being-harmed-by-gambling/customer-awareness-and-use-of-gambling-management-tools). Drawn from consumer survey data, this gives a useful top line picture and estimate of usage particularly in the context of other gambling management tools. However, this does not provide the level of granularity to inform an evaluation of the different types of financial limits, how customers engage with them, or how effective and impactful these tools are or could be.

During the consultation period, we will continue to work with gambling licensees to further baseline the core metrics we need in order to inform an evaluation of the impact of the proposed changes over time, if implemented following consultation.

### Customer-led tools Issue 1 – account-level customer-led limits

The Remote Gambling and Software Technical Standards (RTS) are issued by the Commission under section 89 and section 97 of the [Gambling Act 2005 (opens in new tab)](http://www.legislation.gov.uk/ukpga/2005/19/contents) (the Act).

The RTS are drafted in a format that sets out the key principles, without being overly prescriptive as to how these must be met. The general makeup and format of each requirement is structured as follows:

* **the aim** - describing what the Commission is seeking to achieve
* **the requirement** - which sets out specific requirements to meet the aim, and
* **implementation guidance** - providing guidance as to how the requirement should be complied with, without exhaustively describing all possible solutions. Licensees may adopt alternative approaches to those set out in the guidance provided they can meet the requirement in full and can demonstrate that an alternative approach is reasonable and similarly effective in the particular circumstances.

We are proposing a number of changes to the existing [RTS 12 – Financial limits](https://www.gamblingcommission.gov.uk/standards/remote-gambling-and-software-technical-standards/rts-12-financial-limits). Each material change proposed is set out in this section of the consultation with the rationale and associated questions.

A proposed new version of RTS 12 is included at the end of this section, showing all changes in full. The current version is also attached for information and comparison.

We are also consulting on two alternative options for implementing the changes, set out at issue 1f, regarding how gambling licensees should offer customer-led tools in order to optimise meaningful engagement by customers.

### Detailed proposals

This section contains detailed proposals for amendments to RTS 12 – Financial limits. These proposals include:

* Relatively minor changes to the current wording of the aim, some of the existing requirements and implementation guidance
* ‘Elevating’ some parts of the current implementation guidance to requirements, in order to reflect current standard practice in the industry and ensure consistency in minimum standards consumers should expect
* Introducing new requirements and implementation guidance.

In order to make clear the full picture on proposed changes, we have set out each material change to the provisions and new proposal individually, with questions on each proposal. A full version of *RTS 12 – Financial limits* with the proposed amendments is included at the end of this section, alongside a copy of the current RTS 12 without the proposed changes for information. Given that we are proposing this combination of minor amendments, new proposals, and ‘elevations’ from guidance to requirements, we have not marked up the current RTS 12 with all proposed changes, as this could cause confusion.

All proposed changes apply to *all online gambling, except subscription lotteries*.

### Proposed changes to the wording of the aim of RTS 12

RTS aim 12 currently states:

*To provide customers with facilities that may assist them in sticking to their personal budgets for gambling with the operator. Customers must be also be given the option to set financial limits at an account level.*

In this section of the consultation we set out a series of proposals intended to improve both the effectiveness and uptake of customer-set financial limits. In order to acknowledge and reflect the proposed changes to the requirements and implementation guidance under RTS 12, we propose to amend the aim to the following.

**Proposed wording**

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS aim 12**

To provide all customers with facilities to apply financial limits to their accounts to enable them to set and maintain a gambling budget that is suitable for their personal circumstances.

**- - - - - - - - - - - - - - - - - - - - - - -**

We return to the proposed wording of the aim at the end of this section, at issue 1g, after consideration and consultation on the individual proposals.

### Issue 1a - Offering limits at registration or first deposit and any point onwards

Regarding how and when financial limits should be offered to customers, the RTS currently states:

***RTS requirement 12A***

*The gambling system must provide easily accessible facilities that make it possible for customers to impose their own financial limits. Customers must be given the opportunity to set a limit as part of the registration process (or at the point at which the customer makes the first deposit or payment).*

***RTS implementation guidance 12A***

1. *For telephone gambling (except lotteries), customers should be asked if they would like to set a deposit or spend limit when they register. Customers should be able to request a limit at any point after registration. The limit should be implemented as soon as practicable after the customer’s request. The customer should be informed when the limit will come into force.*
2. *For other access media (including internet, interactive TV and mobile), customers should be offered the opportunity to select a deposit/spend limit from a list which may contain a ‘no limit’ option or to enter a limit of their choice as part of the registration or first deposit process. The ‘no limit’ option should not be the default option.*

We propose elevating the current implementation guidance referring to how limits are offered to requirements, under a revised RTS requirement 12A, with the aim of improving the effectiveness of customer-set financial limits. The Commission’s proposal is that all customers **must** be prompted to set a financial limit as early as possible and have the option and ability to set limits at any point onwards – as is now common practice across much of the industry. In proposing to make this a requirement we aim to put this beyond doubt and ensure consistency across the remote gambling sector. We are also proposing to remove the aspect of the current RTS referring to ‘no limit’ option as discussed in Issue 1f – Options for implementation. Our other proposed requirements on how limits are designed and offered are set out in the following sections.

**Proposed wording extract**

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS requirement 12A**

The gambling system must provide easily accessible facilities for customers to set their own financial limits at any time from the point of registration.

Customers must be prompted to set a limit as part of the registration process (or at the point at which the customer makes the first deposit or payment).

For telephone gambling (except lotteries): customers must be prompted to set a deposit or spend limit when they register. Customers must be able to request a limit at any point after registration. The limit must be implemented as soon as practicable after the customer’s request. The customer must be informed when the limit will come into force.

For other access media (including internet, interactive TV and mobile): customers must be prompted to set a financial limit as part of the registration or first deposit process.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposal that offering facilities to set limits should be a requirement rather than implementation guidance?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

### Issue 1b - Enabling consumers to determine their own limits

For methods other than telephone gambling, RTS implementation guidance 12A currently states:

*customers should be offered the opportunity to select a deposit/spend limit from a list which may contain a ‘no limit’ option or to enter a limit of their choice as part of the registration or first deposit process.*

Evidence from behavioural economics has found that when consumers are presented with a drop-down box or prepopulated defaults, they often use this as an ‘anchor’ to help frame decision making. With regard to customer-led limits in gambling, this could lead to customers setting higher limits than they would have without this anchor. [The Behavioural Insights Team (BIT) conducted live trials on methods to present limits values](https://www.bi.team/wp-content/uploads/2021/01/Remote-Interventions-gambling-anchoring-report-Final-Jan-15th-2021.pdf), and found that free text options led to lower limits being set, when compared to drop-down lists, even when those lists were set significantly lower than standard practice, for the purpose of the trial. A recent [audit by BIT of gambling operator platforms](https://www.bi.team/wp-content/uploads/2022/07/Behavioural-Risk-Audit-of-Gambling-Operator-Platforms-findings-report-July-2022.pdf#page=46) found that five out of ten operators already offer limits using free text.

The Commission’s proposal is that free text is the most effective way to ensure full consumer choice and empower customers to consider and apply the right limits for them, based on their individual circumstances. The aim of this proposal is to enable consumers to set their own personal limits freely, which we consider will make the limit more relevant for the customer. [Just over half of respondents to our consumer survey on customer-led tools preferred to set their own limits](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools) without suggestions from a gambling company.

Under [LCCP 3.3.1 Responsible gambling information](https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/3-3-1-responsible-gambling-information), licensees are required to make *information readily available to their customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling.* In addition, we propose to introduce guidance here that operators could provide links to tools or resources to inform budgeting and aid customers in setting appropriate limits, as part of the limit-setting process, so that consumers who want to access and make use of those tools to help them decide on their limits can do so easily.

**Proposed wording extract**

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS requirement 12B**

For access media (including internet, interactive TV and mobile): customers must be presented with a ‘free text’ box to set a limit.

**RTS implementation guidance 12B**

Operators could provide links to tools or resources to inform budgeting and aid customers in determining appropriate limits for their personal circumstances.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposal that for access media (such as interactive TV) limits must only be offered to consumers using free text?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that implementation guidance states that operators could provide links to tools or resources to support limit-setting as part of the process?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

### Issue 1c - Improving consistency and understanding of the type of limits offered

i. Limits at the account level

RTS implementation guidance 12A currently states:

*e. in addition:*

1. *limits may be implemented per customer, per account, or other means*
2. *limits could also be implemented across all products or channels or for individual products or channels. Where limits are also set across separate products it should be clear to customers using the facility that a limit will need to be set for each individuals product. For example, where a limit has been set for a specific game a customer should not be misled into assuming that the limit automatically applies to other products.*

The aim of these proposals include improving consistency and transparency for consumers, and we propose:

* a requirement that all gambling licensees should offer limits that are applied at the account level, regardless of whether they also offer limits across individual products or channels,
* implementation guidance to continue to enable gambling licensees to also offer limits across individual products or channels, and to make clear to customers who apply those limits how they work
* implementation guidance to include that where a customer is identified as holding multiple accounts (as currently required under [LCCP 3.9.1 – Identification of individual customers](https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/3-9-1-identification-of-individual-customers-remote)), gambling licensees should determine whether the customer wishes to apply limits across each account held
* implementation guidance to include communicating how limits set across simultaneous timeframes work when a customer chooses to set those limits (for example where a customer sets both a daily deposit limit and a weekly limit, the lowest limit should always apply).

#### Proposed wording extract

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS requirement 12B**

As a minimum, limits must be applied at the account level.

**RTS implementation guidance 12B**

In addition to account-level limits, limits could be implemented across individual products or channels. Where gambling licensees offer the facility to set limits for individual products or channels it should be made clear to customers using the facility whether those limits apply at the account or product/channel level. For example, where a limit has been set for a specific game, a customer should not be misled into assuming that the limit automatically applies to other products.

Where a customer is identified as holding multiple accounts gambling licensees should determine whether the customer wants to apply limits across each account.

Where a customer sets simultaneous time frames, gambling licensees should communicate how the interaction between those limits works.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposal that limits must be applied at the account level?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that gambling licensees can also continue to offer financial limits at the product or channel level in addition to account level limits?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that gambling licensees should clearly communicate to customers how product/channel limits work?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that the gambling licensees should determine whether customers holding multiple accounts wish to apply limits across all accounts held?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that gambling licensees should inform customers about how limits set across simultaneous timeframes work, when a customer chooses to set multiple limits?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

### ii. Offering deposit limits to all customers

RTS implementation guidance 12A currently states;

*c. Limits could be in the form of:*

1. *deposit limits: where the amount a customer deposits into their account is limited over a particular duration*
2. *spend limits: where the amount a customer spends on gambling (or specific gambling products) is restricted for a given period – this type of limit may be appropriate where the customer does not hold a deposit account with the operator*
3. *loss limits: where the amount lost (ie winnings subtracted from the amount spent) is restricted (for instance when a customer makes a £10 bet and wins £8, the loss is £2).*

In order to improve consistency across the industry and to simplify the landscape for consumers, we propose that customers must all have the opportunity to set deposit limits. In order to meet consumer choice, gambling licensees could also continue to offer spend limits and/or loss limits.

Deposit limits appear to be most commonly offered by gambling licensees and more evidence of usage and participation in deposit limits is available, compared to other types of limit. Our [consumer survey on customer-led tools](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools) found that deposit limits were more likely to be ‘first choice’, and double the number of respondents chose deposit limits to those who chose loss limit as their first choice. Around 70 percent of respondents stated they would consider any of the types of limit available.

The Commission’s view is that offering a common type of financial limit across all gambling licensees would be beneficial for consumers in terms of improving understanding of how limits work, and would enable consumers to use the same type of limit across more than one account. Uncertainty of how limits work was a theme which emerged through our consumer survey.

Over 70 percent of respondents to our [consumer survey](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools) correctly identified deposit and loss limits by their definitions, with 67 percent able to identify how spend limits work. We propose revising the definitions in the RTS so that it more accurately reflects how different types of limits work in the current market.

For the avoidance of doubt, we are proposing to codify our expectation that the gambling system must prevent a customer from depositing, staking/spending, or incurring further losses from the point at which the customer-set limit is reached, until the limit period ‘restarts’. Customers who wish to continue to deposit and/or gamble once their limit is reached would need to take proactive action to increase their limit as set out in and subject to the proposed new requirement 12D.

We are proposing this to make it clear to consumers what to expect at the point of their limits being reached.

#### Proposed wording

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS requirement 12B**

As a minimum, the gambling system must offer deposit limits - where the amount a customer deposits into their account is limited over a particular duration.

The period/duration of the limits on offer must include:

1. 24 hours and
2. 7 days and
3. one month

Where a customer sets simultaneous time frames, for example a daily deposit limit and a weekly limit, the lowest limit must always apply. Therefore if a daily deposit limit of £10 and a weekly limit of £100 are both set then the maximum the system must allow to be deposited is £10 per day and £70 per week.

The gambling system must prevent a customer from further gambling activity once a limit is reached, until the defined period of the limit restarts or the customer takes action to increase the limit.

**RTS implementation guidance 12B**

In order to maximise consumer choice, operators could also offer:

1. spend limits: where the amount a customer spends on gambling (or specific gambling products) is restricted for the period/duration of the limit applied, and/or
2. loss limits: where the amount lost is restricted, i.e. winnings subtracted from the amount spent for the period/duration of the limit applied.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposal that the gambling system must offer deposit limits as a minimum?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that the gambling licensees should continue to have the option to offer spend and/or loss limits, in order to maximise consumer choice?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposed definition of spend limits as a tool “where the amount a customer spends on gambling (or specific gambling products) is restricted for the period/duration of the limit applied”, for the purpose of *RTS 12 – Financial limits*?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below. Include suggestions for an alternative form of words.

[Free text box]

To what extent do you agree with the proposed definition of loss limits as a tool “where the amount lost is restricted, i.e. winnings subtracted from the amount spent for the period/duration of the limit applied”, for the purpose of *RTS 12 – Financial limits*?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below. Include suggestions for an alternative form of words.

[Free text box]

### Issue 1d - Increasing visibility and reducing friction in accessing customer-led tools

RTS implementation guidance 12A currently states:

*e. In addition:*

*financial limit facilities should be provided via a link on the homepage*

*facilities should be available on deposit pages/screens or via a link on these pages or screens*

A study by the [Behavioural insights team found that on average, it took three more steps to set up a deposit limit, than to place a bet](https://www.bi.team/wp-content/uploads/2022/07/Behavioural-Risk-Audit-of-Gambling-Operator-Platforms-findings-report-July-2022.pdf). The white paper states:

*Behavioural barriers and friction should only be used to keep customers safe, rather than dissuade customers from acting in their own interest or to frustrate the fulfilment of operators’ other obligations. Equally, things which might be in the customers’ interest should be made accessible, understandable and easy.*

The Commission’s proposal is that customers wishing to access customer-led tools should be able to do so with the minimum of friction or steps in the customer journey. Our view is that this may lead to increased take up of customer-led limits, by reducing the friction or steps a customer takes to apply their own limits to an account.

We therefore propose that operators should work to ensure access to customer-led tools is visible and clear, as well as minimising the number of intermediate steps customers are required to take to navigate to these facilities.

**Proposed wording extract**

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS requirement 12C**

Financial limit facilities must be provided via a link on the homepage and be clearly visible and accessible.

Facilities must be clearly visible and accessible on deposit pages/screens or via a link on these pages or screens.

The gambling system must minimise the number of clicks or pages customers make in order to access financial limit facilities.

**RTS implementation guidance 12C**

Links to limit-setting facilities from communications such as emails or notifications should link directly to the facilities and not via a home page or other intermediate page(s), unless required by account log in security settings.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposal that financial limit facilities must be provided via link on the homepage and clearly visible and accessible?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that financial limit facilities must be provided on or via link on deposit pages/screens and clearly visible and accessible?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that links to limit setting facilities from communications should link directly to the facilities unless security settings require an intermediate log in?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

### Issue 1e – Reviewing limits and feedback on gambling activity

i. Customer requests to reduce limits should be actioned immediately

We are proposing a minor amendment to wording of the current RTS requirement 12B which describes controls around actioning customers’ requests to increase limits. This currently states:

*All reasonable steps must be taken to ensure that customer-led limits are only increased at the customer’s request, only after a cooling-off period of 24 hours has elapsed and only once the customer has taken positive action at the end of the cooling off period to confirm their request.*

To enable the gambling system to respond more effectively to consumer choice, and to reflect technological developments and increasing automation since RTS 12 was last reviewed, we propose removing the 24 hour ‘grace period’ for reduction in limits to be applied, so that customer requests to lower a limit are actioned immediately.

#### Proposed wording extract

- - - - - - - - - - - - - - - - - - - - - - -

#### RTS requirement 12D

Customer-led limits must only be increased at the customer’s request, only after a cooling-off period of 24 hours has elapsed and only once the customer has taken positive action at the end of the cooling off period to confirm their request.

Unless systems/technical failures prevent it, customer-led reductions to limits must be implemented immediately.

#### RTS implementation guidance 12D

In the event of systems or technical failure not facilitating an automated and/or immediate reduction in limits, the customer should be informed when the limit reduction will take effect.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with amended wording in relation to controls around actioning customers’ requests to increase limits?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the proposal that customer-led reductions in limits must be implemented immediately?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the revised wording of the implementation guidance, specifically to inform customers when the limit reduction will take effect, if not automated or due to technical issues?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

### ii. Reminders when approaching limits

Our [consumer research asked consumers how they would prefer to be notified about limits being reached](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools). The majority of respondents – 71 percent - stated that they find alerts most useful when they are approaching their limit, rather than when limits are reached.

We propose to introduce implementation guidance that gambling licensees should notify customers when they are approaching their limits. The aim of this proposal is to improve the effectiveness of limits.

There is limited evidence around the optimum time for customers to be alerted to the fact that they are approaching their limits, or whether this may differ depending on the type of limit or duration/period for which the limit is set.

For example, a [study by Auer and Griffiths into the effect of loss-limit reminders on gambling behaviour](https://psycnet.apa.org/record/2019-02629-027) set out to test whether the receiving of personalised feedback exceeding 80 percent of a personally set monetary personal limit had an effect on subsequent playing behaviour compared to those gamblers who did not receive personalised feedback. In this study success was measured by a reduction in spend following the feedback, compared to those who did not receive personalised feedback. It is worth noting that the study considered monthly loss limits and did not examine the role of other types of feedback, feedback for other types of limits or other alert times in terms of proximity to limit itself being reached.

The Commission’s view is that gambling licensees should notify customers when they are approaching their limits. This is an area that could benefit from trialling different approaches in terms of proximity of alerts to limits, to identify whether there is an optimum point that these alerts should be sent. We would welcome any feedback on this issue for future consideration.

#### Proposed wording extract

#### RTS implementation guidance 12D

The gambling system should provide an alert to customers prior to reaching their limits.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposed implementation guidance that gambling licensees should alert customers when they are approaching their limits?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

Do you have any evidence to offer regarding the optimum point when approaching a limit that a customer should receive an alert?

[Free text box]

### iii. Activity statements

In order to increase the visibility and accessibility of transactional information and gambling history to inform consumers about their gambling activities, we propose requiring gambling licensees to send personalised feedback to customers periodically using information currently available under RTS 1 – Customer account information, which aims to provide customers with easily accessible information about their current balances and facilities that enable them to review previous gambling and account transactions.

The aim of this proposal is to enable customers to reflect on their gambling and provide an opportunity to review limits applied to ensure they remain meaningful according to the customer’s individual circumstances. We believe this will improve the effectiveness of limits.

We propose this information should be offered:

1. At intervals set by the customer, and
2. As a minimum every six months.

To support consumer choice and empower consumers to control the level of information they receive, we propose customers should be asked to set the frequency for receiving notification of activity statements.

In implementing this requirement, gambling licensees should consider a reasonable frequency of reminders in the context of the duration of limits set, for example weekly reminders to review monthly limits may be excessive.

#### Evidence to support this proposal

Following [research carried out by the Behavioural Economics Team of the Australian Government](https://behaviouraleconomics.pmc.gov.au/sites/default/files/projects/better-choices-online-wagering-report_0.pdf) (BETA), the Australian government have introduced a requirement for gambling operators to provide customers with monthly activity statements, intended to help consumers maintain awareness of their gambling activity and make decisions based on clear information about their gambling.

Our own [consumer research found that accessing account history online was the most used tool by respondents](https://www.gamblingcommission.gov.uk/about-us/guide/exploring-consumer-journeys-using-customer-led-tools). 22 percent of respondents had accessed their account history online in the previous 12 months and 6 percent prior to that but that 72 percent had either never used this tool or were unaware it was available.

Our consumer research found that reminders to set limits at the beginning of every session, weekly and monthly were the most popular options. However, the Commission’s view is that the frequency of reminders should be set in accordance with the duration of limits, so should be primarily consumer-led.

#### Proposed wording extract

**- - - - - - - - - - - - - - - - - - - - - - -**

#### RTS requirement 12D

The gambling system must provide a periodic summary about the account’s gambling spend and prompt the customer to review their financial limits, in the form of an activity statement. This must be provided at a minimum of six-month intervals for accounts with activity within a rolling 12-month period.

Customers must be provided with facilities to set more frequent reminders to receive this statement and review their limits.

This statement must include information about current balances and previous gambling and account transactions, as required under RTS 1 – Customer account information.

#### RTS implementation guidance 12D

In addition, operators should provide activity statements and prompt a review of limits at other key appropriate points in the customer journey. This could include:

1. After an initial period from new account opening
2. In response to other account activity, such as following a significant win.

Operators should consider the optimum ways to share activity statements with customers in order to maximise engagement. This could include direct mail, in-app or on-site notifications or other forms of communication.

Operators should monitor engagement and interaction with activity statements, in order to inform good design and best practice.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the new requirement for operators to provide activity statements to customers, including information currently required to be made available under RTS 1 – Customer account information?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the new requirement for this information to be provided every six months for accounts with activity within a rolling 12 month period?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the new requirement for operators to provide facilities for customers to set the frequency of reminders?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the new implementation guidance that operators should also provide activity statements to prompt a review of limits at additional appropriate points in the customer journey?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the new implementation guidance that operators should consider ways to share activity statements with customers in order to maximise engagement?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

To what extent do you agree with the new implementation guidance that operators should monitor engagement and interaction with activity statements to inform good design and best practice?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

### Issue 1f – Options for implementation

The government’s white paper sets out a commitment that the Gambling Commission will review and consult on requiring gambling licensees to improve player-centric tools such as financial limits and activity statements, such as by making deposit-setting mandatory or opted in by default.

We have considered both approaches in order to strike a balance between increasing the take up of these tools, particularly by consumers who may most benefit from them, while also maintaining consumer choice. The aim of both options is primarily to improve the uptake of these customer-led tools.

We have set out a summary of each of these two alternative options and are seeking views on both options.

#### Implementation option 1 – presentation of customer-led tools as the default option

This option is similar to the current requirements, but presents setting a financial limit as the default option before depositing or gambling. New customers who choose to opt-out would be asked to take action and then confirm they wish to proceed without setting a limit. If this option were to be implemented, we propose in guidance that customers should be signposted to resources such as budgeting, if they choose to opt out. For existing accounts, we propose that gambling licensees invite customers to set a financial limit on an annual basis.

This option is likely to lead to an immediate increase in uptake for newly opened accounts, and a slower increase in limits being applied to existing accounts.

There is evidence from behavioural science that ‘default’ options are more likely to be accepted by consumers, so by presenting financial limits by default as ‘the norm’, this should increase take up.

Retaining the option to ‘opt-out’ means any limits set are still voluntary, and customers should be more likely to choose a limit which is meaningful and appropriate for them, than if the option to ‘opt out’ was removed.

**Proposed wording extract**

**- - - - - - - - - - - - - - - - - - - - - - -**

**RTS requirement 12E – implementation option 1**

Setting a financial limit must be presented as the default choice, and customers must take action to decline setting a limit. The gambling system should prompt existing customers without limits set to review this position on an annual basis.

The gambling system must receive confirmation that the customer does not wish to set a limit before moving on to deposit/gamble.

**RTS implementation guidance 12 – option 1**

Customers who choose to opt out of setting a limit should be signposted to tools and resources such as budgeting tools.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the implementation option 1 – presentation of customer-led tools as the default option?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

Please add any further comments.

[Free text box]

### Implementation option 2 – presentation of customer-led tools as required to participate

This option presents setting a limit for new accounts on opening, with no facility to opt-out. For existing accounts, we propose that gambling licensees invite customers to set a financial limit on an annual basis. Gambling licensees must receive confirmation from existing customers who choose not to set a limit, and should signpost those customers to resources such as budgeting tools.

This option is likely to lead to an immediate increase in uptake for newly opened accounts, and a slower increase in limits being applied to existing accounts.

By presenting financial limits as a universal intervention for all online gamblers, this option may address views held by some consumers that customer-led tools such as financial limits are designed for harm prevention, and therefore see financial limits as unnecessary or not helpful for them.

Some jurisdictions already require all accounts to have financial limits applied, (where larger licensees also operate). For example:

* In Germany players are required to set an individual monthly deposit limit of up to €1,000 (£860) per month across all providers upon registration with an operator
* Players in Sweden are required to specify a maximum deposit for online gambling
* In Belgium players can only fund their online gambling accounts with a maximum of €200 (£173) per week

Some consumers may be resistant to setting limits and set unrealistic amounts in relation to their spend, effectively opting out because the limit would be unlikely to be reached.

We are not proposing to mandate a maximum deposit limit.

#### Proposed wording extract

**- - - - - - - - - - - - - - - - - - - - - - -**

#### RTS requirement 12E – implementation option 2

The gambling system must require all new accounts to have a customer-set financial limit applied and maintained from registration or first deposit. The gambling system should prompt existing customers without limits set to review this position on an annual basis.

The gambling system must receive confirmation from the customer, such as an additional step, that the customer does not wish to set a limit.

#### RTS implementation guidance 12E – option 2

Existing customers who choose not to set a limit should be signposted to tools and resources such as budgeting tools.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the implementation option 2 – presentation of customer-led tools as required to participate?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

Please add any further comments.

[Free text box]

If you have a clear preference for implementation option 1 or 2, please indicate below?

Implementation option 1 – presentation of customer-led tools as the default option

Implementation option 2 – presentation of customer-led tools as required to participate

No preference

Please give your reasons for your answer below.

[Free text box]

### Issue 1g - Proposed changes to the wording of the aim

RTS aim 12 currently states:

*To provide customers with facilities that may assist them in sticking to their personal budgets for gambling with the operator. Customers must be also be given the option to set financial limits at an account level.*

In this section of the consultation, we have set out a series of proposals intended to improve the effectiveness and uptake of financial limits. In order to acknowledge and reflect the proposed changes to the requirements and implementation guidance under RTS 12, we propose the following new wording for this aim.

#### Proposed wording extract

**- - - - - - - - - - - - - - - - - - - - - - -**

#### RTS aim 12

To provide all customers with facilities to apply financial limits to their accounts to enable them to set and maintain a gambling budget that is suitable for their personal circumstances.

**- - - - - - - - - - - - - - - - - - - - - - -**

To what extent do you agree with the proposed new wording of the RTS 12 aim, to reflect the detailed changes set out in this section of the consultation?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[Free text box]

## Proposed new version of RTS 12 – Financial limits, in full

We propose to amend RTS 12 - Financial limits as set out in this section of the consultation. A full version of the proposal is set out here, with alternative options identified for RTS 12E and associated implementation guidance. It is proposed that this amended provision applies to: all online gambling, excluding subscription lotteries.

[Note: for this print version, the proposed new version of RTS 12 is set out at the end of this section.]

For reference, here is a [link to the existing version of RTS 12 – Financial limits](https://www.gamblingcommission.gov.uk/standards/remote-gambling-and-software-technical-standards/rts-12-financial-limits).

### Customer-led tools - Other questions

Please provide any other information or issues regarding implementation of these proposals that the Commission should take into account.

[Free text box]

Please provide an estimate of the direct costs associated with implementing these proposals.

[Free text box]

### Customer-led tools - Equalities considerations

The Commission is committed to giving consideration to potential equalities impacts, having regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The proposals constitute universal interventions to improve the design, presentation and access to financial limits as a customer-led pre-commitment tool. They are intended to support all consumers who wish to make use of these tools to help them actively manage their gambling in ways that work for them. Implementation of these proposals would be made through updating the Remote gambling and software technical standards and required changes to the functionality of the remote gambling system.

Our initial assessment is that the proposals do not present a negative impact on the protected characteristics stated within the Equality Act 2010, and they do not contribute towards unlawful discrimination, harassment or victimisation and/or other conduct prohibited by the Act.

We currently do not consider that the proposals reduce equality of opportunity or foster poor relations between people who share a protected characteristic and those who do not.

We will continue to keep this position under review and would welcome views in relation to this.

Do you have any evidence or information which might assist the Commission in considering any equalities impacts, within the meaning of section 149 of the Equality Act 2010, in the context of any proposal in this section of the consultation?

Further information: [Section 149 Equality Act 2010](https://www.legislation.gov.uk/ukpga/2010/15/section/149)

[Free text box]

### Customer-led tools Issue 2 - seeking views on cross-operator deposit limits

The overall aim of proposals which are being put forward for consultation in Issue 1 is to help all consumers to stay in control of their gambling, by creating and maintaining improved awareness of spend and encouraging the use of tools which promote this. The proposals set out in Issue 1 of this section of the consultation are designed to improve protections for all gamblers at the gambling account level.

For issue 2, we now explore the role of the use of deposit limits *across operators*, and consider this as part of the wider context of tools for consumers.

The Commission’s advice to government and the government’s white paper explained that customer-set financial limits are part of a wider package of existing and new measures as there is limited evidence on the effectiveness of customer-led tools such as financial limits when used in isolation. Some stakeholders have suggested that when applied across all gambling licensees, the potential positive impact or beneficial effects of these tools may be amplified.

The extent to which tools applied across gambling licensees is appropriate can also be informed by the extent to which tools are being developed by the financial sector - such tools offer limits for a customer that applies across all their gambling from the relevant bank account. The white paper highlights that approximately 90 percent of UK current accounts from retail banks now offer opt-in gambling blocks which prevent card payments to gambling companies once activated. Similar tools are increasingly available from other payment providers like PayPal. Building on these blocking services, there is now a move to enable customers to set limits on gambling from their accounts. For example, Lloyds Bank customers can [set personalised monthly limits on how much they spend each month on gambling](https://www.lloydsbank.com/help-guidance/supportandwellbeing/help-with-gambling.html) using their debit card.

We have also looked at the use of cross-operator deposit limits in other jurisdictions. We have seen examples of deposit limits being used as a tool to raise consumers’ awareness of their spend on both a single-operator and cross-operator basis. We have also seen examples where limits are used as a standalone tool and/or in conjunction with other controls and operator-led interventions when the risk of gambling harm has been identified.

Tackling gambling harms continues to be a complex matter and individual interventions or controls designed to tackle harm must be considered within the context of the wider regulatory framework in that jurisdiction.

We are continuing to strengthen our evidence base on cross-operator deposit limits and are seeking views on any role this could play in the future. To better understand the impact of cross-operator deposit limit practices, we are separately seeking further information from other jurisdictions on how they have evaluated the outcomes of their individual schemes.

As part of this consultation, we are interested in stakeholders’ views on the topic of cross operator gambling deposit limits. We are particularly interested in evidence which helps us understand the effectiveness of this approach in preventing harm and the impact on consumers.

#### Questions

Do you have any evidence of the effectiveness of cross-operator deposit limits in reducing gambling harm?

[free text box]

How do you think cross-operator deposit limits could work in the future, within the context of our regulatory framework?

[free text box]

Do you have anything further you wish to add about cross-operator deposit limits?

[free text box]

### Customer-led tools Issue 3 - seeking views on artificial barriers to consumer choice

In response to the government’s call for evidence to support the Gambling Act Review, some stakeholders cited an imbalance of friction in the customer journey, which may lead to customers making decisions which may not be in their best interests. Examples cited in the white paper include:

* Product information and facilities for accessing gambling management tools being harder and further to access (more clicks) than depositing and gambling.
* The process for account closure being more onerous than opening an account or applying a self-exclusion to the account.

The white paper therefore states:

*Behavioural barriers and friction should only be used to keep customers safe, rather than dissuade customers from acting in their own interest or to frustrate the fulfilment of operators’ other obligations. Equally, things which might be in the customers’ interest should be made accessible, understandable and easy. The Gambling Commission will continue to monitor compliance with the expectations it has set out and use its powers as needed.*

It is common practice in digital commerce for the design of websites to present certain options or routes as preferred, highlighting or guiding consumers towards decisions that may be more beneficial to the business than the customer. Conversely, the design of websites can make it more difficult for the consumer to make choices that would not be good for the business - such as cancelling or unsubscribing from a service. The issue of choice architecture in favour of the commercial entity therefore not just an issue for gambling, and there have been a number of high-profile cases and examples where commercially beneficial choices have been more prominently presented or other nudges used by businesses to influence consumer decisions. These include:

* Scarcity messaging, for example numbers of users viewing a product compared to availability, implying it will ‘sell out’
* Countdown clocks, suggesting urgency and a limited time to purchase
* Suggested transaction amounts, for example on charity giving and fundraising webpages, which may be higher than the actual minimum transaction amount.

To address concerns around friction at the point of withdrawals, in 2019 the Commission strengthened requirements for identity verification earlier in the customer journey. We set out in a [Commission blog on withdrawing funds from accounts](https://www.gamblingcommission.gov.uk/blog/post/exploring-the-topic-of-withdrawing-funds-from-accounts-and-what-the-data) that data provided by some of the largest gambling companies at that time showed that ‘around 99 percent of withdrawal requests are now fulfilled within 24-48 hours of the request being made’. However, the remaining 1 percent still represents a large number of transactions and we are continuing to address poor compliance in this area.

In the proposals for consultation set out in Issue 1, we have made proposals to increase the visibility and reduce the number of clicks/steps to access facilities for customer-led tools.

#### Questions

Do you have examples or evidence of situations where the architecture and design of gambling facilities creates an imbalance in the gambling licensees’ favour and drives consumer behaviour which may not be in their best interests?

[Free text box]

Attaching additional information:

If you have any further documents in support of your responses to this section of the consultation on customer-led tools, please use the ‘choose file’ button below.

[choose file option]

### Customer-led tools - Consultation section completed

You have now reached the end of this section of the consultation. Please select either to return to the consultation home page to respond to a different topic or if you have finished select ‘finished’.

Consultations home page

Finished

## Proposed amended RTS 12 provisions in full

|  |  |
| --- | --- |
| **Regulatory framework** | **Remote Gambling and Software Technical provisions (RTS)**  RTS 12 – Financial limits |

|  |  |
| --- | --- |
| **Applies to** | All gambling - except subscription lotteries |
| **Proposed requirement/wording** | |
| **RTS aim 12**  To provide all customers with facilities to apply financial limits to their accounts to enable them to set and maintain a gambling budget that is suitable for their personal circumstances.  **RTS requirement 12A**  The gambling system must provide easily accessible facilities for customers to set their own financial limits at any time from the point of registration.  Customers must be prompted to set a limit as part of the registration process (or at the point at which the customer makes the first deposit or payment).  For telephone gambling (except lotteries): customers must be prompted to set a deposit or spend limit when they register. Customers must be able to request a limit at any point after registration. The limit must be implemented as soon as practicable after the customer’s request. The customer must be informed when the limit will come into force.  For other access media (including internet, interactive TV and mobile): customers must be prompted to set a financial limit as part of the registration or first deposit process.  **RTS requirement 12B**  For access media (including internet, interactive TV and mobile): customers must be presented with a ‘free text’ box to set a limit.  As a minimum, limits must be applied at the account level.  As a minimum, the gambling system must offer deposit limits - where the amount a customer deposits into their account is limited over a particular duration.  The period/duration of the limits on offer must include:   1. 24 hours and 2. 7 days and 3. one month   Where a customer sets simultaneous time frames, for example a daily deposit limit and a weekly limit, the lowest limit must always apply. Therefore if a daily deposit limit of £10 and a weekly limit of £100 are both set then the maximum the system must allow to be deposited is £10 per day and £70 per week.  The gambling system must prevent a customer from further gambling activity once a limit is reached, until the defined period of the limit restarts or the customer takes action to increase the limit.  **RTS implementation guidance 12B**   1. In addition to account-level limits, limits could be implemented across individual products or channels. Where operators offer the facility to set limits for individual products or channels it should be made clear to customers using the facility whether those limits apply at the at the account or product/channel level. For example, where a limit has been set for a specific game a customer should not be misled into assuming that the limit automatically applies to other products. 2. Where a customer is identified as holding multiple accounts operators should determine whether the customer wants to apply limits across each account. 3. In order to maximise consumer choice, operators could also offer: 4. spend limits: where the amount a customer spends on gambling (or specific gambling products) is restricted for the period/duration of the limit applied and/or 5. loss limits: where the amount lost is restricted, i.e. winnings subtracted from the amount spent for the period/duration of the limit applied. 6. Where a customer sets simultaneous time frames, operators should communicate how the interaction between those limits works. 7. Operators could provide links to tools or resources to inform budgeting and aid customers in determining appropriate limits for their personal circumstances.   **RTS requirement 12C**  Financial limit facilities must be provided via a link on the homepage and be clearly visible and accessible.  Facilities must be clearly visible and accessible on deposit pages/screens or via a link on these pages or screens.  The gambling system must minimise the number of clicks or pages customers make in order to access financial limit facilities.  **RTS implementation guidance 12C**   1. Links to limit-setting facilities from communications such as emails or notifications should deep link to the facilities and not via a home page or other intermediate page(s), unless required by account log in security settings.   **RTS requirement 12D**  Customer-led limits must only be increased at the customer’s request, only after a cooling-off period of 24 hours has elapsed and only once the customer has taken positive action at the end of the cooling off period to confirm their request.  Unless systems/technical failures prevent it, customer-led reductions to limits must be implemented immediately.  The gambling system must provide a periodic summary about the account’s gambling spend and prompt the customer to review their financial limits, in the form of an activity statement. This must be provided at a minimum of six-month intervals for accounts with activity within a rolling 12-month period.  Customers must be provided with facilities to set more frequent reminders to receive this statement and review their limits.  This statement must include information about current balances and previous gambling and account transactions, as required under RTS 1 – Customer account information.  **RTS implementation guidance 12D**   1. In the event of systems or technical failure not facilitating an automated and/or immediate reduction in limits, the customer should be informed when the limit reduction will take effect. 2. The gambling system should provide an alert to customers prior to reaching their limits. 3. In addition, operators should provide activity statements and prompt a review of limits at other key appropriate points in the customer journey. This could include: 4. After an initial period from new account opening 5. In response to other account activity, such as following a significant win. 6. Operators should consider the optimum ways to share activity statements with customers in order to maximise engagement. This could include direct mail, in-app or on-site notifications or other forms of communication. 7. Operators should monitor engagement and interaction with activity statements, in order to inform good design and best practice.   [SUBJECT TO CONSULTATION, WE PROPOSE IMPLEMENTING ONE OF THE FOLLOWING OPTIONS]  **Option 1**  **RTS requirement 12E**  Setting a financial limit must be presented as the default choice, and customers must take action to decline setting a limit. The gambling system should prompt customers without limits set to review this position on an annual basis.  The gambling system must receive confirmation that the customer does not wish to set a limit before moving on to deposit/gamble.  **RTS implementation guidance 12E**   1. Customers who choose to opt out of setting a limit should be signposted to tools and resources such as budgeting tools.   **OR**  **Option 2**  **RTS requirement 12E**  The gambling system must require all new accounts to have a customer-set financial limit applied and maintained from registration or first deposit. The gambling system should prompt customers without limits set to review this position on an annual basis.  The gambling system must receive confirmation that the customer does not wish to set a limit.  **RTS implementation guidance 12E**   1. Existing customers who choose not to set a limit should be signposted to tools and resources such as budgeting tools. | |

## Improved transparency on customer funds in the event of insolvency

The government’s [white paper High stakes: gambling reform for the digital age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) sets out that: “The Commission will continue to consider the requirements for the protection of customer funds [in the event of insolvency]. It will conduct a review of the status of customer funds protection across the remote industry to help inform consideration of whether further strengthening of requirements is necessary”.

### Transparency customer funds protection - Summary of proposal

Although online (‘remote’) gambling licensees licensed by us must keep customer funds in a separate account, there is no guarantee that this will ensure that customers get any of their money back if the business runs into financial difficulties. Those using gambling licensees do so at their own risk.

While some gambling licensees offer a level of protection in the event of insolvency, others have a ‘not protected’ rating for customer funds. This means that any funds held for customers are not protected in the event of the gambling licensee becoming insolvent, because the funds would be classed as part of the gambling licensee’s assets and would be prioritised for repaying the business’s secured and preferential creditors (which do not include customers) before being used to meet liabilities to unsecured creditors (which includes customers) as per insolvency law. There is a possibility that after settling the liabilities of any secured and preferential creditors, there are no remaining assets available to repay the liabilities of the unsecured creditors (including customers).

In line with our statutory licensing objective of ensuring that gambling is conducted in a fair and open way, we want to improve transparency for customers of these gambling licensees by proposing a new requirement. This is that gambling licensees should remind customers that their funds are not protected.

We have proposed two options – option A makes this subject to the value of funds reaching a threshold amount, and option B would not include a threshold. Both options would require a reminder to be sent to the customer no more than once every six months. These options give customers the opportunity to choose to remove their funds from the gambling licensee if they decide that they are no longer content with such arrangements. We consider that this proposal will primarily impact remote gambling licensees, but it is also relevant for non-remote gambling licensees. However, the proposals do not apply to gambling licensees that do not hold customer funds at all.

### Why are we considering this proposal?

We want to ensure it is clear to consumers throughout their relationship with a gambling licensee with a ‘not protected’ rating that their funds are not protected. Consumers may forget that their funds are not protected, particularly if they opened their account a long time ago or they could lose track of the arrangements that they have made if they use multiple gambling licensees. We do not recommend that consumers leave their funds in these accounts long term as the money could be at risk. Also, where a consumer’s account has been inactive, their funds could be eroded over time by [dormant account fees](https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/page/account-inactivity).

### Transparency customer funds protection - Background

‘Customer funds’ are defined in [Licence Condition 4.2.1](https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/4-2-1-disclosure-to-customers):

1. In this condition ‘customer funds’ means the aggregate value of funds held to the credit of customers including, without limitation:
   1. cleared funds deposited with the licensee by customers to provide stakes in, or to meet participation fees in respect of, future gambling;
   2. winnings or prizes which the customer has chosen to leave on deposit with the licensee or for which the licensee has yet to account to the customer; and
   3. any crystallised but as yet unpaid loyalty or other bonuses, in each case irrespective of whether the licensee is a party to the gambling contract.

However, ‘open bets’ do not constitute customer funds and are not included within the scope of this consultation. An open bet is where the customer has paid money for a bet and the event on which the bet has been placed has not yet occurred. Money staked within open bets is not considered to be customer funds and is therefore not covered by any arrangements the gambling licensee has in place to protect customer funds if it becomes insolvent.

Remote gambling licensees are required to keep customer funds in a separate bank account, but this is for proper financial management and is not intended to provide protection in the event of insolvency. Our long-standing approach to customer funds recognises that the gambling sector is not equivalent to other sectors where high levels of protection may be required due to the high value of funds held and the potential impact that a loss of these funds could have on customers (such as pensions and private bank accounts). This is why we do not require gambling licensees to have a mandatory level of protection. We have always adopted a transparency and buyer beware approach for funds held with gambling licensees and have placed no specific burden on gambling licensees to protect customer funds in the case of insolvency.

We do require remote and non-remote gambling licensees to be transparent about whether, and if so how, those monies are protected. For example, gambling licensees’ terms and conditions must include information about their arrangements for protecting the customer funds they hold in the event of insolvency, the level of that protection and the method by which it is achieved. They must make this information available at the point at which a customer first deposits money, in a manner which requires customers to actively acknowledge that they have received it. They must not allow customers to use their funds for gambling until they have received an acknowledgement from the customer.

Gambling licensees must disclose to customers any changes to their arrangements for protecting customer funds and require an acknowledgement from the customer before allowing the customer to gamble with funds deposited after the change (Licence Condition 4.2.1).

Gambling licensees which hold customer funds must apply a ratings system. The ratings which they must currently use (and which are set out in [guidance to gambling licensees on customer funds: segregation, disclosure to customers and reporting requirements](https://www.gamblingcommission.gov.uk/guidance/customer-funds-segregation-disclosure-to-customers-and-reporting/the-customer-funds-insolvency-ratings-system)) are:

* **Not protected – No segregation** – Customer funds which are not protected are only permitted for non-remote and ancillary remote gambling licensees. They provide no protection in the event of insolvency.
* **Not protected – Segregation of customer funds** – The minimum requirement for all remote gambling licensees. Funds in these accounts are kept separate from business accounts (segregated) but would form part of the gambling licensee’s assets if it became insolvent, so there would be no protection in the event of insolvency.
* **Medium protection** – Customer funds are segregated and arrangements have been made to ensure assets in the customer accounts are distributed to customers in the event of insolvency. The arrangements falling in the medium category include Quistclose accounts and insurance arrangements. Steps have been taken to protect customer funds, but there is no absolute guarantee that all funds will be repaid.
* **High protection** – Customer funds are held in a formal trust account which is legally and in practice separate from the affairs of the company and is verified by and subject to controls by an independent trustee or external auditor.

In 2022, we explored the status of customer funds protection via a gambling licensee data request as to the level of protection held by remote gambling licensees, and the range of customer funds held. Out of a sample of 118, just over half of the 113 gambling licensees who responded to the data request reported that they had a level of protection for customer funds in the event of insolvency.

Of those that had no protection, the majority were smaller gambling licensees, who reported that they did not have many customers (who did not have large amounts of money held by the gambling licensee). For example, 9.27 million customers had no protection (compared to 115 million customers with a level of protection). Of the 9.27 million, 9.24 million had a balance of less than £100, while 20,000 had a balance of between £100-£1,000 and 2,000 had a balance of between £1,000-£10,000. This suggests that overall, the risk to customer funds in the event of gambling licensee insolvency should be relatively low (only 3 percent of funds were unprotected).

However, there are some customers who have large balances held by gambling licensees with no protection. For example, we noted two gambling licensees, without protection, one holding on average £197 of each of its 18,000 customers' funds, the other £247 for each of its 6,000 customers. There was another gambling licensee which had fewer customers (500) but held an average of £500 per customer. We noted further examples of funds of between £500,000-£1m per customer which were not protected. One customer had funds of £994,000 and nine others had between £100,000 and £500,000 in the gambling licensee’s accounts, totalling £1.69 million in unprotected funds between them.

### Transparency customer funds protection - Details of the proposal

As our focus is on consumer knowledge and awareness, we propose that gambling licensees with a ‘not protected’ rating add additional customer warning messages beyond those already required. These additional messages would follow a similar process to that currently required for initial deposit and on the first deposit post a change in protection levels.

We are consulting on two options:

#### Option A – reminder to customers when value of funds reaches a threshold amount

We propose that this process would work as follows:

* When the customer’s funds reach a threshold amount (value to be determined), the gambling licensee, within 24 hours of completion of the gambling session, must send information in writing to the customer to remind them that their funds are not protected.
* The reminder must set out the amount that the gambling licensee holds for that customer, and state that the funds would not be protected in the event of insolvency.
* It would be up to the gambling licensee to determine the appropriate channel for this information (e.g. through using a pop-up message on its website, sending an email etc).
* The gambling licensee must then require the customer to acknowledge the reminder to enable the customer to continue to use the funds for gambling.

Although this may lead to a small disruption to the customer journey, this measure is targeted only at customers of those gambling licensees that have a ‘no protection’ rating for customer funds.

The threshold may be reached via a customer deposit, the payment of winnings or the crystallisation of a loyalty payment or bonus.

We are proposing that the reminder be provided in writing to the customer within 24 hours of a completed gambling session so as to minimise disruption to the customer journey. We are seeking to avoid the scenario where a customer is part way through a gambling session, the value of their funds reaches the threshold and consequently the customer is not permitted to finish the session until they have (1) received information from the gambling licensee about their ‘not protected’ rating and (2) acknowledged that accordingly. We welcome views on how this may work in practice.

We are using the consultation to gather evidence on what a suitable threshold might be. We are providing a number of options for comment, these are:

* £100
* £250
* £500
* £1,000

In developing these proposals, we are aware that if a threshold is set too high, the proposal may not sufficiently benefit consumers. What may be an insignificant amount for some, may represent a considerable amount to others. For this reason, our preference would be to have a threshold towards the lower end of the options presented (for example, £100) but this is subject to consideration of responses to a specific consultation question on this issue.

Our 2022 gambling licensee data request showed that, of the 113 gambling licensees who responded, a £100 threshold would not be triggered for the nine million customers who had funds of £0-£100, but would have triggered the threshold for 20,000 customers who had funds of £100-£1,000 (and 2,000 customers who had funds of £1,000 to £10,000).

While some customers may not reach the threshold often or at all, others may repeatedly reach it over a short period of time. As such, we are proposing that a gambling licensee would only be required to send a reminder no more than once every six months. This is because it is important that messages are effective and easily understood, and, if sent too frequently, the customer may ‘tune out’ of the message being delivered.

We consider the overall approach that we are proposing to be proportionate to the level of risk highlighted by our 2022 gambling licensee data request. This showed that only 3 percent of customer funds were unprotected. This does not, in our view, justify the regulatory burden of introducing a mandatory level of protection for all gambling licensees. However, 3 percent of customer funds amounted to £21.4m across nine million customers\*.

As such we consider there is value to consumers in proposing additional warning messages to ensure that gambling is conducted in a fair and open way.

\* The data provided was at a snapshot in time and could fluctuate. Also, we did not collect information on the duration of funds in customers' account or their composition.

#### Option B – reminder sent to all customers irrespective of the value of funds held

An alternative option would be for gambling licensees with a ‘not protected’ rating to send to all customers, regardless of amount held, a reminder once every six months that money held on their behalf is not protected. This may be simpler for gambling licensees to implement and would cover all amounts no matter how small. However, this would be a less targeted approach and may not have sufficient impact on consumers. We welcome views on this in terms of practicality and implementation.

Option A is a risk-based proposal and is targeted at consumers who hold a higher value of funds. However, the threshold may be more difficult for gambling licensees to implement from a technical/systems perspective. The reverse applies to option B, where the approach is less targeted but may be easier for gambling licensees to implement. Although consumers may ‘tune out’ of reminders if they relate to small amounts of money, one advantage of this approach is that consumers are reminded about all funds regardless of value. We welcome views from respondents on both options.

We consider that this proposal (both options A and B) will primarily impact on remote gambling licensees because account-based play (and therefore the holding of customer funds) is a fundamental part of the remote gambling architecture. For example, [Remote Gambling and Software Technical Standards (RTS) 1 – Customer account information](https://www.gamblingcommission.gov.uk/standards/remote-gambling-and-software-technical-standards/rts-1-customer-account-information), which applies to all remote gambling (except subscription lotteries), exists to ensure that customers can access their account balances and their transaction history i.e. the system needs to record the current and historical movement of customer funds.

The application of the proposed requirement to non-remote gambling licensees is also in line with the application of existing requirements under Licence Condition 4.2.1. There are some instances where customer funds are held by non-remote gambling licensees, so the proposal is also relevant to these licensees. For example, high end casinos may require customers to deposit funds on account.

Another example is the lottery sector, where players may pay in advance and those payments are not committed to a particular lottery. For example, in an annual subscription if societies do not, or cannot attribute those payments to a particular gamble, that money is considered to be 'customer funds'. This applies until those funds are committed to a particular lottery and therefore no longer held for future gambling. The point at which monies cease to be customer funds and fall to be lottery proceeds can vary at different schemes, depending on how and when the monies are applied to the purchase of a ticket for a particular lottery. We welcome views from respondents as to the likely scale of impact of these proposals on non-remote gambling licensees.

#### Important notice

While the Commission’s customer funds rating system is designed to help consumers understand the stated level of protection for gambling licensees in the event of insolvency, the indicated rating is not independently verified. Every gambling licensee should ensure that the stated level of protection is implemented and maintained correctly, both in financial and legal terms, for it to be effective. The Commission can make no guarantees to consumers as to the accuracy of the stated level of protection, nor that funds with a level of protection will definitely be repaid in the event of insolvency. We do not routinely verify a gambling licensee’s rating through compliance exercises, although we can investigate should there be concerns about compliance. In line with other instances of non-compliance, there could be significant regulatory consequences for gambling licensees should we have evidence that a business had misled us and consumers about its level of protection

### Transparency customer funds protection - Proposed revisions

#### Proposed revisions for option A – reminder to customers when value of funds reaches a threshold amount

Our proposal is to introduce a new paragraph to Licence Condition 4.2.1.

Proposed new provision

Applies to: All operating licences, except gaming machine technical, gambling software, host, ancillary~~,~~[\*] remote bingo, and ancillary remote casino licences

Licence Condition 4.2.1 – Disclosure to customers

1. Licensees who hold customer funds must set out clearly in the terms and conditions under which they provide facilities for gambling information about whether customer funds are protected in the event of insolvency, the level of such protection and the method by which this is achieved.
2. Such information must be according to such rating system and in such form the Commission may from time to time specify. It must be provided in writing to each customer, in a manner which requires the customer to acknowledge receipt of the information and does not permit the customer to utilise the funds for gambling until they have done so, both on the first occasion on which the customer deposits funds and on the occasion of any subsequent deposit which is the first since a change in the licensee’s terms in relation to protection of such funds.
3. Where the licensee has selected a ‘not protected’ rating (as set out in the rating system specified by the Commission), it must remind the customer that their funds are not protected in the event of insolvency when the value of the customer’s funds reaches a threshold amount (to be specified from time to time by the Commission[\*\*]). The licensee must send the reminder to the customer on each occasion of the customer reaching the threshold, unless a reminder has already been sent in the preceding six-month period. The reminder, which must refer to the value of funds held for the customer, must be provided in writing to the customer within 24 hours of a completed gambling session, in a manner which requires the customer to acknowledge receipt of the information and does not permit the customer to utilise the funds for gambling until they have done so.
4. In this condition ‘customer funds’ means the aggregate value of funds held to the credit of customers including, without limitation:
   1. cleared funds deposited with the licensee by customers to provide stakes in, or to meet participation fees in respect of, future gambling;
   2. winnings or prizes which the customer has chosen to leave on deposit with the licensee or for which the licensee has yet to account to the customer; and
   3. any crystallised but as yet unpaid loyalty or other bonuses, in each case irrespective of whether the licensee is a party to the gambling contract.

\* We have deleted a comma which appeared in error between the words “ancillary” and “remote” (as this should read “ancillary remote bingo”).

\*\* We propose to add the threshold to existing gambling licensee guidance published on the Commission’s website: [Customer funds: segregation, disclosure to customers and reporting requirements](https://www.gamblingcommission.gov.uk/guidance/customer-funds-segregation-disclosure-to-customers-and-reporting).

#### Proposed revisions for option B – reminder sent to all customers irrespective of the value of funds held

Our proposal is to introduce a new paragraph to Licence Condition 4.2.1.

Proposed new provision

Applies to: All operating licences, except gaming machine technical, gambling software, host, ancillary~~,~~[\*] remote bingo, and ancillary remote casino licences

Licence Condition 4.2.1 – Disclosure to customers

1. Licensees who hold customer funds must set out clearly in the terms and conditions under which they provide facilities for gambling information about whether customer funds are protected in the event of insolvency, the level of such protection and the method by which this is achieved.
2. Such information must be according to such rating system and in such form the Commission may from time to time specify. It must be provided in writing to each customer, in a manner which requires the customer to acknowledge receipt of the information and does not permit the customer to utilise the funds for gambling until they have done so, both on the first occasion on which the customer deposits funds and on the occasion of any subsequent deposit which is the first since a change in the licensee’s terms in relation to protection of such funds.
3. Where the licensee has selected a ‘not protected’ rating (as set out in the rating system specified by the Commission), it must remind the customer, once every six months, that their funds are not protected in the event of insolvency. The reminder must refer to the value of funds held for the customer. The licensee must require the customer to acknowledge receipt of the information and must not permit the customer to utilise the funds for gambling until they have done so.
4. In this condition ‘customer funds’ means the aggregate value of funds held to the credit of customers including, without limitation:
   1. cleared funds deposited with the licensee by customers to provide stakes in, or to meet participation fees in respect of, future gambling;
   2. winnings or prizes which the customer has chosen to leave on deposit with the licensee or for which the licensee has yet to account to the customer; and
   3. any crystallised but as yet unpaid loyalty or other bonuses, in each case irrespective of whether the licensee is a party to the gambling contract.

\* We have deleted a comma which appeared in error between the words “ancillary” and “remote” (as this should read “ancillary remote bingo”).

Subject to the outcome of this consultation, we will make changes to the existing [guidance](https://www.gamblingcommission.gov.uk/guidance/customer-funds-segregation-disclosure-to-customers-and-reporting/introduction-customer-funds-segregation-disclosure-to-customers-and) so it is consistent with the amended LCCP provision.

### Transparency customer funds protection - Consultation questions

To what extent do you agree with the Commission’s proposal to add a specific requirement to the LCCP, which requires gambling licensees with a ‘not protected’ rating to remind its customers that their funds are not protected in the event of insolvency?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[free text box]

If the proposal were to be adopted, which option do you prefer?

[Only choose one answer]

Option A - reminder to customers when value of funds reaches a threshold amount

Option B - reminder sent to all customers irrespective of the value of funds held

Please give reasons for your answer below.

[free text box]

Question relating to option A only:

To what extent do you agree with the Commission’s proposal to make this subject to a threshold amount for the value of funds held which the customer must reach before the gambling licensee must send the reminder?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[free text box]

Question relating to option A only:

If a threshold amount were to be applied, please indicate which of the suggested values you consider to be appropriate:

£100

£250

£500

£1,000

Please give your reasons for your answer below and details of any relevant evidence to support this.

[free text box]

To what extent do you agree with the Commission’s proposal to ensure gambling licensees send a reminder to consumers no more than once every six months that their funds are not protected when the value reaches the threshold amount?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below and details of any relevant evidence to support this.

[free text box]

To what extent do you agree with the Commission’s proposal to require gambling licensees to ensure customers acknowledge a reminder before being permitted to gamble?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below.

[free text box]

Do you have any comments about the application of this requirement to non-remote gambling licensees and/or the likely scale of impact?

[free text box]

Do you have any comments about implementation issues, timelines and practicalities?

[free text box]

Please provide an estimate of the direct costs associated with implementing these proposals.

[free text box]

Attaching additional information:

If you have any further documents in support of your responses to this section of the consultation on transparency on customer funds in the event of insolvency, please use the ‘choose file’ button below.

[choose file option]

### Transparency customer funds protection - Equalities considerations

The Commission is committed to giving consideration to potential equalities impacts, having regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

The Commission does not currently consider that the proposals set out in this section of the consultation give rise to known negative impacts in the context of the above objectives. This position will be kept under review. We would welcome views in relation to the same.

Do you have any evidence or information which might assist the Commission in considering any equalities impacts, within the meaning of section 149 of the [Equality Act 2010](https://www.legislation.gov.uk/ukpga/2010/15/contents), in the context of any proposal considered in this section of the consultation?

[free text box]

### Transparency customer funds protection - Consultation section completed

You have now reached the end of this section of the consultation. Please select either to return to the consultation home page to respond to a different topic or if you have finished select ‘finished’.

Consultations home page

Finished

#### Glossary of terms

Assets – An asset is a resource that is controlled by a company and from which future economic benefits are expected, such as revenues or inflows of cash. Examples of assets include cash, property, land, stock and trade debtors.

Liabilities – An amount or obligation that a company owes to others as a result of past events. They are settled over time through the transfer of economic benefits including money, goods or services. Examples of liabilities include trade creditors, PAYE, VAT, staff salaries and loans.

Secured creditors - A creditor who holds a security over a business asset or assets of a company, such as a mortgage lender who holds a charge over property. When a business becomes insolvent, sale of the specific asset over which security is held provides settlement for the secured creditor. Their claim ranks above those of preferential and unsecured creditors.

Preferential creditors - This category of creditor includes employees of the company in relation to unpaid wages. They have a higher priority in receiving payments from the available assets of an insolvent company compared to unsecured creditors, however, their claims rank below those of secured creditors.

Unsecured creditors - A creditor who does not hold any security or charge over any of the company’s assets, such as suppliers and customers. Their claims rank below those of secured creditors and preferential creditors, but above shareholders of the company.

## Consultation on changes to the frequency of regulatory returns submissions

### Regulatory returns - Overview

Regulatory returns from gambling licensees are a vital source of information for the Gambling Commission (‘the Commission’), government, industry, and the public. They provide an understanding of the size and shape of the gambling market in Great Britain, published through our official statistics process.

Critically the Commission uses the data as a key tool in income forecasting and budgetary management. We also use wider information within the returns to inform policy development and evaluation.

We are looking to make a range of changes to the regulatory returns process. In this section of the consultation, we will be asking respondents for their views on proposals to amend the frequency of submission of regulatory returns.

Other changes being implemented outside of this consultation include changes to the range of data required, the harmonisation of reporting periods across the industry, and improving the functionality for submitting and quality assuring the data. These are issues that can be progressed without further consultation.

### Regulatory returns - Summary of proposal

We are consulting on a proposed change to the frequency with which regulatory returns are submitted. The proposed change is that all regulatory returns be submitted on a quarterly basis, irrespective of gambling licence type.

### Why are we considering this proposal?

The Commission’s view is that all regulatory returns should be submitted on a quarterly basis given it will:

* have a material impact on our ability to budget based on a better understanding of income levels and model forecasts more accurately.
* standardise reporting periods across the industry.
* provide a timelier and more accurate picture of the gambling sector, in line with aspirations that we have set out and the direction of the government’s White Paper intentions.
* provide simplicity of requirement and systems development.

It is also important to consider this alongside other intended regulatory returns changes we will be implementing. We consider that the current process of regulatory returns – comprising over 1000 data fields – is both burdensome for gambling licensees and provides data quality issues for us. As part of the wider implementation for regulatory returns we intend to remove a significant number of fields which will ensure:

* data completion is less time-consuming for gambling licensees
* an opportunity to clarify questions and improve data quality
* obsolete and non-business critical fields/ questions are removed
* improved understanding of current and emerging issues.

We will also remove the additional voluntary monthly submissions that a small group of licensees has been providing since the lockdown period to avoid duplication and remove burden.

### Impact

We believe these changes will lead to:

* an improved ability for the Commission to budget based on more timely reporting of financial information, in turn helping forecasting and ensuring gambling licensees are in the correct fee category
* a timelier, more accurate picture of the gambling sector as we would no longer need to estimate quarterly comparisons based on annual returns
* improved data quality for official statistics.

While we recognise it will be an additional requirement in terms of frequency for the majority of licensees, we do not think this will be an onerous requirement. This is because most of the data is already supplied, and the template will not change from quarter to quarter. Seen alongside the removal of a significant number of data fields, we consider that these proposals do not create a significant additional regulatory burden on gambling licensees.

This proposal should be seen in the light of our consultation response [Changes to Information Requirements in the LCCP, Regulatory Returns, Official Statistics, and Related Matters (Annex – Summary of changes to licence conditions and codes of practice](https://www.gamblingcommission.gov.uk/consultation-response/changes-to-information-requirements-in-the-lccp-regulatory-returns-official/annex-changes-to-information-requirements-for-licensees-consultation) which we published in July 2020. This was not implemented at the time as a result of reprioritisation of our work and the Covid-19 pandemic.

### Regulatory returns - Details of the proposal

At the moment, the frequency of regulatory return submissions depends on the licence type. For example, remote casino, betting and bingo (RCBB) licences require quarterly returns, whereas adult gaming centres (AGC) currently require annual submissions. We are seeking views on the proposal that all the licence types that gambling licensees hold would require quarterly submissions of regulatory returns.

Table 1 highlights the current position and provides insight into the number of gambling licensees which could be affected by the proposals.

|  |  |  |  |
| --- | --- | --- | --- |
| Table 1 **Licence/Return** | **Licensees** | **Annual** | **Quarterly** |
| Adult gaming centre | 400 | 400 | 0 |
| Betting | 557 | 549 | 8 |
| Bingo | 157 | 157 | 0 |
| Casino (1968) | 41 | 0 | 41 |
| Casino (2005) | 6 | 0 | 6 |
| External lottery manager | 28 | 28 | 0 |
| Family entertainment centre | 112 | 112 | 0 |
| Gaming machine technical | 402 | 402 | 0 |
| Lottery | 484 | 484 | 0 |
| Remote casino, betting and bingo | 330 | 10 | 320 |
| Software | 291 | 291 | 0 |

This shows the number of gambling licensees by category of licence/ return and how many of those licensees submit either annual or quarterly returns.

We recognise that the requirement to move from annual to quarterly returns will increase the reporting frequency for the majority of gambling licensees, who will have to file submissions more regularly. However, we consider this is a necessary yet proportionate change due to the advantages of improved forecasting and better data quality. Since these measures may be implemented alongside measures already consulted on in 2020, any extra effort arising from quarterly returns may be moderated by a reduced question set, harmonised reporting dates, and an improved and more efficient returns process.

In terms of harmonisation of reporting periods across the industry, the following schedule, consulted and agreed on in 2020, would be implemented at the same time as this proposal to move to quarterly submissions.

Table 2: schedule of quarterly submission reporting periods and return due dates

| **Return** | **Reporting period** | **Return due date** |
| --- | --- | --- |
| **Quarterly returns** | 1 April to 30 June | 28th July |
| **Quarterly returns** | 1 July to 30 September | 28th October |
| **Quarterly returns** | 1 October to 31 December | 28th January |
| **Quarterly returns** | 1 January to 31 March | 28th April |

All stakeholders, including consumers, gambling licensees and members of the public are invited to share their views on this proposal.

### Industry engagement

In addition, but outside the consultation process, we will engage with industry on the final specification of fields for reporting. The intention is to reduce the current number. A call for industry engagement was started within the release of the blog post: [Blog - Making better use of operator data (gamblingcommission.gov.uk)](https://www.gamblingcommission.gov.uk/blog/post/making-better-use-of-operator-data).

### Proposed revision

We propose to amend licence condition 15.3.1 (general and regulatory returns) to allow for submission of only quarterly returns and remove the requirement for annual returns.

The current licence condition with struck-out area for removal is as follows:

**15.3.1 - General and regulatory returns**

*Applies to: All operating licences*

1. On request, licensees must provide the Commission with such information as the Commission may require, in such a form or manner as the Commission may from time-to-time specify, about the use made of facilities provided in accordance with this licence and the manner in which gambling authorised by this licence and the licensee’s business in relation to that gambling are carried on.
2. In particular within 28 days of the end of each quarterly period ~~or, for those only submitting annual returns, within 42 days of the end of each annual period,~~ licensees must submit an accurate Regulatory Return to the Commission containing such information as the Commission may from time to time specify.[**1**](https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/15-3-1-general-and-regulatory-returns#ref-1)

In addition, the notes on annual returns held in the “guidance on the information requirements” section will be removed as per the struck-out reference shown in 15.3.1 and the struck-out phrase as follows:

Quarterly returns are to be submitted within 28 days of the end of the reporting period~~, while annual returns are due within 42 days of the end of each annual period~~.

### Regulatory returns - Consultation questions

To what extent do you agree or disagree with the proposed change to regulatory return submissions from annual to quarterly?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below

[free text box]

Do you have any comments about implementation issues, timelines, and practicalities?

[free text box]

Please provide an estimate of the direct costs associated with implementing this proposal

[free text box]

### Regulatory returns - Equalities considerations

The Commission is committed to giving consideration to potential equalities impacts, having regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.

‘The Commission’ does not currently consider that the proposals set out in this section of the consultation give rise to known negative impacts in the context of the above objectives. This position will be kept under review. We would welcome views in relation to the same.

Relevant links: [Equality Act 2010](https://www.legislation.gov.uk/ukpga/2010/15/contents)

Do you have any evidence or information which might assist the Commission in considering any equalities impacts, within the meaning of section 149 of the Equality Act 2010, in the context of any proposal considered in this section of the consultation?

[free text box]

Attaching additional information:

If you have any further documents in support of your responses to this section of the consultation on changes to the frequency of regulatory return submissions, please use the ‘choose file’ button below.

[choose file option]

### Regulatory returns - Consultation section completed

You have now reached the end of this section of the consultation. Please select either to return to the consultation home page to respond to a different topic or if you have finished select ‘finished’.

Consultations home page

Finished

## Removing obsolete Commission requirements due to the government's upcoming statutory levy (LCCP RET list)

The government’s [white paper High Stakes: gambling reform for the digital age](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) confirmed that *“Government will introduce a statutory levy paid by operators and collected and distributed by the Gambling Commission.”* Government has recently published its [consultation on a statutory levy on gambling operators](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators) and we have also published our [advice to Government on the proposed design and implementation of a statutory levy](https://www.gamblingcommission.gov.uk/about-us/guide/advice-to-government-design-and-implementation-of-a-statutory-levy). Once the statutory levy is brought into force, it will replace the current voluntary system for funding research, prevention and treatment (RET) meaning that paragraph two of the existing [Social Responsibility (SR) Code Provision 3.1.1 – Combating problem gambling](https://www.gamblingcommission.gov.uk/licensees-and-businesses/lccp/condition/3-1-1-combating-problem-gambling) requirement will become obsolete. This requirement is currently in our Licence Conditions and Codes of Practice (LCCP).

The introduction of a statutory levy represents a significant change to funding arrangements for RET and government has committed to managing the transition to a levy in an effective way to minimise disruption to existing services.

### LCCP RET - Summary of proposal

To support an effective transition, we want to avoid the potential for two RET funding systems to be in place once the government brings the statutory levy into force, as this could create confusion in the system and have a negative impact on the distribution of funds and any associated reporting requirements. To reduce this potential risk, we are therefore consulting on removing paragraph two of SR Code Provision 3.1.1 – Combating problem gambling which currently requires gambling licensees to make an annual financial contribution to one or more organisation providing research, prevention or treatment on a list maintained by the Commission (sometimes referred to as the LCCP RET list).

Subject to the outcome of this consultation, we would envisage removing this requirement once a levy is created. In the meantime, the government and the Gambling Commission expect gambling licensees to continue to make annual financial contributions as required by the existing SR Code Provision until the statutory levy is in force.

### Why are we considering this proposal?

Once the statutory levy comes into force the existing SR Code Provision will become obsolete as gambling licensees will be required to make a statutory levy payment in line with Government’s final design of the levy system, rather than an annual contribution under the current voluntary RET system. We therefore consider that the requirement and associated LCCP RET list will no longer be relevant or needed under the statutory levy.

We envisage that the proposed change to remove the current requirement would come into effect either at the point at which the statutory levy comes into force, or at the beginning of the relevant financial year to ensure funding for RET is maintained during the transition period, while avoiding the potential for two RET funding systems to be running concurrently and creating any potential confusion and/or duplication.

### LCCP RET - Background

[Section 123 of the Gambling Act 2005](https://www.legislation.gov.uk/ukpga/2005/19/section/123) enables the Secretary of State to create a statutory levy which would be payable to the Commission to fund projects related to addiction to gambling, other forms of harm or exploitation associated with gambling, or any of the licensing objectives. Until the recent commitment in the White Paper, no government has used these powers to date and under the current arrangements funding for RET is primarily generated through a voluntary funding system whereby gambling licensees are required by paragraph 2 of SR Code Provision 3.1.1 to make an annual financial contribution to one or more of the organisations on the LCCP RET list which we maintain.

The current LCCP requirement came into effect in January 2020 following a 12-week public consultation and in response to our 2018 review of the RET arrangements which concluded that the voluntary funding model had fallen short of its objectives. At the time, we were particularly concerned that RET contributions were disparate and uncoordinated and that some recipients had no clear link to either the research, prevention or treatment of gambling harms. As a short-term measure, and in the absence of a statutory levy at that time, the Commission committed to improving the transparency of the amounts and recipients of RET funding, through the creation of the LCCP RET list and the publication of annual data on LCCP RET contributions.

Through its [White Paper](https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age) government has since committed to *“introduce a statutory levy paid by operators and collected and distributed by the Gambling Commission”* and has published a set of [consultation proposals on how the levy will be designed](https://www.gov.uk/government/consultations/consultation-on-the-statutory-levy-on-gambling-operators) including proposals on the total amount to be raised through the levy, associated rates for different parts of the sector, proposals around how the levy will be distributed and arrangements for levy governance and administration. Their consultation closes on 14 December 2023.

### LCCP RET - Details of the proposal

As a result of Government’s commitment in the White Paper to introduce the statutory levy as provided for in Section 123 of the Gambling Act 2005, we propose to remove paragraph 2 of SR Code Provision 3.1.1 which requires gambling licensees to make an annual financial contribution to one or more organisations providing research, prevention or treatment on a list maintained by the Commission.

The timing of the proposed removal of the SR Code Provision would need to be determined in discussion with Government but our current assumption is that the proposed change to remove the current requirement would come into effect either at the point at which the statutory levy comes into force, or at the beginning of the relevant financial year to avoid the potential for two RET funding systems to be running concurrently.

There would be no change to paragraph 1 of the SR Code Provision which requires gambling licensees to have and put into effect policies and procedures intended to promote socially responsible gambling. This includes specific policies and procedures required by code of practice provision 3 of the LCCP which relate to the protection of children and other vulnerable people including policies in relation to preventing underage gambling, the provision of gambling management tools, customer interaction and self-exclusion.

### LCCP RET - Proposed revisions

Our proposed change to the SR Code Provision is shown below with deletions marked as a strikethrough.

#### Social Responsibility Code 3.1.1 – Combating problem gambling

Applies to: All licences

1. Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling including the specific policies and procedures required by the provisions of section 3 of this code.
2. ~~Licensees must make an annual financial contribution to one or more organisation(s) which are approved by the Gambling Commission, and which between them deliver or support research into the prevention and treatment of gambling-related harms, harm prevention approaches and treatment for those harmed by gambling.~~

### LCCP RET - Consultation questions

To what extent do you agree with the proposed change to remove paragraph 2 of SR Code Provision 3.1.1?

Strongly agree

Agree

Neither agree nor disagree

Disagree

Strongly disagree

Please give your reasons for your answer below

[free text box]

Can you foresee any issues related to the proposed timing for removing this SR Code Provision?

[free text box]

Are there any additional issues related to the removal of this SR Code Provision, or other practical considerations that we should consider?

[free text box]

Attaching additional information:

If you have any further documents in support of your responses to this section of the consultation on removing obsolete Commission requirements due to the government's upcoming statutory levy (LCCP RET list), please use the ‘choose file’ button below.

[choose file option]

### LCCP RET - Equalities considerations

The Commission is committed to giving due consideration to potential equalities impacts, having regard to the need to eliminate discrimination, advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not. The Commission does not currently consider that the proposal set out in this section of the consultation gives rise to known negative impacts in the context of the above objectives. This position will be kept under review. We would welcome views in relation to the same.

Do you have any evidence or information which might assist the Commission in considering any equalities impacts, within the meaning of section 149 of the [Equality Act 2010](https://www.legislation.gov.uk/ukpga/2010/15/contents), in the context of the proposal considered in this section of the consultation?

[free text box]

### LCCP RET - Consultation section completed

You have now reached the end of this section of the consultation. Please select either to return to the consultation home page to respond to a different topic or if you have finished select ‘finished’.

Consultations home page

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