

tombola ltd  
Wylam Wharf  
Low St  
Sunderland  
SR1 2JR

Review of Gaming Machines – Call for Evidence  
Gambling, Licensing and Lotteries Team  
DCMS  
4<sup>th</sup> Floor  
100 Parliament Street  
London SW1A 2BQ

Via email to: [callforevidence@culture.gov.uk](mailto:callforevidence@culture.gov.uk)

4th December 2016

*Some confidential information removed – in this version I have removed some commercially sensitive information that was provided with our full submission. These areas are illustrated with comments in Italics.*

Dear Sir,

#### Review of Gaming Machines and Social Responsibility Measures

I am writing on behalf of tombola ltd as its founder and chief executive. tombola operates the biggest online bingo site in three markets UK, Spain and Italy. I have been involved in the bingo industry for over thirty years and my family's business Edward Thompson has supplied bingo tickets to bingo clubs for more than fifty. I founded tombola ltd in 1999 and we first operated online bingo in 2006. (*Confidential information removed*). We employ almost 400 people across the territories with 340 in Sunderland. Our strategy is unusual in the industry now as all tombola's products and the platform that they sit on, are developed and built in house. We are also proud to have won Socially Responsible Online Gaming Operator award across the whole remote gaming industry twice in the last four years and been runner up twice, because of our unique approach to Responsible Gambling that for example limits spend per bingo game to £2.

The Call for Evidence paper asks for evidence on the effectiveness of social responsibility measures across industry, including requirements around gambling advertising. tombola makes the biggest marketing investment in the remote bingo sector in the UK annually, spending more on pre-watershed television advertising than any other online bingo operator and I hope that the evidence provided here will prove useful. Most of the evidence relates to our own experience rather than the industry as a whole but all operators are taking increasing measures to limit problem gambling and minimise harm.

The first four questions in the paper relate to gaming machines so we have limited our response to questions 5, 6 and 7.

*Question 5: What has been the impact of social responsibility measures since 2013 especially on vulnerable consumers and communities with high levels of deprivation? Please provide evidence to support this position*

According to the most recent report on gambling trends published by the Gambling Commission on 23<sup>rd</sup> February 2016 the rates of problem gambling had remained static at 0.5% over three years from 2013 to 2015. This is in spite of the growth of gambling advertising and the increased availability of remote gambling on mobile devices. However this result may have been impacted on by the reduction in national lottery scratch card and lotto play over the three years, so there is no room for complacency within the industry.

At tombola we believe our approach to responsible gambling is a key factor in the success of the business. We have adopted responsible gambling measures in line with the rest of the remote gaming industry but we also have taken steps that go beyond the industry code helping to create a point of difference for our players. We have compelling evidence of the effectiveness of our responsible gambling measures but first here is a list of the steps we take.

Measures in common with the rest of remote gaming:

- Strict over 18 rule with identity and age verification at registration
- A tool that lets players set daily, weekly or monthly deposit limits
- Responsible Gambling information page with self-help tips and links to Gamcare
- Cool-off facility to temporarily remove access to the site/app for between one day and six weeks
- Self-exclusion for a minimum of six months
- Time-keeper function lets players set alerts telling them how long they've been playing

Additional measures taken by tombola

- Players can lock their deposit limits in place for up to three months
- Two additional self exclusion options including lifetime exclusion
- Self exclusions can be performed online in seconds without barriers and without the need for contact with a customer service agent
- Returning from exclusion requires a phone call with Customer Service and a 24 hour delay
- No accounts can be set up in the household of a self excluded player
- We pay all players £1 to set a deposit limit (more on the results of this later)
- Chat Moderators (CMs) and Customer Service Agents (CS) are all Gamcare trained
- CMs promote safe gambling and the use of tools
- CMs never promote or incentivise spend
- CMs can trigger a series of responsible gambling emails to players who illustrate concerning behaviour in chat with the goal of educating those players
- CS can proactively set limit on players and ultimately close accounts
- Data flags are also used to trigger the CRM process
- We have introduced a Game Freeze function recently where players can exclude themselves from certain games
- Players can't play more than two bingo games at once
- We don't allow advance purchase on bingo games
- We have limits on the number of accounts per household and per device

- We have no VIP programmes and all players are treated equally with no differentiated bonus awards
- No promotions incentivise higher levels of spend
- Players who hit certain spend triggers are removed from our marketing database
- Most casino products are on a separate site/app – tombola arcade, with all limits and exclusions working across both sites/apps
- Every new player receives an email highlighting the RG tools
- No ongoing deposit offers
- No wagering requirements on sign up bonus and winnings can be immediately withdrawn
- Offering and promoting cheaper games to play, with a important KPI goal to reduce the average spend per player per week

*(Confidential section removed)*

#### Evidence of the effectiveness of this approach

We are confident that the additional responsible gambling measures adopted by the industry and our own approach is contributing positively to harm minimisation. We can only refer to the research conducted by others as to what the impact is on the rates of problem gambling. However we can illustrate the effectiveness of some of our measures in terms of their adoption by players, the impact on player behaviour and the commercial performance of tombola.

*(Confidential section and illustration removed)*

Our long-term goal is to have increasing numbers of players spending on average lower amounts. *(Confidential information removed)*

We have achieved this by offering cheaper ways of playing over time. *(Confidential information removed)*

*(Confidential information removed)* As with most of our responsible gambling measures we feel strongly that this has resulted in better retention rates of our players and will lead to a positive commercial benefit over time, whilst at the same time it will lead to a reduced risk of problem gambling and will help to limit harm.

Our retention rates are very strong. *(Confidential information removed)* We strongly feel that this level of retention and consistency of play can only come by ensuring that players feel they receive value for money and by actively limiting the amount that is spent per session and per week.

*(Confidential information removed)* We would be happy to provide additional detailed evidence of the use of these and other measures we use to control spend and minimise harm.

Ultimately in my view the strongest piece of evidence of the effectiveness of our responsible gambling measures is the continued success of tombola. *(Confidential information removed)*

*Question 6: Is there anything further that should be considered to improve social responsibility measures across the industry? Please provide evidence to support this position.*

I believe the industry has made great strides in improving its performance with regards to responsible gambling but until recently this has come from operators working independently of each other. We have begun to benchmark each other's work and the Socially Responsible Operator of the Year award has been hard fought with seven or eight operators shortlisted each year, and with written and in person presentations judged by a panel of industry experts. At tombola we have taken this opportunity very seriously using it internally as a driver for creativity and action. I have made each presentation for the award personally and we're all very proud of winning it twice. We see it as recognition of an anchor value for the company.

We have also participated in other collective discussions between operators on this subject across the remote gaming group but also with the broader gambling industry. I feel that this is where we could see some real additional value in the future, sharing best practice and the results of individual innovation.

The remote gaming group supported by the RGA are investing in a national self-exclusion scheme (NOSES). We are a keen supporter of this project and are part of an initial group of operators that have helped to finance the scheme.

Of the measures that we take, one that we would recommend that other operators deploy would be to let players lock their deposit limits for longer than 24 hours. This was a feature that had been initially requested by some of our players who felt it was too easy to increase the limit and just wait 24 hours.

*Question 7: Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from possible harmful impact of gambling advertising?*

In November 2016 the Gambling Commission published the report Young People and Gambling 2016.

<http://www.gamblingcommission.gov.uk/pdf/Young-people-and-gambling-2016.pdf>

The report highlighted that the claimed rate of gambling in 11 to 15 year olds had “remained relatively static over time”. Since 2007 the rate of those who claimed to have gambled in the last seven days had declined from 22% to 16% but since 2013 had remained in a tight range between 15% and 17%. Most of this decline appears to have come from a reduction in claimed play of a National Lottery game. 1% claimed to have gambled online in the preceding week. The report didn’t break down the type of online game played so we don’t know if any respondents had played online bingo.

The proportion of 12-15 year olds classified as “problem” gamblers had “remained low” according to the report, at 0.4% (compared to 0.6% in the 2015 study), with a further 1.6% as “at risk” (compared to 1.2% in 2015).

The report also looked at the impact of seeing gambling advertisements on young people. Even though 75% had said they had ever seen gambling advertisements on television, based on the claims of respondents, the researchers found “little evidence of a direct influence on gambling activity”.

At tombola we invest a large proportion of our marketing budget on television advertising (*Confidential information removed*). We adhere to the Industry Code of Socially Responsible Advertising and we have taken additional steps of our own. Some of the key measures are:

- The advertisements never appear during programming aimed at children
- They carry messaging promoting responsible play
- They don’t reference other gambling products that would need to appear post water-shed
- They contain links to gambleaware.co.uk and over 18 messaging
- Anyone featured in our advertising must be 25 years old or over
- tombola has not had sign up offers on our per-watershed advertising since July 2014 when it was first suggested that this might form part of the revised code
- tombola unilaterally decided not to use sign up offers on any of our television advertising even post 9 pm and this has also been the case also since July 2014

For many years tombola’s advertising has featured real players having fun together. We audition a hundred or so players who apply from the site and twenty-five are invited to a series of events over two or three days. The three current ads, feature our own bake-off, a day “glamping” and an evening bowling. In the last couple of years we have illustrated some of tombola’s bingo games as floating 3D images embedded in the scenes. Although we will occasionally mention game features, new game launches and promotions, the overall effect is much more about brand values than a call to action. We want the audience to realise that the players are at the centre of our brand proposition.

Glamping Ad

<https://www.youtube.com/watch?v=QU0awkWefDo>

This was the 30 second launch ad of our most recent campaign

Bowling

[https://www.youtube.com/watch?v=LQ0aqb\\_FETY](https://www.youtube.com/watch?v=LQ0aqb_FETY)

This ad highlights one of the unique bingo games on tombola Bingo 50

Bingo Lite ad

[https://www.youtube.com/watch?v=yZLHTYg\\_p4k](https://www.youtube.com/watch?v=yZLHTYg_p4k)

This is set at the bake off again but highlights how cheaper Bingo Lite with tickets from 2p and also proudly mentions our award for Social Responsibility

tombola's bingo operation is at the softer end of the gambling spectrum (*Confidential information removed*). Like traditional bingo clubs it's as much about community as it is about the game. Our advertising reflects this position well.

## Summary

The freedom to advertise our bingo site and app before 9pm has played an important part in the growth of the tombola business. It lets us reach more of our core audience in a more cost effective way and as an Internet-only brand it has allowed us to compete on equal terms with operators with a large real estate presence such as Gala and Mecca and with big media brands such as Sun Bingo and Sky Bingo.

However we see this freedom as a privilege that we don't take lightly. So our advertising has always been more about people having fun together rather than "win win win". Our advertising encourages people to join and play with tombola and our responsible gambling approach helps give them a safe, fun and value for money experience so that they keep coming back.

At tombola we feel that we are financially successful not in spite of our approach to responsible gambling but because of it.

Yours faithfully,

Phil Cronin  
Chief Executive  
tombola ltd