

GAMBLING UPDATE

New GC consultation on customer interaction and affordability

On 3 November 2020, the Gambling Commission launched a consultation and call for evidence on proposals for more stringent requirements on gambling operators to conduct assessments of whether a customer's gambling is affordable. This one-page note summarises the proposals and next steps

Why the new proposals?

Although the Commission recognises that improvements have been made by the industry, in its view further steps are required.

Specifically, the Commission's "*evidence shows that many online operators are not setting thresholds for action at appropriate levels. They are not taking the appropriate action or acting quickly enough when they do identify risks of potential harm.*" (Tim Miller, Executive Director, the Gambling Commission).

What are the key proposals?

Identifying customers at risk of harm

As a general requirement, the Commission proposes to make it mandatory for operators to (i) have effective systems in place to monitor customer activity and identify harm or potential harm from the point an account is opened and (ii) flag indicators of harm in a timely manner for intervention. In practice, this is likely to place a high compliance burden on operators.

The Commission also proposes to set specific requirements for three indicators of harm, based upon the outcome of a call for evidence:

- › **Affordability:** This would include a monthly threshold for checks which remains to be determined. This will not be in excess of £2,000, but the Commission has indicated the threshold should be lower than this, likely a few hundred pounds but no lower than £100.
- › **Vulnerability:** At present, where there are indicators of vulnerability (such as mental health problems), it is only guidance that gambling operators should take action. The proposals suggest making this a requirement, rather than mere guidance.

- › **Time:** The Commission has already specified in recent customer interaction guidance that there should be an interaction after one hour of play and seeks views on the impact that has had. It recognises that different gambling products such as poker and bingo have different typical session lengths so may be amenable to a more nuanced approach.

Interaction

It is proposed that operators must interact when indicators of harm are exhibited and a tailored approach must be used based upon the number and level of indicators of harm. In effect, therefore, the Commission could take action where timely action was taken, but it considers the action was insufficient in light of the risks e.g. a generic pop-up message rather than a personal interaction.

Evaluation

Reassuringly, the proposals emphasise that operators should take "reasonable steps" to evaluate the effectiveness of the approaches taken when interacting with customers, which tempers the existing requirement.

Next steps

Once feedback through this consultation has been received, the Commission will launch a supplementary consultation with its proposed draft updated requirements and guidance.

This consultation is therefore the opportunity to shape the detail of these new requirements.

Gambling operators and other stakeholders are encouraged to complete the [online questionnaire](#) before the consultation closes on 12 January 2021.

If you would like any further advice or assistance on this consultation, including the detail of the proposals, please contact Melanie Ellis (melanie.ellis@northridgelaw.com)