

Briefing note on progress of designing and delivering the national online self-exclusion scheme

December 2016

1. Overview

- 1.1. Self-exclusion is widely accepted as an important harm minimisation tool for consumers who have recognised that they have a problem with their gambling or who wish for other reasons to exercise more control over it. For those with a problem, one of the principal benefits of self-exclusion is the acknowledgement by the individual that they are experiencing problems with their gambling and wish to take steps to address these problems.
- 1.2. The primary legislation governing the British gambling market is the Gambling Act 2005. Regulation is overseen by the British Gambling Commission (UKGC) and operators in Britain must adhere to the general licence conditions and associated code of practice provisions (LCCP).
- 1.3. Amendments to the social responsibility provisions in the LCCP were made in February 2015 and included under Code provision SR3.5.5 specific reference for all remote operators to participate in a national multi-operator self-exclusion scheme (NOSES).
- 1.4. In May 2015 the UKGC published a briefing paper setting out the purpose for the scheme and began a public procurement process to identify suppliers of technical services to set up and operate the solution.
- 1.5. In February 2016, the UKGC concluded that it was not the appropriate body to fulfil this function and in a letter sent to all licensed operators it was communicated that the trade association for online gambling operators, the Remote Gambling Association (RGA) would undertake the set up and operation of NOSES.
- 1.6. A project was set up to deliver NOSES in August 2016 with the first phase delivering a scoping study to determine the high level technical requirements for the scheme, the legal implications, the operational considerations and to provide a high level estimate of scheme costs. The phase concluded in October 2016 and the project moved in to Phase 2 in November 2016.

2. Background

Self-exclusion

- 2.1. The self-exclusion process is a two way agreement. Both the individual and the operator need to uphold their side of the arrangement: the operator to seek to prevent further gambling and the individual to not attempt to undertake gambling activities.
- 2.2. Self exclusion currently exists at the operator level with operators individually adhering to the LCCP.
- 2.3. The UKGC's priorities for self-exclusion schemes are that:
 - schemes must be effectively promoted so that consumers who may benefit are aware of the facility
 - they must be as straightforward as possible for someone who wishes to self-exclude to do so

- Operators must offer a reasonable prospect of being able to help suitably committed individuals stop gambling, by identifying and preventing them from doing so.
- 2.4. It is important that self-exclusion schemes are as effective as they can be for those who wish to abstain from gambling for a significant period of time. The process of it is one of a number of measures that can be taken to minimise harm and in many ways is an action of last resort.

Licence Conditions and Codes of Practice (LCCP)

- 2.5. The Gambling (Advertising and Licensing) Act 2014 requires all remote gambling operators who wish to provide gambling facilities to the British market to be licensed by the UKGC. The Act provides the framework for a national online self-exclusion scheme to be established as every operator is subject to the Commission's Licence Conditions and Codes of Practice (LCCP).
- 2.6. Amendments to the social responsibility provisions in the LCCP were made in February 2015 and included under Code provision SR3.5.5 all remote operators, operating under a UKGC license, must participate in a national multi-operator self-exclusion scheme (NOSES).

UKGC progress and RGA involvement

- 2.7. In May 2015 the UKGC produced a briefing note which set out the background to the national self-exclusion scheme and detailed the progress made to date through the involvement of the RGA and a selection of UK online operators through a series of Working Group sessions.
- 2.8. In February 2016 officials from the Commission and the Department of Culture, Media and Sport (DCMS) discussed the arrangements for delivering the NOSES scheme and concluded with the UKGC that the gambling industry is best placed to design, deliver and manage the scheme. The RGA agreed to take this work forward on behalf of the online sector with a delivery date by the end of 2017. The UKGC remains a key stakeholder in the process.

Project since RGA involvement

- 2.9. In August 2016 work commenced under the RGA to progress the design and delivery of the scheme. A high level scoping phase was undertaken with RGA members involved on the Steering Group and with broad industry engagement with the UKGC, the Responsible Gambling Strategy Board (RGSB), and Responsible Gambling Trust (RGT) and RGA members.
- 2.10. Phase 1 defined that the scheme will:
- Enable online gambling customers to self-exclude from all UK remote licensed gambling operators via a single interface (a dedicated website)
 - Signpost consumers to information about responsible gambling and where to obtain further advice and support
 - Cover consumers in Great Britain and Northern Ireland
 - Include online gambling only, and not telephone betting

- Offer national self-exclusion sign-up through the online channel only, with supporting telephony and web chat channels
- Offer a minimum self-exclusion period of 6 months, after which the customer will be self-excluded until they take a positive action to de-register themselves from the national scheme

2.11. Principles agreed by the industry are that the scheme should:

- Be accessible, secure, and easy to use providing a consistent and reliable self-exclusion experience
- Act as a reliable and accurate database through which to manage self-exclusion

3. Phase 1 Summary

3.1. In August 2016 the RGA commenced the NOSES project, with the project broken down into four phases:

- Phase 1 – High level scoping and business case
- Phase 2 – Detailed design and vendor selection
- Phase 3 – Build and Pilot
- Phase 4 – Refine and Rollout

3.2. The scope of Phase 1 was to determine the high level design requirements, customer considerations and operational impacts of delivering a scheme, it was supported by a high level business case.

3.3. There was significant engagement across the industry including from industry bodies, industry operators as well as regulators in other countries that operate national self-exclusion schemes.

3.4. Decisions on the projects direction were taken by the project Steering Group. Steering Group members include William Hill, Bet365, PaddyPower Betfair, Gala Cora, Sky Betting and Gaming, Ladbrokes, Gamesys, 888, Microgaming, Playtech, Tombola, Betway and Amaya. There were five Steering Group meetings in Phase 1 which worked through issues with the scheme and areas to be covered in the solution.

A high level summary of Phase 1 outputs is shown below:

3.5. Technology and Data

- High level technology, data and reporting requirements
- Solution gap analysis against the original UKGC paper
- Assessment of customer record matching options and recommendations
- Analysis of technology hosting architecture options
- Outline the request for proposal process for procuring services from a technology vendor to operate the scheme (the approach for Phase 2)

3.6. Customer & Business Operations

- NOSES service vision and design principles
- Customer and process requirements
- Balanced score card of KPIs and recommended service levels for NOSES

- Target organisation structure with estimated costs and resources for a new entity for the scheme
- Target governance arrangements

3.7. Legal

- Recommended legal structure for the new organisation
- Legal review of the competition law implications of the proposed operational model
- Recommended key items to be addressed in the Ts and Cs for self-excluders, and between the organisation and operators
- Legal review of contract law and data protection law implications of the proposed operation model

3.8. Business Case and Phase 2 Planning

- High level cost estimates for NOSES
- Overall programme approach and detailed Phase 2 plan

4. Technology

- 4.1. One of the most significant components that will determine the success of NOSES is the technology solution.
- 4.2. The work undertaken in Phase 1 will allow the RGA to initiate a technology vendor selection process to select a third party vendor to operate the NOSES scheme from a technology perspective. Requirements have been gathered from across the industry with specific technology working group sessions with Steering Group members.
- 4.3. Key outcomes from Phase 1 that relate to the technology solution are detailed below:

Requirements Gathering

- 4.4. High level technology requirements have been collated and agreed by RGA members, with additional input from the UKGC, GamCare and Responsible Gambling Trust. . The high level requirements cover data quality, technology infrastructure, data matching, operational processes and data security.
- 4.5. The key requirements are as follows:

It is worth noting that whilst broad consensus was reached on elements of the solution, the work done to date has been high level design, and we are providing the opportunity for solution providers to offer alternative solutions should they wish.

- Customers can only register with NOSES via an online system – there will be phone and online support available to assist customers but registrations will not be taken via these channels
- Record matching (i.e. Operator records versus the NOSES database) will be carried out by NOSES and a consistent matching algorithm will be used to ensure customers that have registered for self-exclusion cannot access online gaming facilities.

- NOSES customer registrations will need to be verified and authenticated upon sign-up, to maintain data quality and integrity, as well as ensuring that only legitimate customers are excluded
- The preferred technology solution will be determined by the outputs of the vendor selection process in Phase 2.

5. High level cost estimates

5.1. Phase 2 will allow refinement to initial cost estimates for the scheme, in particular the technology solution and the volumes expected to use the national scheme.

6. Phase Two Summary – detailed design

6.1. Phase 2 of the project commenced in November 2016. This is a four month phase with the objective to confirm detailed design parameters and to run the technology vendor selection process to select a technology vendor for NOSES.

6.2. A breakdown of outcomes from Phase 2 is shown below:

- Further industry engagement
- Business case refinement and an agreed cost allocation approach
- Technology vendor selection process
- Detailed customer journey mapping
- Operating model design and performance metrics
- Data and privacy regulation compliance
- Corporate law considerations
- Commercial law design including establishing the terms and conditions between the scheme and Operators
- Detailed implementation plan to delivery
- Implementation planning with operators

7. Impact on operators

7.1. There are a number of implications for operators to be aware of as the scheme progresses towards implementation and every effort will be made to flag these up to the wider industry as the picture becomes clearer.

Regulatory

7.2. Compliance with the NOSES scheme is a condition of the LCCP and relevant for all operators operating under a UKGC licence.

Technical integration

7.3. All operators will need to integrate with the technology solution so that gambling products and services are not offered to consumers who have self-excluded using the national self-exclusion scheme.

7.4. The technology solution is being determined by the operator community primarily through the project Steering Group which is made up of RGA member companies.

Legal

- 7.5. There will need to be a contractual arrangement between the entity that operates the scheme and each individual operator. There are likely to be two elements to the Operator T&Cs – those that are unlikely to change over time and those that are to be more flexible to take account of future technical changes. Each operator will need to sign the T&Cs with the scheme entity prior to taking part in the scheme.

Cost

- 7.6. There will be a cost associated to operators being part of the scheme. The approach for the allocation of cost will be defined through Phase 2 and will be proportionate to the size and complexity of operators, most likely linked to license category

8. How to find out more

- 8.1. If you have any questions regarding NOSES please contact Clive Hawkswood at the RGA on chawkswood@rga.eu.com