

## GBG The Gambling Business Group

**Gambling Business Group Meeting Held on Thursday July 6<sup>th</sup> 2017 at 11.00am.**

**At the offices of TLT LLP, Gresham Street, London.**

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| In attendance;<br>Nick Harding - Chair<br>Peter Hannibal – GBG<br>Simon Levingston – RCPA<br>Andrew Cotton – Gordon Dadds<br>Jim O'Halloran – INGG<br>Susanna FitzGerald - OEC Law | Cont;<br>Tony Boulton – Project Games<br>David Lucas – Fraser Brown<br>Graham Glanfield – MOTO<br>Simon Reynolds – Coral Racing<br>Tez Field – William Hill<br>Andrew Tait – Gordon Dadds |
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1. NH welcomed everyone to the meeting & introductions were made.
2. Items brought forward from the previous meeting;
  - a. Point 2b; Issue relating to bingo equipment technical standards and transparency over testing. AC informed the meeting that the GC have now said that there is a 'carve out' of the technical standards for non-remote bingo. The remainder of the remote technical standards do apply.
  - b. Point 2c; Annual Assurance Statements – a template has now been issued to the high-impact operators. Expect a further review in the second year.
  - c. Point 2d; If Heather Wardle is unavailable to help with the analysis of the GC research results it was suggested that we try Mark Griffiths.
3. Gambling Expert Group. PH reiterated the background and objectives to the formulation of the Gambling Expert Group. The meeting was then taken through the issues tabled for the agenda to date as distributed with today's agenda;
  - a. Local Area Risk Assessments – AC has examples of poor understanding and delivery that could be used to help emphasise the point.
  - b. Licensing Authorities Gambling Policy 3 yearly updates. This is written in statute and make take some changing to 5 years, but the point was made that alcohol policies used to be three yearly too and got extended to 5.
  - c. SF suggested that the Expert Group be made aware of the Town & County Planning Associations review of the planning system.

- d. The issue with inconsistencies with inspection and inspectors was discussed and again AC has examples that could be used. Training was discussed as a potential solution but it was felt that whilst this would not be totally effective, it would be better than doing nothing. One of the issues is that some committees can go 18 months between sittings.
- e. It was noted that Neil McArthur, the GC's internal counsel is in favour of Expert Groups.

4. Government.

- a. 4<sup>th</sup> Anti Money Laundering Directive. Whilst HMT have opted to keep casinos only in AML regulations, there are new obligations on the Gambling Commission and in turn on the gambling industry to improve their preventions. New regulations laid before Parliament on June 22<sup>nd</sup> have already come into force. They include;
  - i. Requirements imposed on 'relevant persons'
  - ii. Formalising the Commission's obligations.
  - iii. Changes to the responsibilities of the compliance officer,
  - iv. All AML employees to be properly trained
- b. The EU's 'super risk assessment' still states that all gambling should come under AML regulation.
- c. The Gambling Commission are to carry out annual risk assessments on money laundering, the first by October 2017. The Commission are already concerned that some operators have not produced a risk assessment with enough depth and granularity.
- d. HMT and the Home Office are to carry out their own risk assessments in the next 12 months and then keep them up to date. This has to take into account the GC's Gambling Sector risk assessment.
- e. GC guidance now applies to all gambling sectors. This guidance will be amended following a short 4 week consultation.

5. The Gambling Review. The meeting shared knowledge and information relating to this on-going issue;

- a. Tracy Crouch has said in The House that October 2017 will be the earliest that the DCMS will respond to the call for evidence.
- b. There is a concern that there is an issue between the DCMS and the Treasury regarding the impact of any proposals on the government's financial predicament, which is most probably causing the delay.
- c. The 'normal' time expectations following an October publication of a response would be a 3 x month consultation, 2 x months for the DCMS to respond, 3 x month stand-still period for the EU. If the new regulations can be drafted during the stand-still period then there is a chance that any changes could be implemented in the summer of 2018, but that doesn't allow for delays caused by other pressures in the parliamentary timetable. The government also have some flexibility should they wish to shorten some/any of these timings.

6. Gambling Commission;

- a. The meeting was appraised of the content and tone of the recent Remote Sector meeting hosted by the Gambling Commission, including their use of an app that allows delegates to ask questions of the speakers and hosts.
- b. In the light of the Gambling Commission's recent response to the Consultation on changes to their enforcement strategy, there was a consensus that the consultation processes are becoming less and less transparent. In this case (along with previous examples), whilst there were 17 reported submissions, their sources are no longer listed in the GC response. So the meeting agreed that the GBG should pose the following questions;
  - i. Who responded?
  - ii. What did they actually say in their respective responses?

Simon Reynolds asked to be involved in this and the Games Features issue.

- c. Contactless payments. There is a meeting taking place with various GC officials on July 25<sup>th</sup> to exchange views on contactless pay via ATM and ATRs. Following this the GBG will finalise its white paper for general circulation. Once this method and process for using contactless technology has become accepted then the intention is to engage the DCMS in

discussions leading to the removal of the prohibition of debit card use with gaming machines. There is still a difference of opinion over whether cards can be blocked for self-exclusion purposes. There is a suggestion that the DCMS might be able to put pressure on the banking sector in this regard – PH to follow up.

- d. Machines Games Features. Whilst this issue is now on hold pending the DCMS response to the call for evidence, it still leaves the Industry in a position of uncertainty that prevents new games being developed without really understanding if they are compliant. Therefore, the GBG is looking into the full legal position and whether the GC is wrong with its current stance.
- e. NH & PH met with Sharon McNair at the end of May and most of which was discussed in the notes of this meeting however the following can also be reported;
  - i. Cat D machines and TiTO etc – GC are happy that they are relabelled as Cat C in over 18s premises and TiTO etc can then be applied.
  - ii. Sharon is leaving the Commission in September and a meeting has been arranged for Aug 3<sup>rd</sup> to meet with her replacement.
  - iii. Meetings will continue to happen 3 x times per year.

7. Machines Sub-group – matter for the attention of the GBG; The meeting discussed an issue raised in the last MSG meeting relating to the apparent direction of travel and the tone being used by the Responsible Gambling Strategy Board (RGSB), who as we know are totally funded by the Gambling Commission;

- a. The Industry is in favour and supports the objective to give consumers the tools to make informed choices about gambling, however;
- b. There is concern that in the RGSB's recent review of progress with their strategy they are using language that shows intent to prevent game features that they believe might cause harm.
- c. Statements such as 'problem gaming is costing up to £1.2bn' is unqualified. Where does this come from? It was proposed that the GBG should consider challenging this (SF also suggested that we might want to speak with Paul Chase of CPL who has tackled something similar with alcohol stats).

- d. Should the Industry start dialogue with government regarding the Gambling Commission and the RGSB taking on an assumed role of legislator. We are aware that the Commission are accountable to the SOS only – Karen Bradley. But the DCMS Select Committee also have some powers of authority.
- e. This extension of powers was then exemplified again with the apparent introduction of new language by the Commission with Licensing Authorities that the Industry should have ‘safeguarding’ responsibilities towards vulnerable adults. This new language is again unqualified and may have all sorts of legal implications. Similar incidents of GC officials suggesting that LAs should consider ‘crowds of young girls seen congregating outside an AGC’ as a risk that should be assessed. This is highly subjective and arguably irrelevant.

8. Responsible Gambling;

- a. It was reported in the Remote Sector meeting that Gamstop, the remote sector’s self-exclusion solution would be up and running for December. The meeting was informed that it will be starting to process SE data in September.
  - i. Operators will not be passing data to the scheme. It is a separate database that operators can interrogate in real time.
  - ii. Cost to build and deliver est £2m
  - iii. Annual cost to run est £2.5m
  - iv. Costs to be distributed amongst remote licensees similar to new GC Fees structure.
  - v. Call Credit are scoping the scheme, Wiggins doing the legal work and a Data Protection Impact Assessment has been commissioned.
- b. Points from PH meeting with Mark Etches;
  - i. The change in ratio of Industry v non Industry Trustees on the GambleAware Board was discussed.
  - ii. The GBG asked ME if GambleAware would be supportive of naming & shaming non-payers of donations to RET. The answer was not a straightforward yes and there is a view that this may be because they support the imposition of a levy.

iii. ME did say that the reduction of Industry Trustees and the lack of Trade Briefings was to be replaced by a Industry Liaison Group, where GambleAware would be able to speak direct to Licence Holders (rather than through the Trade Associations). The GBG would be invited onto that group.

9. Date of next GBG conference call; Friday 22<sup>nd</sup> September 2017 at 11.00am