GAMBLING COMMISSION

Briefing note on the national online self-exclusion scheme

May 2015

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1.   Introduction

1.1   The Gambling Commission (the Commission) consultation *Proposed amendments to the social responsibility provisions in the licence conditions and codes of practice*, (social responsibility consultation) included a proposal to introduce a new social responsibility (SR) code that would require the majority of online gambling operators to participate in a national online self-exclusion scheme. After assessing views on this proposal, our responses document *Strengthening social responsibility* confirmed that we would introduce such a code and undertake a supplementary consultation.

1.2   We will be seeking views on the draft architecture of the scheme, its estimated cost and how the scheme would be managed and funded through this supplementary consultation in the summer. The consultation will be particularly relevant to all operators who will need to participate in the scheme (see paragraph 2.8), but also to those with an interest in the Commission's approach to online multi-operator self-exclusion.

1.3   The draft architecture of the scheme was developed by a working group established by the Commission and the Remote Gambling Association (RGA) to consider how such a scheme would work in practice. This was a technically challenging project that has involved the working group meeting twice a month since its establishment in June 2014. The working group consists of representatives of the following operators: Bet 365; Betfair; Paddy Power; SkyBet and William Hill. Coral Racing have acted as a critical friend to the working group.

1.4   In the meantime, pending the completion of the work on the full consultation paper, we are providing this update on progress with the development of the architecture of the scheme and its estimated costs.

2.   Background

Self-exclusion

2.1   Self-exclusion is widely accepted as an important harm minimisation tool for some people who have recognised that they have a problem with their gambling and have made a commitment to dealing with it and for others who wish to use measures such as this to better manage their gambling activities. One of the principal benefits of self-exclusion is the formal acknowledgement by the individual that they are experiencing problems with their gambling and wish to take steps to address these problems. The individual is expected to make a serious commitment to abide by their self-exclusion agreement. While the self-exclusion agreement confers responsibility on both the self-excluder and the operator, the onus remains on the individual not to breach their self-exclusion agreement.

2.2   The Commission's priorities for further improvements to self-exclusion schemes are that:
- schemes must be effectively promoted so that customers 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.

2.3   The Commission considers it 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. However, it is important to see self-exclusion in the context of a range of harm minimisation measures designed largely to reduce the risk of very serious gambling-related problems. In this sense self-exclusion is to some extent a last resort. The Commission is therefore anxious to maintain a focus on improving harm minimisation measures 'upstream' of self-exclusion, such as:

- improved provision of information to players, to help them make informed choices
- gambling management tools, to help customers manage their play, and
- effective customer interaction to identify players who are experiencing, or are at risk of harm, and to intervene to reduce that harm.

If effective, these measures have the potential to result in fewer people seeking self-exclusion, and/or more people seeking other forms of help at an earlier stage.

Multi-operator self-exclusion

2.4   Currently, if an individual wishes to self-exclude entirely from gambling they need to do so separately with each operator they gamble or might gamble with. A significant criticism highlighted in the Responsible Gambling Trust's (the Trust) report[1] on self-exclusion in relation to both land-based and online gambling is the ease with which consumers can continue to gamble at other venues, sites, operators, sectors or jurisdictions, thereby undermining its effectiveness as a tool. The Responsible Gambling Strategy Board in its advice to the Commission about self-exclusion included the view 'that a collective approach to self-exclusion (i.e. multi-operator self-exclusion schemes) is both realistic and potentially advantageous. Such an approach would go some way to remedying a fundamental limitation of current self-exclusion agreements – that they are easily circumvented by visiting another venue/operator.[2] The Responsible Gambling Trust's Operator-based harm minimisation review ('The Trust's review') also stated that 'we find compelling justification for continuing to explore the opportunities for connecting self-exclusion across venues and operators. This in our view represents a key priority for strengthening self-exclusion and harm minimisation more generally.[3]

2.5   In 2014 the Government expressed support for the development of multi-operator self-exclusion arrangements during the final debates on the Gambling (Advertising and Licensing) Bill and in the Department for Culture, Media and Sport document, *Gambling Protections and Controls*. Following the social responsibility consultation, the Commission has introduced new SR codes (provisions 3.5.5 and 3.5.6) which lay the foundation for a national online self-exclusion scheme and non-remote multi-operator self-exclusion schemes. Most sectors are now engaged in creating sector specific multi-operator arrangements and the casino sector, which is most advanced in the development of their scheme, hopes to introduce it over the next few months.

National online self-exclusion scheme

2.6   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 Commission. The Act therefore provides the framework for a national online self-

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[1] Self-Exclusion as a Gambling Harm Minimisation Measure in Great Britain
[2] RGSB advice to the Gambling Commission on self-exclusion was published in July 2014
[3] Blaszczynski, Parke, Parke and Rigbye (2014) Operator-based approaches to harm minimisation in gambling: summary review and future directions (Report prepared for the Responsible Gambling Trust).

exclusion scheme to be established, for the first time, as every operator is subject to the Commission's Licence Conditions and Codes of Practice (LCCP). For ease of reference, we are using the working title of 'CHOOSE' (Central Hub for Online Operator Self Exclusion) to describe the scheme.

2.7   The social responsibility requirements of the LCCP mean that all operators have a responsibility to ensure that they protect the vulnerable and to offer the option for a customer to self-exclude from online gambling for a minimum period of 6 months.

2.8   The social responsibility consultation built on this, by proposing a national online self-exclusion scheme. Responses to the proposal in the consultation were generally very positive and the Commission's position is set out from paragraph 7.6 on page 68 of our responses document *Strengthening social responsibility*. Following the consultation, the Commission has introduced a new SR code (provision 3.5.5) that requires all operators offering online gambling products, except those society lottery operators who do not offer instant win games, to participate in the scheme. Remote operators who only offer telephone betting will not be included within this scheme, but online operators who also offer telephone betting will be required to take all reasonable steps to ensure that individuals self-excluding from CHOOSE are also self-excluded from their telephone betting accounts. Camelot, as the National Lottery operator, although subject to different legislation, is also planning to participate in the scheme. CHOOSE will give individuals the facility to self-exclude in one place from all online operators.

2.9   In addition to the working group established by the Commission and the RGA to consider how such a scheme would work in practice the Commission also held meetings with software suppliers to start to consider how this might fit with their software development roadmaps and obtain their views on the developing architecture and feasibility of the scheme. A full list of those involved can be found at Annex A.

2.10   The introduction of the national scheme is an addition to the current LCCP requirements on operators to self-exclude any individual that requests it, so they will need to continue to administer their own schemes, for those individuals not wishing to join the national scheme.

2.11   The principles in the LCCP in relation to self-exclusion will apply to CHOOSE, for example it is a requirement in LCCP for operators to take all reasonable steps to prevent marketing material being sent to a self-excluded customer and there will be a facility within CHOOSE to allow all operators to prevent marketing material being sent to anyone who has self-excluded with CHOOSE.

2.12   We are currently considering which individuals can self-exclude via the scheme e.g. GB/UK residents/non-residents. In principle we would wish for all those participating in gambling offered in reliance on a Gambling Commission licence to be able to self-exclude via this route but information available to validate identities for those living overseas is not as uniformly comprehensive as for those living in GB; we are therefore still exploring how this can be achieved.

2.13   The working group in considering the development of the scheme were conscious that it would in principle be desirable to integrate online and non-remote self-exclusion arrangements at some stage in the future and this is something that we remain open to. However, given the relative limitations of non-remote self-exclusion schemes in comparison with online (due largely to the general absence of account-based play offline) such developments would appear to be some way off.

3. Draft Architecture

3.1 The working group was created to identify the barriers, and then the solutions, to the creation of an effective national online self-exclusion scheme. The primary objective of the group was to produce a specification for a workable scheme that could be put to competitive tender.

3.2 A centralised store of self-excluded customers needs legal ownership, not least to deliver the necessary certainty and clarity around the role of data controller for Data Protection Act 1998 (DPA) purposes. We currently expect that the Commission will be the legal owner of the data with a third party running the actual system, although we remain open to alternative suggestions.
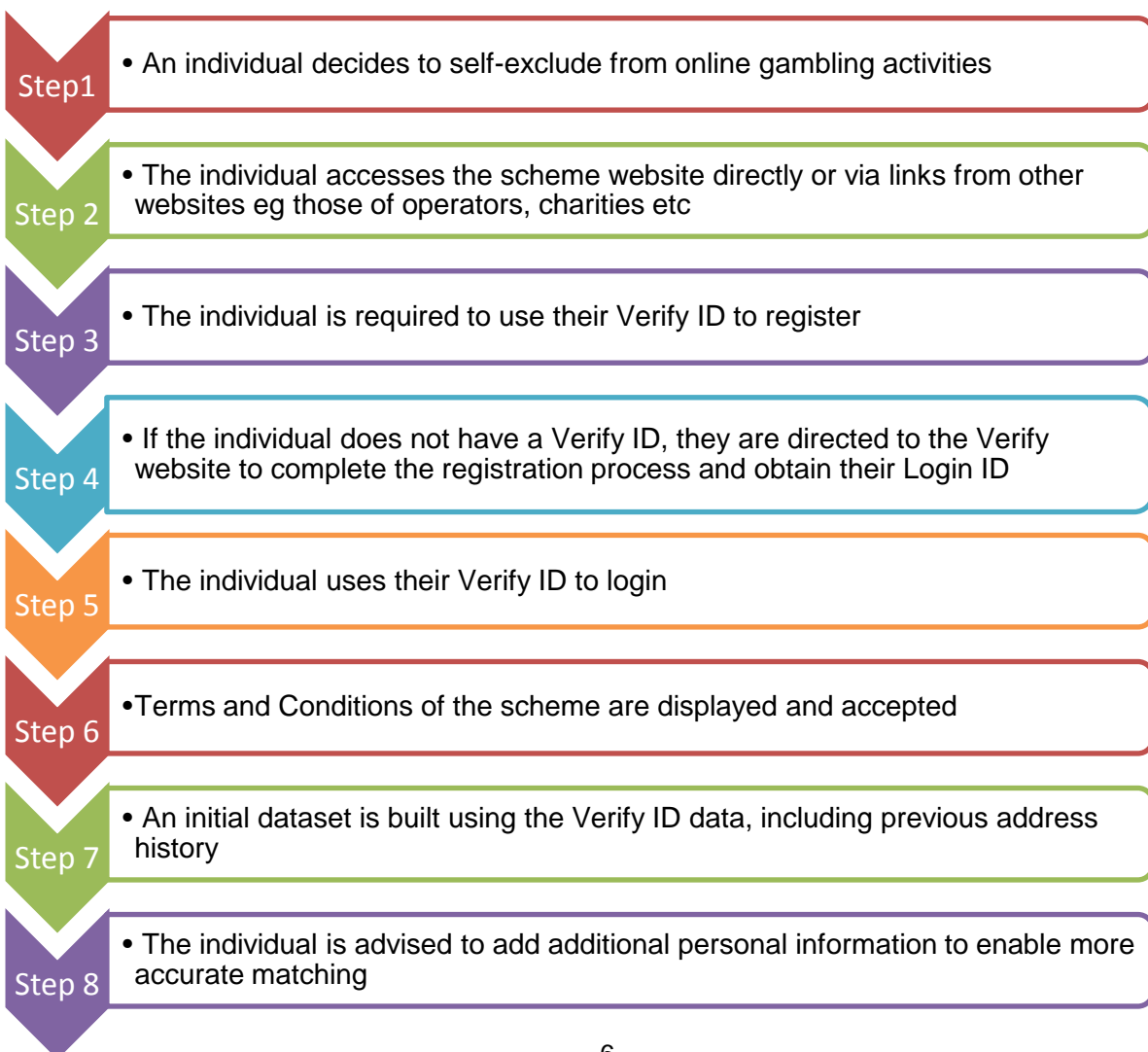
3.3 The working group agreed that any effective scheme would need to have the following high level features to ensure it meets the requirements to protect individuals whilst allowing operators to easily access the data:
- an interface to allow operators to direct individuals to the scheme as part of their standard self-exclusion policy
- adequate identity checks during the registration process to ensure the person and their personal details are correctly registered
- provide an interface for individuals to add their details to CHOOSE without the need to go via an operator's self-exclusion process
- facility for an individual to manage their data in a secure manner and to allow for additional information to be added, increasing the accuracy of a self-exclusion match within operators' systems
- provide a system to support a peak throughput of approximately 10,000 transactions (logins and registrations) a second
- an interface for authorised CHOOSE staff to administer records within CHOOSE
- compliance with the DPA, including as data controller for the scheme
- support to all operators and individuals using CHOOSE
- different mechanisms for access to the data by operators (detailed as Solution 1, typically larger operators, and Solution 2 in paragraph 3.4 below)
- an interface to allow operators using Solution 1 to obtain the latest entries from CHOOSE
- an interface to allow operators using Solution 2 to provide data which can then be processed by CHOOSE and provide a relevant response as to the individual's self-exclusion status, and
- an interface to allow operators using Solution 2 to review and process marketing lists to ensure self-excluded individuals are removed from it.

3.4 In developing the scheme the working group came to the conclusion that it would be advantageous to have a two solution approach, in terms of cost and performance. One group of operators, Solution 1, would be able to access the data and integrate it into their own systems. The operators within Solution 1 are likely to be larger operators with a significant customer base and an established track record in gambling operations and data security. Given the large volume of transactions they would generate, this would avoid the need for these operators to interrogate the central CHOOSE database at every login and registration because the operator will have a local copy of the data. This will also reduce the volume of transactions that the central system will need to cope with, reducing cost and improving performance. It would also give these operators some flexibility in how they comply with the requirement. The remainder of operators would fall into the second group, Solution 2, and would interrogate CHOOSE at each login and registration in real time.

3.5 For operators falling within Solution 1, it was decided that it would be helpful for them to have clear sight access to the data rather than it be encrypted. This was so these operators could use the data to try to identify linked accounts and exclude those too as currently required by social responsibility code provision 3.5.4. Providing data only in an encrypted format would prevent such linking from taking place. However, this had to be balanced against data security considerations. Solution 1 operators will obviously be required to manage the unencrypted data securely and prevent its loss. While the working group were content that the benefits outweighed the low data security risks, it was not felt that this approach could be shared by all operators.

3.6 To ensure the data received is correct, it is proposed that the system makes use of the GOV.UK Verify ('Verify') system. This will allow the individual to create an online verified user ID which has a number of identity checks made to verify that individual, prior to successful registration. The government has created this facility so that individuals can prove who they are online and then safely access their records on government services, eg viewing driving licences. Further information about the Verify system in on the internet.

3.7 The architecture diagram at Annex B sets out the working group's draft solution, it should be read in conjunction with the following accompanying narrative which explains the diagram and the steps an individual seeking to self-exclude would take.

Individual opts to nationally self exclude from online gambling activities

Step1	• An individual decides to self-exclude from online gambling activities
Step 2	• The individual accesses the scheme website directly or via links from other websites eg those of operators, charities etc
Step 3	• The individual is required to use their Verify ID to register
Step 4	• If the individual does not have a Verify ID, they are directed to the Verify website to complete the registration process and obtain their Login ID
Step 5	• The individual uses their Verify ID to login
Step 6	•Terms and Conditions of the scheme are displayed and accepted
Step 7	• An initial dataset is built using the Verify ID data, including previous address history
Step 8	• The individual is advised to add additional personal information to enable more accurate matching

3.8 If an individual's details cannot be confirmed by Verify, the website will display instructions to the individual on how they can obtain help to register onto the scheme.

3.9 The individual will be able to enter additional email addresses against their account which will be included in the search by the system. Any email addresses entered will be checked for formatting. Verify itself will return address history information which will be pre-populated onto CHOOSE.

3.10 The post-registration page will allow the individual to view their initial data record in read only format, with no option for them to modify the record which was generated during the Verify process. It is possible that Verify may return more than one data set, in which case none of those details will be editable by the user.

3.11 Once the individual's data has been stored in the scheme they will be self-excluded using those details. The individual then has the option to provide further information in order to increase the effectiveness of the self-exclusion.

E-mail contact and verification

3.12 The system will send an email to the individual's contact email address with confirmation of their inclusion on the CHOOSE database. It will explain the benefits of adding alternative or additional details that may be held by other operators and the importance of keeping information up to date eg their address and postcode.

3.13 The email will contain a link which can be used to indicate that it has been received in error. This link will only be active for a defined period of time and is to allow the reporting of incorrectly entered email addresses.

Adding additional information

3.14 The individual will be able to add additional details to their CHOOSE account to allow for a higher probability of a match, particularly with those operators they have not self-excluded from. This includes variations of first names, last names, postcodes and email addresses. The user's date of birth will be provided by Verify and is not editable by the user.

3.15 Where the individual enters additional postcodes against their account, these will be checked against an industry standard address database and the system will display the basic address linked to the postcode for the individual to confirm.

3.16 The individual will be able to enter additional first names and last names against their account which will be included in searches by the system. This will allow the individual to record abbreviations or 'known as' names they may have used during registration with different operators.

3.17 There will be business rules for CHOOSE that limits the modifications that can be made to prevent abuse eg you would only be able to make five first name variations.

Modification of data

3.18 The system will not allow the individual to modify additional records in any way once they have been saved. If the individual has entered incorrect details then they will need to create a new record with the correct details on their CHOOSE account. This will ensure that the individual cannot remove details should they change their mind during

the self exclusion period in an attempt to circumvent the system. Having incorrect records in the scheme database will not be detrimental as the match will be based on a combination of data fields.
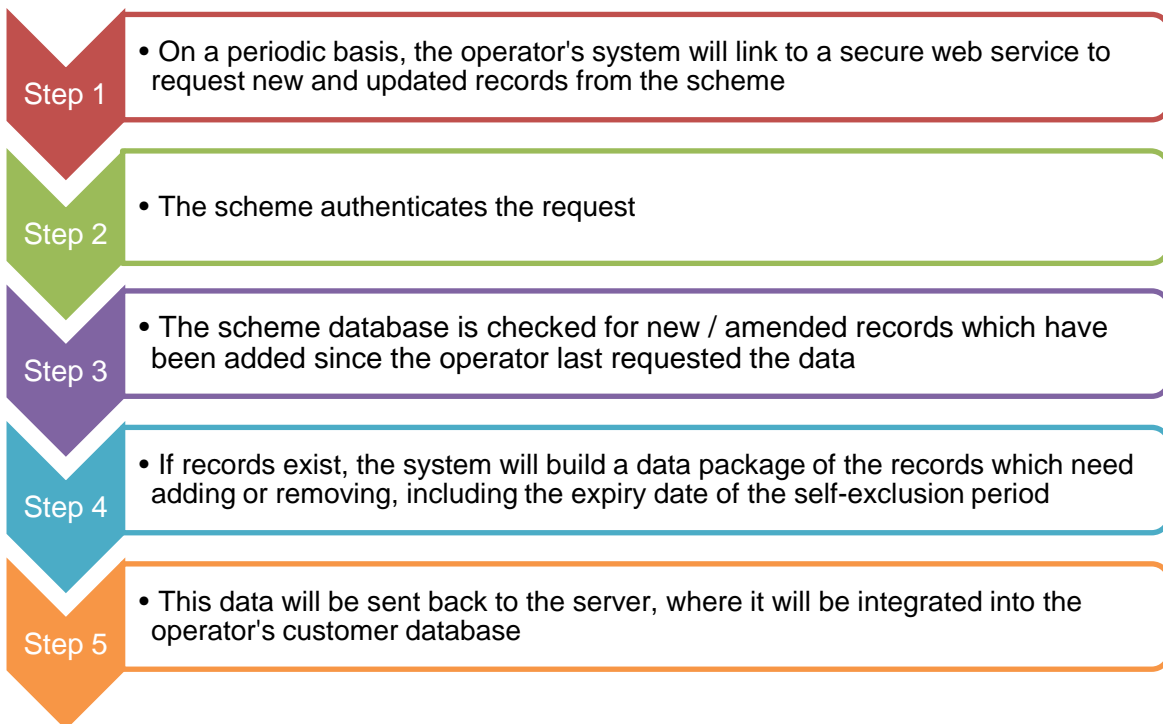
Forgotten password

3.19   The individual can log back into the system at any time to update their details and manage their self exclusion. However it is possible that the individual may forget their password over a period of time. It is expected that the password reset will be handled by the Verify system.

Matching criteria

3.20   Matching criteria will be the same for both solutions. The current proposal for matching is set out in the table at Annex C.

Solution 1: Operators' update process

3.21   Operators within Solution 1, likely to be larger operators with a significant customer base and an established track record in gambling operations, will be able to access the scheme database and incorporate the data within their own systems. The basic outline of the update process of individual records is detailed below:

Step 1	• On a periodic basis, the operator's system will link to a secure web service to request new and updated records from the scheme
Step 2	• The scheme authenticates the request
Step 3	• The scheme database is checked for new / amended records which have been added since the operator last requested the data
Step 4	• If records exist, the system will build a data package of the records which need adding or removing, including the expiry date of the self-exclusion period
Step 5	• This data will be sent back to the server, where it will be integrated into the operator's customer database

3.22   The number of update requests a Solution 1 operator can make within a 24 hour period will be limited to limit the load on CHOOSE.

3.23   The web service will be hosted within an appropriately secure environment using industry standard technologies to minimise data loss.

3.24   The operator will need to create their own dataset or integrate the data into their own systems so it can be checked whenever an individual logs in or registers.
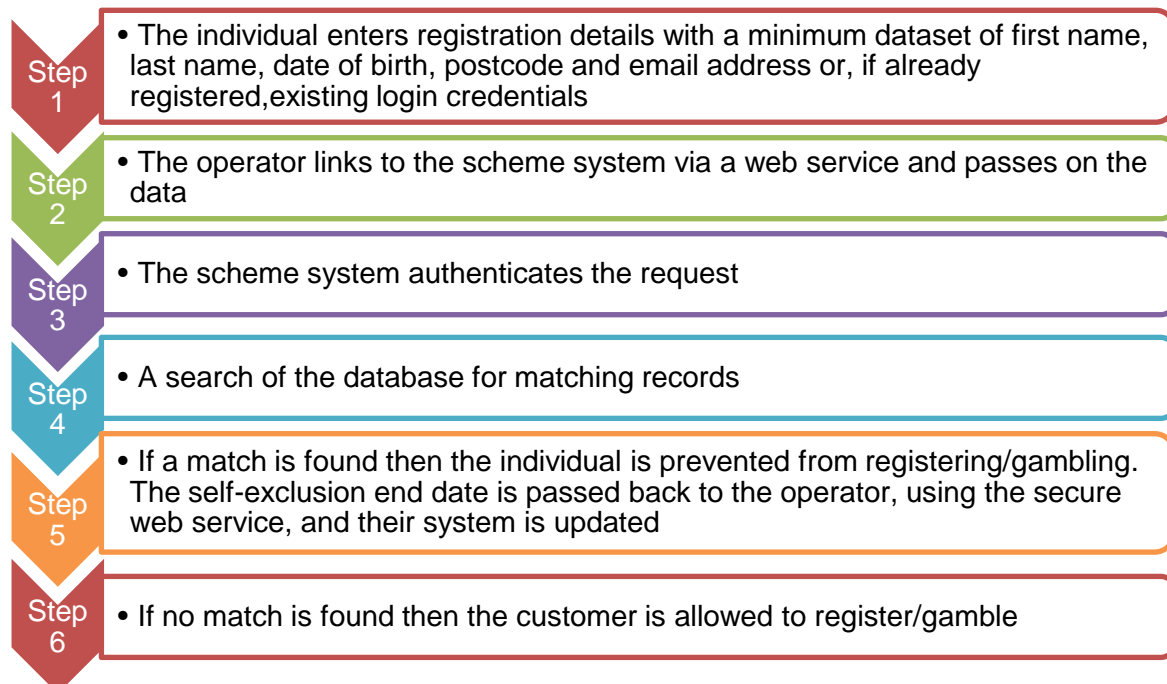
Solution 1: Operators' checks of scheme data on registration/login

3.25 The process for operators to undertake when an individual registers to gamble is outlined below:

Step 1
- The individual enters registration details with a minimum dataset of first name, last name, date of birth, postcode and email address or, if already registered, existing login credentials

Step 2
- The operator performs a search of the locally stored CHOOSE data as a minimum but could undertake additional checks for linked accounts

Step 3
- If a matching record is found, the individual is denied access

Step 4
- If no match is found, then the customer is allowed to register/gamble

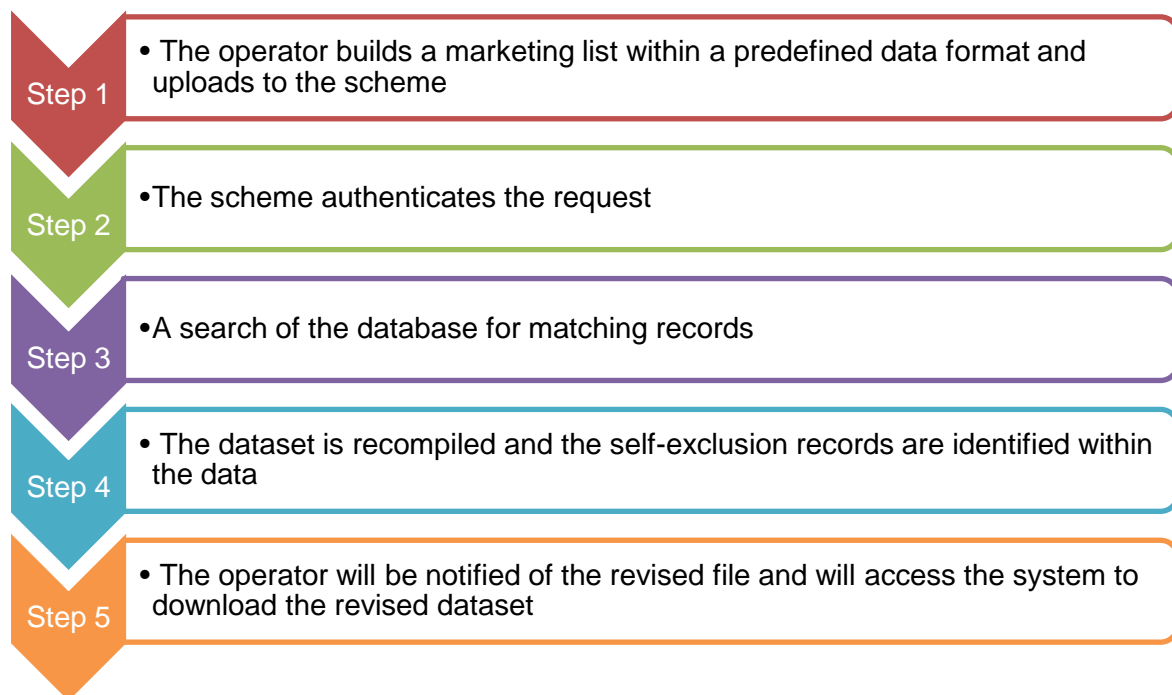## Solution 2: Operators' checks of scheme data on registration/login

3.26 Operators within Solution 2 will interrogate the scheme database at each login and registration in real time. The process for operators to undertake when an individual registers to gamble or logs in is outlined below:

Step 1
- The individual enters registration details with a minimum dataset of first name, last name, date of birth, postcode and email address or, if already registered, existing login credentials

Step 2
- The operator links to the scheme system via a web service and passes on the data

Step 3
- The scheme system authenticates the request

Step 4
- A search of the database for matching records

Step 5
- If a match is found then the individual is prevented from registering/gambling. The self-exclusion end date is passed back to the operator, using the secure web service, and their system is updated

Step 6
- If no match is found then the customer is allowed to register/gamble

3.27 In Solution 2, should an individual be identified as being self-excluded the operator integrates the minimum data set and the self-exclusion end date into their own system. The operator will then only need to check the scheme system again for that individual once the self-exclusion end date has elapsed as the operator's own system will stop the account from being accessed.

Filtering marketing lists

3.28 To allow for the existing LCCP principle that those that have self-excluded should not be sent direct marketing from operators to be applied to those self-excluding on CHOOSE, all Solution 1 operators will be expected to check their copy of the data prior to any marketing being undertaken. Solution 2 operators will be required to remove any identified records from the dataset supplied by CHOOSE, prior to any direct marketing being undertaken. The process for operators to filter their marketing lists is set out below:

Step 1	• The operator builds a marketing list within a predefined data format and uploads to the scheme
Step 2	•The scheme authenticates the request
Step 3	•A search of the database for matching records
Step 4	• The dataset is recompiled and the self-exclusion records are identified within the data
Step 5	• The operator will be notified of the revised file and will access the system to download the revised dataset

3.29 Due to the expected high volume of records within any marketing dataset, the updated dataset will not be available immediately. The Commission will therefore define a period of time by when the data should be available to the operator.

Determining Solution 1 and Solution 2 operators

3.30 Which operators fall within Solution 1 and Solution 2 will be determined by the Commission, based on a number of factors such as the length of time they have been licensed with the Commission, the anticipated volume of transactions expected to be put through CHOOSE and the status of the security audit remote operators are required to complete.

3.31 The Commission will decide which solution each operator will be required to use and may consider it necessary to move operators between solutions 1 & 2.

Returning to online gambling once a self exclusion period is complete

3.32   Should an individual choose to return to online gambling after their self-exclusion period has expired they will need to contact each operator individually. This will mean that the individual will have to complete a positive return to gambling process with each operator that they wish to gamble with for a period of seven years following the end of their self-exclusion agreement. This provides some social responsibility protection and means that the CHOOSE system doesn't need to process return to gambling arrangements but utilises operators' own return to gambling procedures.   The operator should check that the self-exclusion period has expired, based on the data they already hold about the individual that was passed to them using either Solution 1 or Solution 2 when the self-exclusion period commenced.

3.33   The operator will undertake the usual process to confirm the individual wishes to return to online gambling followed by a 24 hour cooling off period where the individual will not be able to access their account.

Administration access

3.34   The Commission will have access to the CHOOSE database to manage operator details, handle queries and to run Management Information reports based on the information held within the system. This work may be carried out by third party contractors on behalf of the Commission, depending on the type of contract awarded to create and maintain the system.

Support to all operators and individuals using the scheme

3.35   The scheme will provide ongoing support for to all operators and individuals using the scheme, eg for example if any operator required technical advice; or if a customer has a query about their account.

4.   Costs and Funding

4.1   Now that we have developed the proposed architecture to this stage, we are in a better position to understand how much the scheme might cost. Although we will not know fully until we actually test the market, we anticipate the costs of creating such a scheme would be in the region of £2 million to set up, with ongoing running costs of approximately £1 million per annum. The majority of the ongoing costs would be to cover the necessary support services both to individuals and operators using the scheme.

4.2   The costs will need to be funded in full by the industry, being both the costs of the scheme itself plus any additional running costs to administer it. A mechanism will need to be created so that all operators who participate contribute towards the costs in an equitable way.

4.3   We are considering the following funding mechanisms to fund the cost of setting up and operating the scheme:
- the establishment of a specific levy, which would be introduced by regulations under s.123 of the Gambling Act
- cost recovery from participating operators through the annual licence fee system
- the creation of an industry-led mechanism that would fund the scheme directly.

4.4   If the levy or annual licence fees were selected as the preferred mechanism, the Commission would undertake a separate consultation on how to apportion the costs between operators. We would seek views on options including whether the contribution should be based on the operator's size and how that should be assessed. The creation of an industry led mechanism would be determined by the industry themselves.

Next steps

5.1   If you have any views on the attached please send them to the following email address: c.scheme@gamblingcommission.gov.uk. Any views received will inform the consultation that we plan to issue in the summer. .

5.2   We intend for the consultation period to be 8 weeks which should allow for a competitive tender process for a contractor to deliver CHOOSE to begin in the autumn. We anticipate that CHOOSE will be available during 2017.
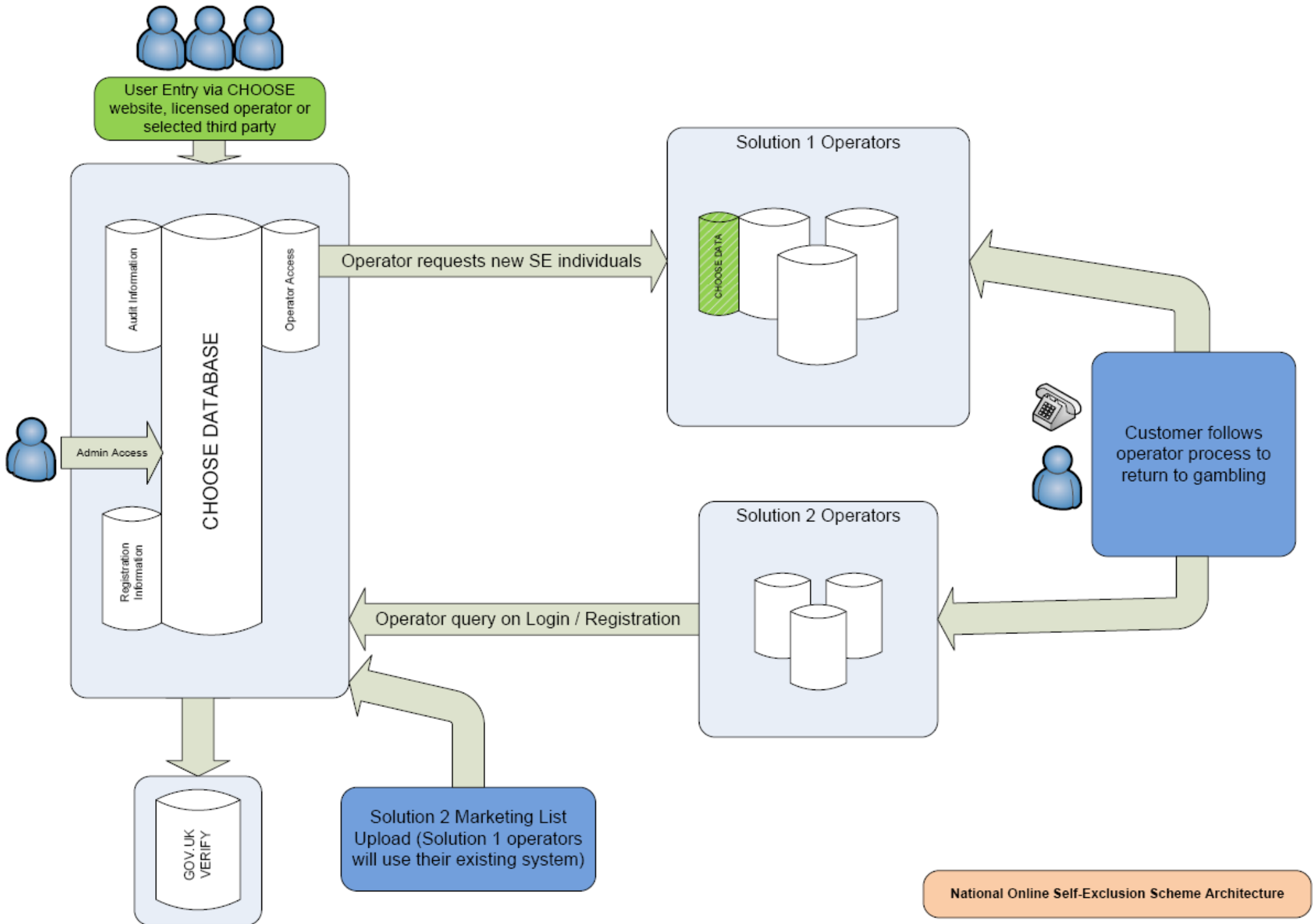
Annex A: Working group membership

- Remote Gambling Association – Clive Hawkswood, Chief Executive
- Bet365 – Andy Pointon, Chief Operating Officer – Sports; Paul Kelly Senior Product Development Manager - Members
- Betfair – Joanna Baxter, Senior Compliance Manager
- Paddy Power Jane Palles, Responsible Gaming Manager
- Skybet - Fiona Palmer, Head of Social Responsibility and Compliance
- William Hill – Andrea McQueen, Group Head of Regulatory

Coral Racing, led by Simon Reynolds, Compliance Director, also reviewed proposals as a critical friend to the group

Suppliers meetings

- Gtech - Srini Nedunuri; Tatiana Sevo and Christian Arbiter
- IGT - Ray Dipple
- Openbet - Jon Bramley; Peter James
- Playtech - Ian Ince; Kira Mendelsohn

Annex B: Draft architecture diagram

User Entry via CHOOSE website, licensed operator or selected third party

Audit Information

Operator Access

CHOOSE DATABASE

Admin Access

Registration Information

GOV.UK VERIFY

Solution 1 Operators

CHOOSE DATA

Operator requests new SE individuals

Customer follows operator process to return to gambling

Solution 2 Operators

Operator query on Login / Registration

Solution 2 Marketing List Upload (Solution 1 operators will use their existing system)

National Online Self-Exclusion Scheme Architecture

Annex C: Matching criteria

The table below shows the data fields that need to match to return a positive that the individual is on the database.

First Name	Last Name	DOB	Email	Postcode	Result
X	X	X	X	X	MATCH
	X	X	X	X	MATCH
X		X	X	X	MATCH
X	X		X	X	MATCH[*]
X	X	X		X	MATCH
X	X	X	X		MATCH

[*] This line is subject to further discussion with the working group

Keeping gambling fair and safe for all