

Restricting access to gambling by children and young people

Gambling Commission

RPC rating: validated

The BIT assessment is now fit for purpose as a result of the regulator's response to the RPC's initial review. As first submitted, the assessment was not fit for purpose.

Description of proposal

The proposal introduced or amended social responsibility code provisions in order to prevent young people from gambling with age-restricted products. These measures included making third party test purchasing compulsory for large operators, ensuring that the layout of gambling premises facilitated the prevention of underage gambling, increasing staff awareness of their responsibilities in relation to underage gambling, and amending the acceptable forms of ID for age verification.

Impacts of proposal

The assessment states that the requirement for businesses to conduct test purchasing affects all casinos, as well as other operators in fee category C or higher. Of these, 11 licence holders implemented a testing programme after the Gambling Commission's consultation in August 2014, covering 411 gambling premises. Based on the assumption that each premise is tested twice a year, and that the unit cost of these tests is £45, a total ongoing cost is estimated as £37,000. The regulator has used industry information from trade associations to inform this estimate.

The regulator states that the other measures affect all non-remote gambling operators (premises-based). With regard to the requirement related to supervision of customers on gambling premises, the assessment explains that some operators may have incurred one-off costs by creating an unobstructed view of customers entering the premises. However, as existing code provisions required businesses to monitor customer behaviour for signs of problem gambling, and to ensure that no self-excluded customers (customers who signed a voluntary agreement that they would not gamble for a specified period of time) were attempting to gamble, the assessment explains that operators should already have been taking necessary steps to supervise customers of all ages on their premises.

The regulator has also assessed the requirement for staff training to include ‘all the relevant prohibitions’ on underage gambling. The industry transition cost of updating training materials and the delivery of staff training is estimated to be £20,000. This has been calculated on the basis that it takes one member of staff 30 minutes to make these changes, across each of 1,145 licence holders.

The proposal also amended relevant code provisions, as a result of new government guidance, to specify that military identification cards may be used as proof of age in gambling premises. The assessment explains that this may create a small one-off cost for operators through amending staff training materials. While the regulator has not estimated this impact, it would appear to result from a previous regulatory change, as opposed to any subsequent amendment to the Gambling Commission’s code provisions. The last measure, to remove certain low frequency and small-prize lotteries from full scale age verification checks, creates a cost saving to remote society lottery operators (online non-profit lotteries). While the regulator has not estimated this impact on business, the assessment explains that only one operator in scope would benefit.

Aggregating these impacts with total familiarisation costs of £1,200 generates an equivalent annual net direct cost to business (EANDCB) of zero, when rounded to the nearest £0.1 million.

Quality of submission

The Department has provided a proportionate level of evidence for the RPC to be able to validate an EANDCB of zero. The regulator has provided a detailed description of each measure, alongside helpful supporting material that summarises the regulator’s assumptions and estimates.

As initially submitted, the assessment did not make clear how many gambling operators chose to implement voluntarily test purchasing programmes voluntarily. As many conducted testing between the Gambling Commission’s consultation and the changes coming into effect, compliance costs to these businesses were potentially overlooked. The revised assessment includes those costs incurred by operators after the consultation commenced, and provides evidence for how many implemented testing programmes after this date.

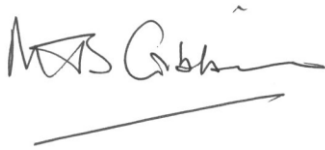
In addition, the initial submission did not adequately assess the requirement for staff training to cover all relevant prohibitions against underage gambling. The revised assessment estimates the impact of amending training materials and the delivery of staff training, including a breakdown of each assumption used for this calculation.

Departmental assessment

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

RPC assessmentⁱ

Classification	Qualifying regulatory provision
EANDCB – RPC validated	Zero
Business impact target score	Zero



Michael Gibbons CBE, Chairman

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