

Response from Lord Browne to the Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures

Q12. On the whole, do you support this package of measures to improve player protection measures for the online sector?

1. Yes, but I suggest some additional measures.

Self-exclusion

2. I lobbied for a “one-stop shop” approach for online gambling self-exclusion to be included in the Gambling (Licensing and Advertising) Bill in 2013-14. At Committee Stage, I argued that within two years of the Act coming into force, there should be a standardised system of self-exclusion for problem gamblers. At Report Stage, the Government announced that they were finally persuaded of the need for multi-operator self-exclusion, but explained that they did not want to implement it on a statutory basis. I was asked to withdraw my amendment on the basis that the Government had asked the Gambling Commission to introduce multi-operator self-exclusion and it would make substantial progress towards its realisation in the next six months. Mindful of the Government’s willingness to compromise, I decided to withdraw my amendment. In June 2017, it was finally announced that the Remote Gambling Association would run multi-operator self-exclusion (MOSES) for the Gambling Commission, and that it would be called GAMSTOP. I understand that it will be operating by March 2018 and I shall watch its implementation with interest.
3. I am very supportive of GAMSTOP and am grateful to have been able to discuss the challenges ahead with the Remote Gambling Association. However, for the many problem gamblers in such a growing part of the gambling industry, the delay in implementation will have had significant effects on their well-being. I am concerned that self-exclusion has not been taken seriously enough by the industry as evidenced by the 7.8 million fines imposed on gambling firm 888 in August 2017 after more than 7,000 people who had self-excluded were still able to access their account.ⁱ There have to be considerably more robust procedures for GAMSTOP than have so far appeared on individual websites.
4. There must be a well-funded promotion campaign so that all online gamblers know of GAMSTOP’s existence in an ongoing way.
5. I am aware that the current self-exclusion schemes run individually by each website will run side-by-side with GAMSTOP. I have raised concerns that a two-tier arrangement could undermine GAMSTOP. I welcome Lord Ashton’s commitment in his January 2018 letter (TO2018/00866/DC) that the Gambling Commission will monitor the

effectiveness of two-tier self-exclusion. I look forward to the outcomes of the further research by Gambleaware on the impact of GAMSTOP but, unless research indicates otherwise, I strongly recommend that once it has been implemented successfully, section 3.5.4 of the Licensing Codes of Practice, January 2017 should be merged with section 3.5.5 so that anyone who signs up for self-exclusion will have their exclusion automatically applied to all online gambling websites.

Tipsters

6. I note that section 1.1.2 of the Codes of Practice requires licensed websites to ensure that any third parties (i.e. tipsters and affiliates) *“to conduct themselves in so far as they carry out activities on behalf of the licensee as if they were bound by the same licence conditions and subject to the same codes of practice as the licensee”*. This implies that tipsters should not be in contact with anyone who has self-excluded but I am concerned about the enforceability of this provision, especially in the light of social media. Lord Ashton’s January letter recognises that *“it is more difficult to shield self-excluded customers from blanket advertising on TV, in the press and on social media”*. I welcome the statement in Lord Ashton’s letter and in para 5.80 of the Consultation that GambleAware and the Commission are working to *“encourage the main social media platforms to develop user-friendly guides on how a person wishing to limit their exposure to gambling advertising can do so by using settings and preferences within the platforms.”* Given the current focus on social media, **I recommend that such a requirement be included in the Social Media Code of Practice that is being drawn up under the Internet Safety Strategy.**

Other policy changes to help adult problem gamblers

7. I strongly recommend that all Gambling Commission licensed websites should not accept **account top-ups from credit cards, only debit cards, and that gambling websites should not take payments between midnight and 6am.** These social responsibility measures should be part of the licensing conditions.

Q14. Do you agree that the Government should consider alternative options, including a mandatory levy, if industry does not provide adequate funding for RET?

8. Yes. On the question of a levy, the industry is supposed, by voluntary agreement, to contribute 0.1% of gross gambling yield to the charity GambleAware, which allocates the money to service providers that help problem gamblers, such as the Gordon Moody Association. In the last year, however, the industry failed to invest even 0.1% of gross gambling yield. It managed just £8 million, that is just 0.06% of gross yield. GambleAware has pointed out that this is completely inadequate. If there are 430,000 problem gamblers, it is fair to assume that at any one time at least 10% of them—43,000—will be looking for help. The £8 million, however, only enabled it to reach 8,000 people, thus falling short by some 35,000. Meanwhile, it left no money at all for investing in helping the 2 million at risk.

9. GambleAware has now called for the levy to be made statutory and suggests that it needs to be in the region of £45,000 per annum to address the present need. Professor Jim Orford, an expert in problem gambling, has suggested that rather than being calculated on the basis of 0.1% of gross gambling yield, the levy could be 0.8% to reflect the general problem gambling prevalence figure. In some ways, however, he points out that a more just approach would be to base the figure on the takings that come from problem gamblers, which, writing in 2012, computed to 14% of GGY and which would have come in at £780 million. I clarify that I am not suggesting that this should be the contribution from the industry but £8 million is grossly irresponsible. I remind the Government that in 2016, the Institute of Public Policy Research estimated the cost of problem gambling to the Government alone is up to £1.2bn a year.ⁱⁱ
10. I also note with great interest that ComRes polling from this past weekend shows that 66% of men (and 61% of both men and women) believe that the gambling industry should be required to pay to help problem gamblers at a greater rate than their voluntary contributions. This is a strong result which clearly demonstrates the action that this Government must now take. It is interesting that the question didn't mention that Parliament has already determined to give Ministers this power and that this is not a new proposal. Had it done so I suspect the results would have been even stronger. **The Government should use the levy regulation making powers that are available in the Gambling Act 2005 in short order.**

Yours sincerely,



Lord Browne of Belmont

23 January 2018

ⁱ <https://www.theguardian.com/society/2017/aug/31/gambling-firm-888-fined-online-bookmaker-problem-gamblers>

ⁱⁱ Cards on the table: The cost to government associated with people who are problem gamblers in Britain, IPPR, December 2016 <https://www.ippr.org/publications/cards-on-the-table>