

## Multi-operator self-exclusion; prevention of money laundering and terrorist financing; review of gambling management tools

### Gambling Commission

RPC rating: **validated**

This opinion covers three small measures; for each, a brief description of the change, its impacts and the quality of the submission is given in the table below. The equivalent annual net direct cost to business (EANDCB) of each measure is listed underneath.

Measure	Description	Impact	Quality of submission
Multi-operator self-exclusion (May 2015 and April 2016)	Self-exclusion is a facility whereby a customer enters a voluntary agreement to abstain from gambling with an operator. In 2015 GC introduced a requirement for all non-remote gambling operators to develop and participate in a multi-operator self-exclusion (MOSE) scheme, offering customers the ability to self-exclude from a particular	The assessment states that all non-remote operators in the betting, casino, bingo and adult gaming centre sectors are within scope of the measure, with the exception of those offering betting facilities on track premises. In total, approximately 900 businesses are affected. The regulator has identified transition costs of implementing the MOSE scheme, delivering training to staff and familiarisation with the new licence condition. Based on evidence from engagement with the trade associations for each sector, this aggregated one-off cost is estimated to be £1.9 million. The assessment also includes	The assessment provides sufficient evidence for the RPC to be able to validate an EANDCB of £1.1 million. The regulator has provided a helpful supporting note that breaks down each type of cost by sector, and sets out how each of its cost assumptions has been arrived at using trade association evidence. The assessment would benefit from clarifying when the

	sector using a single request.	on-going costs to gambling operators of paying an annual charge per premise to participate in the scheme, as well as carrying out administrative tasks or employing an extra member of staff to do so. In total, these on-going costs are estimated at £0.9 million per year. Combining this with the transition cost generates an EANDCB of £1.1 million.	requirement came into force, given that different dates are specified throughout the assessment.
Prevention of money laundering and terrorist financing (October 2016)	The Gambling Commission (GC) introduced a licence condition requiring gambling operators to conduct an assessment of money laundering risks to their business, and implement appropriate procedures to manage these in future.	The measure affects all non-remote operating licences in scope, along with remote operators based in the UK (equivalent to 2,270 licences in total). The assessment estimates total familiarisation costs of £1,300 to these businesses, based on an employee from each operator taking one minute to read the relevant sections of GC's website. The regulator has also identified the cost to gambling operators of completing initial risk assessments and reviewing these each year. Assuming that the time necessary to complete these exercises varies with the size of the operator, and having engaged with industry on this issue, total transition costs and on-going costs are estimated to be £1.05 million and £0.15 million,	The assessment provides sufficient evidence for the RPC to be able to validate an EANDCB of £0.3 million. The regulator has provided helpful supporting material that breaks down each type of cost for small, large and remote operators, and sets out how it has arrived at each of its cost assumptions. The regulator could have considered whether operators' annual review of money laundering risks may become less costly over time, as they become

		respectively. Aggregating these impacts generates an EANDCB of £0.3 million.	more familiar with the process. In addition, estimates of each type of cost should be included within the assessment itself, rather than only being provided as part of the supporting material.
Review of gambling management tools for remote gambling operators (October 2015 and April 2016)	In 2015-16, GC amended its requirements for a range of gambling management tools that remote operators must provide. This included an amendment to the setting of financial limits by customers, an introduction of 'reality checks' and 'time-out' facilities, and a change to 'auto-play' functionality to provide gamblers with greater control.	The assessment states that 90 operators are affected by the new requirements around financial limits and 'time-out' facilities. The former required businesses to make a minor amendment to existing functionality, allowing a customer to reconfirm their request to increase the amount of money they can deposit. The latter required the implementation of new software functionality, to enable an account to be frozen, though the assessment explains that many operators already offered this facility. The assessment states that the costs of introducing 'reality checks' and amending 'auto-play' functionality would have been more significant, but would only have affected approximately 30 remote operators. The regulator has estimated these one-off software development costs at £170,000 and £50,000, respectively. It also estimates total familiarisation costs of £220.	The assessment provides sufficient evidence for the RPC to be able to validate an EANDCB of zero. However, the assessment could have been improved by specifying how many businesses were already compliant with the 'time-out' requirements, and by considering the cost of training staff to provide customer advice regarding the new gambling management tools.

### Departmental assessment

Classification	All qualifying regulatory provisions
Equivalent annual net cost to business (EANCB)	£1.1 million (RPC-3718) £0.3 million (RPC-3719) £0.0 million (RPC-3720)
Business net present value	−£9.95 million (RPC-3718) −£2.34 million (RPC-3719) −£0.22 million (RPC-3720)

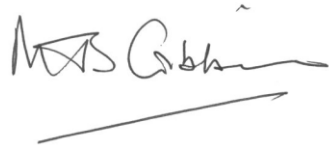
### RPC assessment

Classification	All qualifying regulatory provisions
EANCB – RPC validated <sup>1</sup>	£1.1 million (RPC-3718) £0.3 million (RPC-3719) £0.0 million (RPC-3720)
Business Impact Target (BIT) Score <sup>1</sup>	£5.5 million (RPC-3718) £1.5 million (RPC-3719) £0.0 million (RPC-3720)

<sup>1</sup> For reporting purposes, the RPC validates EANCB and BIT score figures to the nearest £100,000.

Opinion: EANDCB validation  
Origin: domestic  
RPC reference number: RPC-3718-DCMS-GC to RPC-3720-DCMS-GC  
Date of implementation: see table

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**Michael Gibbons CBE**, Chairman