



House of Commons
Culture, Media and Sport
Committee

Gambling regulation: Government Response to the Committee's Second Report

**Sixth Special Report of Session
2023–24**

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The Culture, Media and Sport Committee

The Culture, Media and Sport Committee is appointed by the House of Commons to examine the expenditure, administration and policy of the Department for Culture, Media and Sport and its associated public bodies.

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Sixth Report

The Culture Media and Sport Committee published its Second Report of Session 2023–24, [Gambling regulation](#) (HC 176), on 21 December 2023. The Government response was received on 5 April 2024 and is appended below.

Appendix: Government Response

Introduction

1. HM Government welcomes the publication of the Culture, Media and Sport Select Committee's report on gambling regulation and the Government's white paper titled [High Stakes: Gambling Reform for the Digital Age](#). We are grateful to the Committee for undertaking its thorough and wide-ranging inquiry as well as to all those who provided evidence to the Committee. The Committee's work will help ensure that the right balance is struck between the freedom to enjoy gambling as a recreational activity and the need to protect people from harm.

2. This document sets out the government's response to the Select Committee's report. The Committee has highlighted a number of important matters for our attention as we implement the white paper. The structure of this paper corresponds to the conclusions and recommendations of the Committee's report and sets out how we intend to address the points raised in the Committee's conclusions and recommendations for the Government and Gambling Commission.

3. Since publishing the white paper, the Government has run three consultations on key proposals in the white paper; these relate to land-based gambling measures (consulted on July 2023 to October 2023), the statutory levy on gambling operators (consulted on October 2023 to December 2023) and stake limits for online slots (consulted on July 2023 to September 2023). The Government [response](#) to the online slots stake limit consultation was published on 23 February 2024. The remaining Government responses will be published shortly.

4. The Gambling Commission has also consulted on a number of measures, including gambling management tools, socially responsible incentives, direct marketing consents, online game design and financial risk checks. On 22 February 2024 the Gambling Commission provided an update on its proposals for financial risk checks, including the announcement of the pilot and data collection period for the enhanced financial risk assessments that will launch this summer.

IMPLEMENTATION AND GAMBLING WHITE PAPER

The Committee's recommendations:

- *It is welcome that the government and Gambling Commission are proceeding with the various consultations on the White Paper at pace, but delivering its main proposals by summer next year will be challenging and at risk from wider political events. We are concerned that no mention of gambling legislation was made in the*

King's Speech. In its response to this report, the government must set out a detailed timetable for the delivery of the White Paper's proposals, including when relevant primary legislation will be introduced to Parliament. (Paragraph 13)

- ***Though speed is a necessity, the government and Gambling Commission must ensure that the White Paper consultations are thorough and receive input from an appropriate range of stakeholders.*** (Paragraph 15)
- ***We welcome the forthcoming review of the Gambling Commission's fees and the proposal to give the Commission the power to adjust its own fees annually. These will be vital to ensure the regulator is properly resourced to implement the White Paper's reforms and respond to future developments in a rapidly developing online industry.*** (Paragraph 19)

5. The Government's white paper set out 62 specific policy proposals for the Government, the Gambling Commission, and the gambling industry to take forward in order to implement the reform of gambling regulation. As the Committee recognises, the Government and the Gambling Commission are working at pace to deliver the main proposals by summer 2024. The Government and the Gambling Commission are of the view that the new protections need to be in force quickly. This is why we took the decision to implement the proposals through a range of vehicles, including utilising existing powers, laying secondary legislation and encouraging industry-wide voluntary action. This enabled us and the Gambling Commission to enact reforms quickly rather than relying on parliamentary time for a Bill to cover all measures.

6. We agree with the Committee on the need for thorough consultations that receive input from the appropriate stakeholders. The Government and the Gambling Commission have both emphasised the importance of robust and meaningful consultations to inform policy decisions. These consultations have helped develop understanding of the impact of proposed changes, minimising the potential for legal challenges that would delay the implementation of our important reforms and support development of evaluation approaches.

7. Since the publication of the white paper in April 2023 the Government has consulted on three main areas: online slots stake limits; land-based measures; and the proposal for a statutory levy. The consultation for online slots received 98 responses to the consultation, including 46 individual respondents and 52 from organisations, including gambling operators, charities, parliamentary groups and local authorities. The consultation on measures affecting the land-based sector received 87 responses from a range of correspondents, including gambling operators and local authorities. The consultation for the statutory levy received 163 responses from a range of respondents, including gambling operators, clinicians, academics and charities. We have published our response to consultation for online slots and will publish the responses for land-based measures and the statutory levy in the coming weeks. We are working at pace to bring secondary legislation into force as soon as parliamentary time allows.

8. The Gambling Commission has published two tranches of consultations on a range of measures to which it committed as part of the Gambling Act Review and the white paper. The first tranche included financial vulnerability checks and risk assessments, consumer choice on direct marketing, age verification in gambling premises and online

game design. It received around 1,950 responses to the financial vulnerability and risk consultation, and 1,150 responses to the other consultations in this tranche. Its second round of consultations included socially responsible incentives, customer-led tools and transparency of customer fund protection. It received around 300 responses to these consultations.

9. The Gambling Commission has sought the views of a range of stakeholders and has proactively sought additional information in instances where they have identified a further need, for example, in requesting data from industry. The consultations have received input from a number of organisations and individuals, including: industry; recreational as well as both current and former professional bettors and gamblers; charities; devolved administrations; local and regional authorities; parliamentarians; academic researchers; people with lived experience of harm and affected others; and treatment providers. The Gambling Commission will publish its response to these consultations in due course, setting out the measures it will pursue for financial risk checks, age verification in gambling premises, remote game design and direct marketing and detail on how they will operate.

10. The process of consulting on the measures set out in the white paper has provided invaluable evidence to inform policy making. These consultations ensure that the measures are robust, proportionate, and in line with the white paper's objectives.

11. We welcome the Committee's endorsement of the white paper proposal to give the Gambling Commission the authority to set licence fees, and the Government will continue to work with the Gambling Commission to deliver reforms to its funding framework. A revised funding system will enable the Gambling Commission to adjust its fees on an annual basis where necessary, increasing or reducing fees as appropriate. This will ensure its overall income remains at the right level to respond to challenges, cover the cost of regulation and allocate those costs fairly between licensees, as is the case with other regulators. Consumers and the wider public will benefit from a regulator that is appropriately resourced to pursue the licensing objectives and which has the additional flexibility to meet the challenges posed by an evolving gambling market, illegal gambling and boundary-pushing products.

12. It is important to note that 14 measures in the white paper will require primary legislation to fully implement, although where possible, such as with our measures on the age limits for society lotteries and football pools, we are addressing through voluntary action ahead of legislation. In the absence of a standalone gambling bill, we have also used other primary legislation where relevant, such as the introduction of new powers for the Gambling Commission to tackle the black market. This is also covered in further detail in the next section.

THE BLACK MARKET

The Committee's recommendations:

- *We consider that while it will be important to monitor the size of the black market in response to greater regulation, more pertinent is the fact that, right now, a number of easily-accessible illegal sites are targeting some of those who have self-excluded from gambling. The proposed new power for the Gambling Commission to act against illegal operators is welcome, and the government must ensure legislation establishing this power is brought forward in this Parliamentary session. In response*

to this report, the government and Gambling Commission must set out how they will address the growing trend of unlicensed gambling sites targeting the self-excluded. (Paragraph 25)

- *While the black market is a risk the government and Gambling Commission must be mindful of, it should not deter appropriate regulation of the licensed sector. The debate about the threat posed by the black market partly stems from a lack of understanding about its size. The Gambling Commission must continue to work to improve its knowledge of the black market and its ability to monitor the number of British consumers gambling with illegal operators. The Commission should set out its plans to do so in response to this report.* (Paragraph 26)

13. The white paper set out the Government's intention to further tackle the illegal online gambling market or "black market". We recognise that illegal online gambling sites can pose a variety of risks to customers, including allowing access to those who have self-excluded from gambling through GAMSTOP, and the Committee rightly highlights this as a pertinent issue. As the Committee notes, we will introduce new powers for the Gambling Commission so it can more effectively take action against the illegal online gambling market through provisions set out in the Home Office's Criminal Justice Bill. The Bill was introduced in the House of Commons on 14 November 2023 and is currently at Commons Report stage. This will give increased powers to the Gambling Commission to support disruption and enforcement activity, such as to apply to a judge for court orders to enable the suspension of internet domain names and IP addresses, thereby blocking access to illegal gambling sites. We are aware that some illegal websites are targeted at people who experience significant harms from their gambling, such as self-excluded gamblers. The Gambling Commission has been working closely with internet search and service providers to do more to tackle unlicensed sites advertised as 'Not on GAMSTOP'. It has established a protocol for referring unlicensed websites or affiliate URLs to Google. Once referred, Google will remove the specific URL from search results. Engagement continues to identify what Google and other search engines can do to minimise or prevent broad search terms and promoted links, and almost 7,000 illegal sites have been delisted from Google search results as a result of this work.

14. It is important to note that while GAMSTOP is the principal means of online self-exclusion, there are a range of tools offered by other sectors and non-profit organisations to help consumers manage their gambling. Approximately 90% of UK current accounts from retail banks now offer opt-in gambling blocks which prevent card payments to gambling companies once activated. Similar tools are increasingly available from other payment providers like PayPal. Services such as Gamban and BetBlocker also allow consumers to block access to gambling apps and websites on internet devices. When used in conjunction with self-exclusion, payment and website blocks can add a further layer of protection for people recovering from gambling harm.

15. In addition to using robust regulatory or disruption tactics, we agree with the Committee that it is important to also understand and monitor the risks posed by illegal gambling operators. One of the Gambling Commission's three licensing objectives is to prevent gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime. In July 2023, the Gambling Commission published its '[Evidence Gaps and priorities 2023–2026](#)' paper. There are six themes in the project, one of which exclusively focuses on:

- a. understanding how gambling is linked to criminal activity
- b. understanding crime as a dimension of gambling-related harm
- c. improving our knowledge of the extent and impact of the unregulated market.

16. The Gambling Commission will continue to explore the most practical way of assessing the size and shape of the illegal gambling market and also research consumers' understanding and use of unlicensed illegal gambling operators.

ONLINE GAMBLING PROTECTIONS

The Committee's recommendations:

- *While we support the principle of financial risk checks, the government must ensure they are minimally intrusive, and that customers' financial data are properly protected. The government and the Gambling Commission must also establish what level of "friction" involved in these checks is acceptable for most online gambling customers. The Gambling Commission should oversee a pilot of the new system of checks before it is fully implemented. This should aim to determine customers' willingness to be subject to the checks, and whether they apply at suitable thresholds.* (Paragraph 36)
- *Financial risk checks will only be fully effective in preventing harm when they work across all online operators with whom a customer has an account. In its response to this report, the government and the Gambling Commission must set out progress in the work to develop a single customer view mechanism.* (Paragraph 37)
- *We support the White Paper's proposals to make online gambling products safer by design. Improving understanding of what affects products' risk of harm should be a priority, and government should keep its position on a safety testing regime under review in light of further research. In the short term, as part of its work on safer gambling messaging, we recommend that the government consider what point-of-sale information should be provided to customers about the risk of specific products and their design features.* (Paragraph 44)
- *The high degree of accessibility of online slots negates the additional protection provided by account-based play. Setting a limit for online slots at the same level as Category B gaming machines, at between £2 and £5, takes account of the risk of harm and will impact only around 1% of gamblers. We recommend that stake limits for online slots should match those for electronic gaming machines in land-based venues and not exceed £5.* (Paragraph 49)
- *We welcome further work on proactive tools. Operators should be compelled to proactively encourage customers to set online deposit limits. Where potential harm of financial vulnerability is indicated, online deposit limits should be mandatory.* (Paragraph 51)

17. We welcome the Committee's support of the principle of financial risk checks that are minimally intrusive and with appropriate data protection controls built in. We and the Gambling Commission are committed to a proportionate, frictionless system of financial risk checks, to protect those at risk of harm without over-regulating. This careful targeting

of interventions has been a guiding principle during the development of the proposed financial risk checks. We are seeking to protect those at the greatest risk of devastating and life-changing financial losses, and there is a clear need for specific requirements on online operators to prevent substantial unchecked spend. We recognise that this needs to be proportionate and we expect the Gambling Commission to publish its consultation response following its summer 2023 consultation in due course detailing how this will be achieved, including a commitment to undertaking a pilot for enhanced risk assessments.

18. The frictionless, light touch financial vulnerability checks will identify vulnerability such as where a customer is subject to a bankruptcy order or has a history of unpaid debts. They will focus solely on publicly available data and, following feedback through the consultation, will not require gambling businesses to consider an individual's personal details such as postcode or job title. Some larger operators already conduct similar checks for all customers at registration, and others do so at some point in the customer journey. Most of those checked will not be impacted unless serious concerns are raised and the operator takes some action to support that customer.

19. The threshold for these vulnerability checks will be set out by the Gambling Commission in its response. It has said in an update on its [website](#) that to ease the introduction of these checks they will initially come into force at a higher threshold, before reverting to a lower threshold later in the year to smooth implementation for consumers.

20. The enhanced financial risk assessments will only be carried out on the very highest spending online customers. They will be conducted frictionlessly for the vast majority of consumers using data sharing and will not come with blanket rules for operator interventions if there are no signs of harm.

21. In their blog post, the Gambling Commission confirmed that a pilot for enhanced risk assessments and data collection period will support final decisions on the way in which these assessments will be conducted. The pilot will enable the Gambling Commission to test the details of data-sharing in practice, and work with credit reference agencies and gambling businesses, to understand the impact on consumers and determine whether the policy will have any unintended consequences.

22. The pilot period is to be a pilot of how the data sharing works and will not impact customers, though businesses will of course be expected to continue to protect consumers by implementing their own existing consumer safety controls and remaining compliant with existing regulatory requirements. The pilot will allow the Gambling Commission to refine the data-sharing processes before the assessments are rolled out in a live environment. At the same time, we are working closely with the Gambling Commission and industry to bring about an interim solution that ensures a level of parity and consistency in how industry-led checks are applied, before our new frictionless financial risk checks come into force. Alongside the pilot, the Gambling Commission will continue to gather data which will inform the final thresholds and definitions of loss or spend for implementation following the pilot period.

23. On the so-called 'Single Customer View' we and the Gambling Commission agree with the Committee on the need for a system whereby gambling operators can share data on high-risk customers to protect customers from harm. The white paper referenced ongoing trials of a solution to allow sharing of high-risk player data between operators. This

industry-led pilot scheme (known as GamProtect) involves four of the largest gambling businesses and has been operating since February 2023. The initial focus is on sharing information between these businesses where customers have disclosed very serious markers of health-related harms. The first phase of the trial has recently been evaluated by KPMG and was rolled out to additional operators on 1 April 2024. The scheme will cover approximately 95% of the online market. Financial risk check thresholds will exist per operator, but further iterations of GamProtect will expand the system to consider customers who are showing other indicators of harm with one operator which might necessitate coordinated action with other operators. In this context, we would expect that when a risk of harm is identified, such as harmful binge spending, it is shared with operators so that a coordinated response can be taken to protect customers from harm. We expect industry to move at pace to progress these further phases and will continue to monitor developments to ensure it has the intended impact.

24. The white paper outlined proposals to make online gambling products safer by design and we welcome the support of the Committee on these proposals as we and the Gambling Commission progress with implementation. The Gambling Commission will soon publish its response to its summer 2023 consultation, which will include proposals for changes to remote game design. These new rules will strive to make online games intrinsically safer across the sector, but the Gambling Commission will continue to monitor the impact of any changes post-implementation, and could make further updates if needed.

25. We note the Committee's specific recommendation that point-of-sale information should be provided to customers about the risk of specific products and their design features. As part of the gambling act review, we considered proposals to assign risk ratings to different gambling products where each new game would be tested to appraise its potential to cause harm. Our work concluded that the existing models for measuring a product's riskiness are not sufficiently granular to provide meaningful insights and comparisons across the variety of online products.

26. Further, gambling harms arise from a combination of complex factors. Core product characteristics can influence harm, such as event frequency and features that increase the speed of play. But there are often other factors such as personal circumstances, level of expenditure, the number of activities gambled on and frequency and duration of play also contribute to harm. We therefore remain of the view that a set of design rules which apply to all games – those which are delivered through the Gambling Commission's remote technical standards and testing strategy – is more efficient than attempting to assess each of the thousands of games that are released every year individually.

27. Public health campaigns can be effective at raising awareness and reducing stigma associated with harm. However, efforts to change behaviours and reduce harm are likely to have more impact where messages are integrated and reinforced throughout the customer journey. Further, messages should be tailored to fit both where messaging is seen and the severity of harm that consumers may be experiencing or at risk of experiencing. This approach would not only reach consumers at risk of gambling harm, but also lead to more informed and empowered consumers overall, by improving the quality and accessibility of information and messaging and delivering this at the right time.

28. We agree that gambling messaging can and should be improved to better empower customers. The white paper outlined our commitment to develop systematic safer

gambling messaging, independent from industry, to maximise the information available to consumers and enable them to make informed decisions with a better understanding of the risks. The Department of Health and Social Care has initialised a review of the evidence around effective public health-led messaging, which will be the basis for joint work with the government and the Gambling Commission to develop a robust new approach to informational messaging throughout the user journey, including at the point-of-sale.

29. Regarding online slots, in February, we published our [response](#) to the consultation on maximum stake limits. Our response confirmed the introduction of a statutory maximum stake limit of £5 per spin for adults aged 25 and over and a statutory maximum stake limit of £2 per spin for young adults aged 18 to 24. These limits align with the limits of between £2 and £5 as recommended by the Committee and more closely align to those available in casinos. We believe these limits will achieve the government's stated objectives of reducing the risk of gambling-related harm, with a lower risk of unintended consequences and less disruption to the majority of gamblers who do not suffer harm. Following Parliamentary approval, these stake limits will take effect in September this year via new licence conditions set by the Secretary of State on remote gambling operators, which the Gambling Commission will then be responsible for enforcing. We expect there to be a minimum six week transition period for operators to introduce a £5 stake limit for all customers. We will then allow a further six weeks for the development of any necessary technical solutions before we expect the lower stake limit of £2 for young adults aged 18 to 24 to be in place. This phased approach gives acknowledgement to the development of any technical solutions by operators which may be required for age-based limits. Following this transition period, if operators are unable to develop solutions to adequately distinguish between customers who are 25 and over and those who are under 25, the expectation is that they will not be able to offer any customers stakes exceeding £2 per spin.

30. The Committee's report says that more should be done to improve customer-led tools and suggests that online deposit limits should be mandatory for customers showing signs of financial vulnerability. Customer-led tools may currently be underused and may not be widely optimised for harm prevention. The white paper outlined our intention to make such tools better for customers. The Gambling Commission recently consulted on proposals to ensure that the gambling industry optimises account-level tools to enable and empower consumers to maintain awareness and control over their gambling, in order to help all consumers that choose to gamble to do so in ways that work for them, focusing initially on measures to improve access to and effectiveness of customer-led pre-commitment tools such as financial limits. In developing the proposals, it sought to strike the right balance between consumer protection and consumer choice, and the proposals included:

- Removing pre-populated defaults, which can act as an anchor for decision-making and may lead towards customers being nudged to set higher limits than would be meaningful.
- Improving customer access to and engagement with information about account activity, to improve ongoing awareness and inform meaningful limits.
- Options to change the way tools are offered and presented to customers – either as default (with opt out) or mandatory for all new customers – and proposals to encourage existing customers to review their limits or set new limits.

- Improving consistency for consumers around the type of limits offered, which would require all operators to offer deposit limits, even if they offer limits such as spend or loss limits as well.

31. The Gambling Commission engaged with a number of interested stakeholders in developing these proposals and has received constructive and supportive input from the industry. It will be publishing its consultation response and final policy position on customer-led tools in due course.

CHILDREN AND YOUNG ADULTS

The Committee's recommendations:

- *Social casino products are the latest example of the convergence between video games and gambling. Though it has responded to the specific issue of loot boxes, the government must address this wider trend to ensure harms, particularly to children, are prevented. It will be more difficult to do so if gambling continues to be defined solely on the basis of whether a prize from a game can be cashed out. The government should review the case for banning children's access to social casino games.* (Paragraph 62)
- *We support the proposed introduction of enhanced online gambling protections for young adults aged 18–24. The government, Gambling Commission, and gambling operators must ensure these measures do not unintentionally lead to more adults in this age group giving a higher age at account-creation.* (Paragraph 65)

32. The Government pays close attention to novel and emergent forms of gambling and gambling-like products, including social casino games, to ensure that appropriate regulation is in place. The Committee has recognised our work with the video games industry to improve player protections with regards to loot boxes. We continue to work with the Gambling Commission to monitor areas where there is a potential blurring of lines between video games and gambling, and understand the risks posed. The Government is of the view that the ability to legitimately cash out rewards is an important distinction for gambling products. Where video games do amount to unlicensed gambling, the Gambling Commission has shown it will take strong action, for example by blocking payments and delisting websites. We recognise that social casino games may pose a risk to players, including children and young people, and we continue to monitor their impact. In 2023, we published the [Video Games Research Framework](#) to improve our understanding of the positive and negative impacts of video games.

33. We welcome the change that the Pan European Game Information (PEGI) age rating system introduced in 2020, which ensures newly released or significantly updated video games that simulate, encourage, teach, or glamourise gambling are automatically rated as 18. They must also include product descriptions to highlight the presence of simulated gambling or prominent gambling imagery.

34. The Games Rating Authority (GRA), the government's designated body for issuing PEGI age ratings for video games sold in the UK, has also manually checked the 700 most popular pre-2020 online-only products believed to involve simulated gambling and where appropriate has changed ratings to PEGI 18. PEGI ratings are required on all physical copies of video games sold in the UK and are also used by major consoles (Nintendo

Switch, PlayStation, Xbox) and digital storefronts including Google Play and the Microsoft Store. These standards are already notably stricter than those operated by many other international territories.

35. The Government welcomes the Committee's support for our introduction of enhanced online gambling protections for young adults aged 18 to 24. The Gambling Commission's licence conditions require online operators to verify the name, address, and date of birth of customers before allowing them to gamble. As such, if a customer tries to enter a falsified date of birth at account registration, the verification process should identify such an anomaly and prevent the account being opened. It is this knowledge that will then help to inform the protections that operators will put in place on the customer's account.

GAMBLING ADVERTISING

The Committee's recommendations:

- *There is an urgent need to better understand the effects of gambling advertising on the risk of harm. The evidence for a link between advertising and gambling harm currently appears much stronger than evidence indicating there is a risk of displacement to the black market if gambling advertising were restricted. The government must commission independent longitudinal research on the link between gambling advertising and the risk of gambling harm, including specifically for women and children.* (Paragraph 78)
- *While the existing evidence base does not show a causative link between gambling advertising and harm, it seems clear that advertising encourages participation in gambling and that this effect is more pronounced for children and those vulnerable to gambling harm. Though the White Paper's proposals regarding direct marketing and promotional offers are welcome, the government should have taken a more precautionary approach to gambling advertising in general—particularly to minimise children's exposure. We do not consider that a complete ban on gambling advertising would be appropriate, but this still leaves scope for further regulation beyond that proposed by the government.* (Paragraph 84)
- *The withdrawal of gambling sponsorship from the front of Premier League players' kit is welcome, but it will not significantly reduce the volume of gambling adverts visible during top-flight matches. The government must work with the Premier League and the governing bodies of other sports to ensure that the gambling sponsorship code of conduct contains provisions reducing the volume of gambling adverts in stadia. The Code should also require that a higher proportion of gambling advertising in stadia is dedicated to independently-developed safer gambling messaging.* (Paragraph 85)
- *The publication of the Code has been delayed repeatedly which is highly regrettable. The government should require the relevant sporting bodies to publish the Code, incorporating the committee's recommendations, without further undue delay.* (Paragraph 86)

36. While the Gambling Act confers on licensed operators the right to advertise legal gambling products in Great Britain, we absolutely recognise that gambling advertisements can have a disproportionate impact on those experiencing gambling harms. That is why we and the Gambling Commission are taking targeted action to ban aggressive practices

and ensure that advertising remains socially responsible. The Gambling Commission has recently consulted on proposals to ensure that incentives such as free bets and bonuses are constructed in a socially responsible manner and do not encourage excessive or harmful gambling. The Gambling Commission has also consulted on new rules to give consumers more control over the direct gambling marketing they wish to receive. The Gambling Survey for Great Britain (GSGB) will collect data on marketing and advertising on a regular basis, and the Commission will continue to monitor the evidence base. As part of the statutory levy, funding will be directed towards high-quality, independent research around gambling and gambling-related harms, which could include longitudinal studies and further advertising related research (further detail at paragraph 57). The government will continue to monitor the evidence base around the impact of gambling advertising on gambling behaviours and if there is further evidence of negative impacts, then the Government will take appropriate action, working closely with the Gambling Commission, the Committee of Advertising Practice (CAP) and the Advertising Standards Agency (ASA) to ensure the advertising regulation regime is fit for purpose.

37. We welcome the Committee's support for the Government's proposals regarding direct marketing and promotional offers. We nonetheless recognise that we must ensure children are protected from the potential impact of gambling advertising, wherever it appears. Children's exposure to gambling advertising on broadcast television is declining, as referenced in the [ASA's report published in 2022](#), and the industry 'whistle-to-whistle' ban introduced in 2019, which bans sports betting advertising during pre-watershed live sports broadcasts lasting from five minutes before to five minutes after the event itself. This has cut the number of pre-9pm betting adverts to around a quarter of their previous level, and reduced exposure by over half for children. Additionally, guidance published by CAP and the BCAP makes clear that gambling adverts must not appear in media created for children or for which children make up 25% or more of the audience. However, we acknowledge that some forms of online advertising have an appeal to children and that is why CAP has strengthened restrictions on gambling adverts, banning content in adverts which may have strong appeal to children such as celebrities or sports people, thus breaking the link between stars popular amongst children and gambling brands.

38. Since the publication of the white paper, we have also worked with industry to implement a range of further protections on online advertising. This includes an expansion of the industry's advertising code. This saw the Betting and Gaming Council's (BGC) previous commitment of at least 20% of TV and radio advertising space being dedicated to safer gambling messaging extended to 20% across all advertising space, including online and digital media. The BGC Code also includes a requirement that sponsored/paid-for digital media advertisements must be targeted to consumers aged 25+, where digital media platforms provide a 25+ age filter. This adds an additional level of assurance around the age of consumers, even where operators do not hold any first party data about the consumers targeted, thus further limiting children's exposure to gambling ads online. Inclusion in the Gambling Industry Code for Socially Responsible Advertising will help ensure all operators abide by the commitment as it has ordinary code status and compliance can be considered in regulatory action by the Gambling Commission.

39. We welcome the Committee's support for the withdrawal of gambling sponsorship from the front of Premier League players' shirts, breaking the direct association between gambling brands and popular players. The cross-sport gambling sponsorship code of

conduct will guarantee a robust minimum standard on gambling sponsorship across all sports, ensuring that when gambling sponsorship does appear, it is done so in a socially responsible way. The Code will stipulate that a proportion of in-stadia sponsorship inventory will be used for dedicated safer gambling messaging.

40. As announced by the Minister for Sport, Gambling and Civil Society, the Rt Hon Stuart Andrew MP, on 13 March, the cross-sport gambling sponsorship Code of Conduct has been finalised and binds domestic sports governing bodies to four core principles: reinvestment into sport, maintaining sport integrity, protecting children and other vulnerable people, and ensuring socially responsible promotion. Across these principles, the gambling sponsorship Code sets out the minimum standards for gambling sponsorship which will apply across all sports. We of course recognise that commercial arrangements and fan bases differ between sports which is why individual sports governing bodies will publish bespoke sponsorships codes tailored appropriately for the environment in which they are being implemented. However, the Premier League and English Football League intend to have their arrangements in place ahead of the next season.

LAND-BASED GAMBLING

The Committee's recommendations:

- *We support the introduction of cashless payments for electronic gaming machines, provided they are subject to an equivalent level of friction to cash payments. We recommend that customers who prefer to pay on electronic gaming machines using cash should continue to be able to do so on all machines following any introduction of cashless payments.* (Paragraph 97)
- *The accessibility of online gambling means that some of the supply-level restrictions on the land-based sector are less relevant than when the Gambling Act 2005 was passed. The Committee therefore considers that the White Paper's proposed reforms to modernise land-based gambling are appropriate. However, in its response to this report, the government must set out how it and the Gambling Commission will be monitoring the impact of these changes, particularly the increased availability of Category B gaming machines in high street venues, on the risk of gambling harm.* (Paragraph 100)
- *We welcome the proposal to allow local authorities to use cumulative impact assessments (CIAs) in handling gambling premise licence applications. The government must ensure councils are given guidance on how CIAs can be applied to gambling premises. It must also ensure this new power is reviewed during the next Parliament to ensure it is having the intended effect.* (Paragraph 103)
- *The government must ensure that the new settlement arising from the review of the Horserace Betting Levy mitigates the impact of the White Paper's reforms on the racing industry and ensures British racing's future. We support the proposal for a distinct approach to gambling sports sponsorship and advertising for horseracing and greyhound racing, given both sports' close and long-standing relationships with betting.* (Paragraph 108)

41. We will set out the Government's position in relation to our proposed land-based reforms, including on cashless payments, in our consultation response which will be published shortly.

42. We consulted on a range of player protections that could be put in place to support any relaxation of the rules around playing gaming machines with a debit card. This included a number of measures that would ensure that cashless payments are subject to an equivalent level of friction to cash payments. For example, the imposition of a minimum transaction time on cashless payments which would provide a break in play similar to that which a customer experiences when going to an ATM to take out cash before being able to deposit money onto a machine.

43. We will also not mandate that gaming machines accept a certain type of payment. Currently, machines can accept cash and other forms of indirect debit card payments, such as through tickets and mobile apps. However, which type of payment machines accept is not set out in the relevant rules. This position will not change, regardless of whether direct debit card payments can be made on gaming machines.

44. The Government will monitor the impact of the changes to the land-based sector, particularly the increased availability of Category B machines, in a number of ways. Firstly, we will use the regular cycle of statistics captured by the Gambling Commission to analyse these changes. For example, the annual Industry Statistics will provide us with the precise numbers of machines by category and venue, alongside the associated Gross Gambling Yield. We will be able to use these statistics to understand how the land-based sector is evolving following the implementation of our proposed changes.

45. In addition, we have already started to collect some in-depth data from industry to understand more precisely how people play on different types of machines. We have been able to gather information on things such as the average length of sessions by machines and the average stake. This data has given us a snapshot into the behaviour of players on certain types of machines in certain venues. We plan on asking industry for this data on a regular basis so that we can understand whether our changes are altering the way people are playing on machines, using metrics such as session time and session spend. We will also work with industry to understand which parts of this data can be published. We have included some of it in our response to the consultation, but its use has been limited by the commercial sensitivity of the data and the small number of machine manufacturers in the market.

46. The Gambling Commission's regular programme of stakeholder engagement and compliance assessments will allow it to monitor licensee's response to, and compliance with, the changes to the regulatory framework for land-based gambling.

47. We agree that local authorities should be given guidance on how cumulative impact assessments (CIAs) can be used for gambling premises. As set out in the white paper, we hope that local authorities will benefit from CIAs, in part because they are familiar with them from alcohol licensing and in part because it explicitly allows them to consider the cumulative impact of gambling premises in a particular area. Subject to parliamentary time, the introduction of CIAs through primary legislation would also prompt the Gambling Commission to amend its guidance to licensing authorities to which they must have regard. This guidance forms an important part of the arrangements set out in

the Gambling Act 2005, whereby the Gambling Commission is the dedicated regulator for gambling at a national level and licensing authorities (including licensing boards in Scotland) are the regulator at the local level.

48. On horseracing, the Government recognises the significant contribution that racing makes to British sporting culture and its particular importance to the British rural economy. We have commenced the review of the Horserace Betting Levy, which we are required to undertake by April 2024, and will take account of the changes set out in the Gambling Act Review white paper to ensure the levy delivers an appropriate level of funding for the horseracing sector. Changes to the levy would require legislation and we are exploring legislative options. However we believe a voluntary agreement is in the best interests of the sector in the first instance. We are looking at all options and encouraging racing and betting to work together in the best interests of the sport. Reaching a mutual agreement on the way forward for the levy would be beneficial to everyone. The review will also take into account other changes such as the recently-announced 2024 Fixture List, which industry modelling projects will deliver an estimated £90 million improvement to British racing's finances over a five-year period from 2024 to 2028.

49. The white paper noted that separate measures will apply to horse racing and greyhound racing due to the specific and long-established nature of the sectors' relationships with gambling operators. The BHA are signed up to the principles of the sponsorship Code and are developing bespoke provisions for British Horseracing.

GAMBLING RESEARCH, PREVENTION AND TREATMENT

The Committee's recommendations:

- *We reaffirm our recommendation for the government to set out a timetable for the delivery of each of the White Paper's main proposals, including implementation of the statutory levy, in response to this report. The government should set out how it will minimise disruption to services currently funded under the voluntary system during the transition to the statutory levy.* (Paragraph 113)
- *We support the proposed structure of the statutory levy. This gives due consideration to the higher overhead costs of land-based operators and the lower rates of problem gambling associated with the sector as a whole, while also ensuring a substantial uplift in funding available for gambling research, prevention and treatment.* (Paragraph 116)
- *We support the proposed governance structure for the statutory levy. However, the government must ensure that levy funds are clearly ringfenced for the purposes of understanding, preventing, and treating gambling harm. It must also use the levy to improve the integration of gambling treatment services across the NHS and third sector. To these ends, we consider that a new national strategy for reducing gambling harms will be warranted. Following the implementation of the statutory levy, the Levy Board should develop a new national strategy to reduce gambling harms. This strategy should include clear, measurable targets for harm reduction over a defined period.* (Paragraph 121)
- *We recognise that much of the data relating to gambling is contested, misapplied, or entirely absent, and welcome that actions from the government's White Paper and*

changes to the Gambling Commission will mean that more research evidence can be commissioned. It is vital that any such research is accurate, representative, and understood. (Paragraph 125)

- *We recommend that the government and the Gambling Commission should work with UKRI to explore how a study similar to the Patterns of Play research could be conducted on a regular basis.* (Paragraph 126)
- *Alongside its new gambling survey, the Gambling Commission should publish clear guidance about the interpretation of official gambling statistics.* (Paragraph 127)
- *We welcome that the government's suicide prevention strategy for England recognises the role harmful gambling can play in suicide risk. In its response to this report, the government should provide us with a clear action plan on what it and the Gambling Commission will do to continue to develop understanding of the relationship between gambling and suicide.* (Paragraph 130)

50. The Government welcomes the Committee's support for the proposed structure and governance of the statutory levy. As we set out in the consultation, we believe that the statutory levy should aim to provide independent, sustainable funding for research, prevention (broadening out the existing education strand) and treatment, ensuring that it is directed where it is needed most without disproportionately impacting the sustainability of gambling businesses.

51. It is essential for the Government that there is minimal disruption to service provision in the transition period to the statutory levy being in force. In August 2023, the Gambling Commission approved the transfer of around £32 million in regulatory settlement funds to GambleAware in accordance with its Statement of Principles. GambleAware's regulatory settlement-funded provision includes the creation of a system stabilisation fund to provide financial support to manage disruption among organisations in the system of gambling harm prevention, support and treatment across England, Scotland and Wales during the transition period to the statutory levy. Further details of commissioning and evaluation plans are available from [GambleAware](#).

52. As part of the regulatory settlement, funds will also be made available to further accelerate GambleAware's commissioning plans in relation to reducing disparities in outcomes, experience and access; developing an integrated system; improving access through digital transformation; and research. The government and the Gambling Commission expect operators to continue to make annual financial contributions as required by the Licence Conditions and Codes of Practice until the statutory levy is in force. The Gambling Commission has consulted on removing this requirement once the statutory levy is created, as it is likely that the [LCCP RET list](#) will no longer be relevant or needed.

53. It is a priority for the Government that the statutory levy system delivers improved transparency for funding directed to RPT while avoiding the creation of arrangements which are overly burdensome or convoluted. As such, governance arrangements will play a key role in future funding arrangements and we will ensure that governance structures and processes deliver on our aims to guarantee the levy system remains in line with the

statutory framework. It is a priority for us to provide sufficient and effective government oversight, and ensure that the priorities for the distribution of levy funding are led by an ongoing assessment of the evidence of what works and where funding is needed most.

54. [Section 123](#) of the Gambling Act 2005 is clear that the levy will fund projects related to (a) addiction to gambling, (b) other forms of harm or exploitation associated with gambling, or (c) any of the licensing objectives. The Gambling Commission will collect the levy. Such projects may be undertaken, with the consent of the Treasury and of the Secretary of State, either by the Gambling Commission itself and/or through the provision of financial assistance to other bodies (including other public sector bodies) who are undertaking projects connected to the purposes above. As such, the levy is statutorily ring fenced for specified gambling-related purposes and we propose that funding is used, under the strategic direction of the government, for projects and services in line with the statutory framework.

55. However, given the statutory purposes for which levy funding can be used are broadly conceived, it is important to allocate funding in a way which minimises disruption and aligns with projects and services currently being delivered to tackle and treat gambling-related harms, which we want to improve and expand in the future. As such, we propose levy funding will be directed to the more specific categories of research, prevention and treatment, in line with the statutory framework and agreed with the Gambling Commission, to make the most effective and impactful use of the available funding. Further, the legislation sets out a clear enforcement regime for the levy. Section 123 also states that the levy is to be administered by the Gambling Commission and provides that a failure to pay the levy will be enforced in the same way that a failure to pay the annual licence fee is enforced; i.e. through revocation of the operating licence. We have also always been clear the industry will have no say over the distribution of funding to put the independence of the system beyond doubt.

56. This guarantee of independence supports our aim to improve the integration (and level of access) of treatment services across the NHS and the third sector. Based on the Health Survey for England, the number of people experiencing 'problem gambling' is between 155,907 and 335,361. The latest available data for Great Britain is from 2016 which estimated between 250,000 and 460,000 adults were classified as 'problem gamblers'. While we do not have official statistics on treatment access given the lack of integration between statutory and third sector-delivered treatment, the evidence shows that treatment access among those experiencing 'problem gambling' is low, and likely significantly lower than for alcohol and drug abuse, where [18% of dependent drinkers](#), and [47% of opiate and crack cocaine users](#) are in treatment.

57. The levy will allow the development of an integrated and comprehensive treatment system across Great Britain in the coming years to ensure there are established referral pathways between NHS and third sector provided services, so that we have a 'no wrong door' approach for those experiencing gambling harms and that we can ensure those who need treatment are able to access it earlier in their journey. Separately, the National Institute for Care Excellence (NICE) is developing clinical guidelines to support the identification, assessment and management of harmful gambling to ensure clear and robust standards are in place for the treatment of gambling-related harms.

58. The Government also welcomes the Committee's call for measurable targets for harm reduction. As set out in the government's public consultation on the statutory levy, we are clear that the levy represents a significant transformation for the RPT system and will no doubt evolve over time as evidence of the needs of the public and demands on the system become clearer. However, it is important that the government has clear strategic objectives from the outset to guide the new system in which existing arrangements are improved and expanded in order to reduce gambling-related harms across Britain. We are currently analysing the best available evidence, including all responses received through the consultation, to set appropriate objectives against which the impact of the statutory levy can be monitored. We also intend for the structure of the system to be reviewed at least every five years and if necessary adjusted to ensure that the rates charged, target sum raised and distribution of funds are appropriate for achieving our aims to understand, tackle and treat gambling-related harms.

59. We welcome the Committee's support for the Government's proposal to increase investment in gambling research through the levy both by the Gambling Commission and UK Research and Innovation (UKRI) as the umbrella body for UK research councils. We recognise that action needs to be taken on gambling research. Between 2005 and 2021, [just 112 studies with a focus that included gambling were funded by UK Research Councils or the National Institute for Health Research \(NIHR\)](#) compared with [691 for alcohol](#). Evidence submitted to the Gambling Act Review suggested that just 6.6% of academic papers published containing empirical research on gambling behaviours and policies between April 2019 and March 2021 were from British-based researchers, and gambling as a research topic more broadly has a relatively low status.

60. We therefore want the levy to support the Gambling Commission to directly commission timely research, in line with its [Evidence Gaps and Priorities paper](#), to understand emerging issues. Further, to increase diversity and capacity in the wider research landscape on gambling, we have proposed the levy be used to establish a bespoke Research Programme on Gambling commissioned by UKRI. This will be a landmark step in supporting the government's efforts to ensure we have timely and high quality research, including on advertising, to inform policy and also to improve the status of gambling as a research field more broadly.

61. The Government will publish its response to the consultation on the statutory levy setting out final decisions in the coming weeks. We remain on track to introduce the levy via secondary legislation by this summer with levy funding flowing to organisations as soon as possible thereafter.

62. As part of the Gambling Commission's 2024–27 Corporate Strategy, the Gambling Commission will commit to a programme to make more effective use of data, investing in tools, technology and skills in a new data innovation hub. This will help the Gambling Commission to enhance its understanding of the gambling market and consumer behaviour, for example by acquiring operator data more regularly, in turn enabling it to make progress against its published paper on evidence gaps and priorities. It will also build a deeper and more robust understanding of gambling-related harm. Its data strategy also envisages longer-term aspirations of linking different data to achieve a fuller understanding of how the industry operates and how it impacts consumers and the wider public, and building a flexible, comprehensive, and longitudinal view of player risk.

63. The 'Patterns of Play' research provided new insights into consumers' gambling from a granular data set and was a key source of evidence for the Gambling Commission's advice to the government on the Gambling Act Review. It was a one-off dataset but highlighted the potential value in accessing similar data. The Gambling Commission is learning from that initial research and developing its approach to how it will collect data from operators in the future.
64. As part of its data programme, the Gambling Commission is exploring the acquisition of a regular feed of operator data which, in time, would enable it to obtain and analyse data like that underpinning the Patterns of Play work. The Gambling Commission will take an incremental approach to this work, beginning with manageable pilot projects and working with operators to develop practical and cost-effective data transfer, while also ensuring the risks associated with the handling of personal data have been addressed.
65. A regular data feed would help to form the building blocks enabling the Gambling Commission to obtain market and consumer insights akin to those in Patterns of Play, but on a more regular basis, which may enable it to publish insights more frequently than standalone academic studies.
66. The Gambling Commission has published the [first wave of data](#) from the Gambling Survey for Great Britain (GSGB) and has developed a new dedicated area on its website to house all of the GSGB data. It has completed user research on the development of the website area to make sure it is designed in a way that users find helpful.
67. There will be a number of technical documents that will be published alongside the data sets. This will include a [technical report](#) highlighting the strengths and limitations of the approach, a [statement](#) about why the Gambling Commission was confident to move from the experimental stage to official statistics and some information on the quality assurance it undertakes. The Gambling Commission will also outline which of the statistics from the survey are classed as official statistics and will provide information about how these statistics should be used.
68. We recognise that harmful gambling can wreck lives, impact families and communities, and even lead to suicide in extreme cases. The package of measures outlined in the gambling white paper will significantly increase protections with the aim of preventing harm.
69. As part of the government's Suicide Prevention Strategy Action Plan, there is a wide range of activity which the government and the Gambling Commission are taking forward to continue to develop our understanding of gambling-related harm. The Department for Health and Social Care, and the Gambling Commission are strengthening informational messaging, including on risks associated with gambling. Replacing industry ownership, this will consider information at the point of purchase and messages within advertising, and identify what messaging works for different contexts and audiences. As discussed above, the statutory levy will provide for increased investment in high-quality, independent research on gambling and gambling-related harm, which could include further studies on the relationship between gambling and suicide. The levy presents a crucial opportunity for both the government and the Gambling Commission to develop our understanding in this area and ensure the best available evidence is continually informing policy and regulation.

70. The Gambling Commission has approved funding through [regulatory settlements](#) to [Greo](#)¹ for a programme of research into gambling and death by suicide which is intended to support and inform the work of a range of partners and stakeholders.

71. It is important that wider research such as these examples are not conflated with the newly strengthened requirement on all gambling operators to notify the Gambling Commission if it knows or suspects that a person who has gambled with it has died by suicide, whether or not such suicide is known or suspected to be associated with gambling. The requirement, which came into force on 1 April 2024, will enable the Gambling Commission to assess whether regulatory intervention is required and help to inform its ongoing consideration of policy. The Gambling Commission does not and cannot use the information provided by gambling businesses to measure deaths by suicide associated with gambling or act as a proxy for such figures. This is because gambling operators will not always be aware when a person who has gambled with them has died by suicide and so the reported figures may not be complete, and also because the figures will not be able to tell us which deaths by suicide were associated with the customer's gambling, which is a highly complex assessment beyond the remit of gambling businesses and the Gambling Commission.

A GAMBLING OMBUDSMAN

The Committee's recommendations:

- *The intention to establish a gambling ombudsman is welcome. However, the government will not be in a position to judge the effectiveness of the new ombudsman until summer 2024 at the earliest, assuming the process of establishing it remains on track. With the limited time remaining in the current Parliament, it is highly unlikely that the government will then be able to legislate to create a statutory body if the industry-led ombudsman is not suitably effective or independent. The government and Gambling Commission must therefore ensure that the new body set up by the industry is fully independent and seen to be such by consumers. We recommend that the scope of the gambling ombudsman should include all disputes between gambling operators and their customers, replacing the existing gambling ADR providers.* (Paragraph 136)

72. The Government welcomes the Committee's support for a gambling ombudsman. As set out in the white paper, we are clear that we want customers to have further protections quickly. We are working at pace with industry and all stakeholders in the sector, including the Ombudsman Association, to ensure customers have access to an ombudsman that is fully operationally independent in line with Ombudsman Association standards, and is fully credible in the eyes of customers. It is important that the body adjudicates fairly and transparently all complaints where an operator is not able to resolve these and which currently cannot be resolved outside of the courts. We expect the information that the ombudsman collates through complaints will also help the Gambling Commission in planning its enforcement activity and help industry to provide invaluable data on customer experience and inform processes to support vulnerable customers.

1 Greo is an independent knowledge translation and exchange organisation with international experience in generating, synthesising, and mobilising research into action across the health and wellbeing sectors.

73. We want all licensed operators to provide access to the ombudsman to ensure all customers are protected equally. Subject to industry delivering a credible scheme, where the government and the Gambling Commission are satisfied with its scope and independence, we will explore how best to require that all licensees ensure their customers have effective access to the ombudsman for social responsibility complaints.

74. We remain clear that if this approach does not deliver as we expect, or shortcomings emerge regarding the ombudsman's remit, powers or relationship with industry, the government will actively explore the full range of options to legislate to create a statutory ombudsman.