

## **Gambling marketing, advertising and fair and open terms**

### **Gambling Commission**

**RPC rating: validated**

#### **Description of proposal**

The proposals introduced new or revised provisions within the License Conditions and Codes of Practice (LCCP) set by the Gambling Commission. These changes related to provisions under the following three thematic headings:

1. The fairness and openness of gambling terms and conditions;
2. Fair and open marketing and advertising; and
3. Marketing in proximity to social responsibility messaging.

#### **Impacts of proposal**

The BIT assessment states that changes to provisions under '*the fairness and openness of gambling terms and conditions*' were necessary to take into account forthcoming changes to consumer rights legislation. The assessment explains that gambling operators would only incur costs in complying with these changes if they were non-compliant with the consumer rights legislation. Based on consultation with stakeholders, the assessment also identifies a benefit to operators from having to notify customers only about 'material' changes to their terms and conditions.

With regard to changes to provisions under '*fair and open marketing and advertising*', the assessment explains that these amendments were intended to provide a sharper focus on existing rules and updated guidance (from advertising regulators such as the Committee of Advertising), thereby affecting only those licensees who were not complying with existing requirements.

A new provision was introduced under the third LCCP heading to prevent gambling advertising from appearing on primary webpages that provide information on responsible gambling. This was an 'ordinary code provision' setting out good practice rather than a mandatory license condition. The assessment explains that the impact on gambling operators of this addition was limited, as instances of online marketing appearing next to such information were not widespread and could in any case be rectified '*in a matter of seconds*' (page 4).

The assessment also monetises a familiarisation cost to gambling operators as a result of the LCCP amendments. This assumes that one manager from each operator reads the changes relevant to their licence type, as directed by the LCCP website. The assessment breaks down each amendment by the number of affected

operators and the length of the additional text to estimate that this one-off cost would amount to £6,000 when using an uprated hourly wage rate of a professional.

## Quality of submission

The regulator has provided a proportionate level of evidence for the RPC to be able to validate an equivalent annual net direct cost to business of zero. The assessment has estimated small familiarisation costs resulting from the LCCP changes, and has explained that the amendments either impose no additional burden on compliant businesses or are not mandatory. However, there are areas where the BIT assessment could be improved.

While instances of online marketing in proximity to responsible gambling information were not expected to be commonplace, the assessment would benefit from further consideration of how many gambling operators would have chosen to resolve this issue already, in order to give a clearer indication of the scale of this cost to business. The assessment could also be improved by attempting to quantify the reduction in regulatory burden resulting from the proposal as a result of the requirement for operators to notify customers only of material changes to terms and conditions. In doing so, the regulator could provide an indication of how 'material' changes are defined in practice, and how this definition supports the conclusion that '*...consumers will continue to benefit from high levels of protection...*' (page 6).

The regulator estimates familiarisation costs to gambling operators using the time it takes for each manager to read the relevant LCCP changes. The assessment would benefit from making an adjustment to this familiarisation time to allow for operators' understanding of the amended requirements.

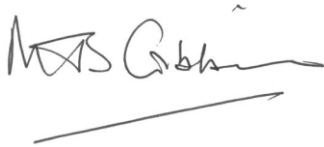
In addition, although the impacts of the proposal are negligible, the BIT assessment should still set out the information provided regarding the costs, benefits and duration of the measure in the summary tables.

## Departmental assessment

Classification	Qualifying regulatory provision
Equivalent annual net direct cost to business (EANDCB)	Zero
Business net present value	Zero

## RPC assessment<sup>i</sup>

Classification	Qualifying regulatory provision (IN)
EANDCB – RPC validated	Zero
Business impact target score	Zero
Small and micro business assessment	Not required (fast track low-cost regulation)



**Michael Gibbons CBE**, Chairman

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<sup>i</sup> For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000