

From:
George Lusty
Senior Director
Competition and Markets Authority

Paul Hope
Executive Director
Gambling Commission

29 April 2019

Dear Sir / Madam,

Joint Competition and Markets Authority / Gambling Commission letter to the gambling sector

The Competition and Markets Authority (CMA) and Gambling Commission (the Commission) have now concluded their joint programme of work concerning suspected breaches of consumer protection law in the remote gambling sector.

This work focused in particular on the fairness, transparency and potential for consumers to be misled by a number of terms and practices relating to online bonus promotions, and on obstacles preventing withdrawal of customer funds.

The CMA's work with the Commission has resulted in significant changes by the sector. Six gambling firms provided undertakings to the CMA: Ladbrokes, William Hill, PT Entertainment, BGO, Jumpman Gaming and Progress Play. Each of these firms committed not to continue or repeat certain practices which the CMA considered were unfair. But the impact of this work has been felt across the entire sector.

Our joint work provided a sharp focus on aspects of online gambling and exposed significant shortcomings within the sector that had undermined consumer trust and confidence. The Commission mandated that all gambling firms would need to comply with the requirements set out in the published undertakings¹, not just those firms that agreed to them.

¹ [CMA case page](#)

The findings from this work, and our expectations of you, have been well publicised², and all gambling firms should, by now, have amended their terms and practices to meet the requirements set out in the undertakings.

However, for you to comply fully with your consumer law and licensing responsibilities, you must go further than simply complying with the published undertakings. You need to audit all your terms and conditions, examine your business systems and practices, embed compliance and, importantly, continually review these to ensure that you maintain high standards of consumer protection in the future.

To be compliant also requires critical scrutiny of the practices of those that you deal with, including affiliates and third-party suppliers of systems, software and call centres, as you are responsible for their actions in accordance with the Commission's Licence conditions and codes of practice (LCCP).

The updated provisions in LCCP, which came into force on 31 October 2018, mean that the Commission can take swift and firm action if you do not comply with consumer law and ensure that your customers are treated fairly at all stages of the customer journey.

We have seen indications of the wider sector working to make changes to the way in which promotions are constructed and promoted to consumers. Recent figures from the Independent Betting Adjudication Service highlighted a significant reduction in the number of disputes raised by consumers over bonuses and other promotions.

Making changes to promotions and withdrawal practices is an important start, but it is only one aspect of achieving compliance. More needs to be done by the sector to win back consumer trust. The best operators going forward will be those who lead by example, build on the work undertaken by the CMA and treat their customers fairly and responsibly. The Commission will continue to look at how firms treat consumers and the terms and practices that they employ when assessing suitability to hold a gambling licence. As well as undertaking compliance activity, the Commission continues to work to make gambling fairer. For example, the Commission has introduced new rules around ID verification that will allow consumers to collect their winnings without unnecessary delay.

Although the CMA does not intend to take any further action in connection with its investigation, it is not the end of its relationship with the Commission or its interest in the sector. The CMA will continue to work with and support the Commission as it

² See [CMA case page](#) and <http://www.gamblingcommission.gov.uk/home.aspx>

progresses its compliance work, and as it continues to tackle unfair terms and practices to ensure the fair treatment of consumers.

It is important that you learn from the work that we have undertaken and ensure that compliance with consumer law is at the heart of your business model. This is essential for the sector to rebuild and maintain consumer trust.

Yours faithfully,

Yours faithfully,

George Lusty
Senior Director
Competition and Markets Authority

Paul Hope
Executive Director
Gambling Commission