

Dear Christopher,

Gambling White Paper

As you have likely seen, we published the Gambling White Paper earlier today.

<https://www.gov.uk/government/publications/high-stakes-gambling-reform-for-the-digital-age/high-stakes-gambling-reform-for-the-digital-age>

The white paper follows our manifesto commitment review of the Gambling Act 2005, and sets out our vision for the future of the sector with regulation and legislation which is fit for the digital age.

Our Call for Evidence on the Review received over 16,000 responses, emphasising the importance placed by many on the outcome of our work. Central to the Review was the consideration of how change, particularly technological change, has impacted the balance between the freedom of individuals to gamble and the need to protect vulnerable people and wider communities from gambling related harm.

We recognised the enormous change that gambling has undergone in the last 15 years, affecting how and when people choose to gamble and the products available to consumers. We have therefore agreed an evidence-based package of measures to protect those people who are at risk of gambling addiction or suffering catastrophically life-changing losses, while having minimal impact on the freedoms of the large majority of gamblers who suffer no harm.

Policy proposals

The White Paper sets out our intention to bring forward reform through primary and secondary legislation (when parliamentary time allows), as well as the Gambling Commission's existing powers to set licence conditions on gambling companies. We will look to progress these initiatives as soon as possible.

Key proposals include:

- More prescriptive rules on when online operators must make mainly non-intrusive checks on customers' financial circumstances for signs their losses are unaffordable
- A smart stake limit for online slot-style games, starting at between £2 and £5 subject to future consultation, bringing this more in line with the land-based sector
- Making online games safer by design by limiting features which exacerbate risks, like very fast speed of play (and thus speed of loss)
- Online industry data-sharing on high risk customers for collaborative harm prevention
- Building on recent tightening of the rules to prevent online free bets and bonuses being targeted in harmful ways
- Strengthening Gambling Commission enforcement with better use of data and new powers against the black market, as well as introducing a fee uplift and giving a more appropriate degree of flexibility to the system of how fees are changed

- A new ombudsman to deal with disputes and rule on redress where a customer suffers losses due to operator failure to comply with social responsibility rules
- Closing remaining gaps so that under 18s can do no forms of gambling either online, via fruit machines that pay cash, or on widely accessible scratchcards
- Helping the casino sector to grow through making the rules on machines more consistent and permissive, permitting an upper limit of 80 rather than 20 to all casinos which meet rules on size, non gaming space and player protections rather than just a few. Also a change to allow high end casinos to offer credit to wealthy overseas visitors to help attract international high-rollers to the UK
- Allowing specific new machine game concepts to be tested through controlled industry pilots, subject to further work and legislation
- Committing to review fees income for local authorities and granting new powers for Local Authorities to conduct cumulative impact assessments when considering premises applications, as they currently do for alcohol licences

There are also a number of smaller measures, many involving use of the Commission's existing powers, or in some cases action by other bodies, including the industry. These include a radical overhaul of the voluntary levy which the industry pays to support research, education and treatment of gambling harms, which will now be collected and disbursed by the Gambling Commission under the strategic direction of government. The funding provided via this route will increase from £35m last year to a forecast £100m in 2026/27, but if the arrangement does not deliver our objectives we will explore other options, including a statutory levy. We will continue to work closely with the Premier League to strengthen protections around sponsorship, such as removing gambling sponsors from the shirt fronts of top-flight players, aimed at reducing children's exposure to gambling brands in a way which might appeal to them.

You will also notice that we have challenged oncourse bookmakers, which have low test purchasing pass rates, to improve and obtain independent verification of their efficacy.

We recognise that these reforms will come with costs to industry, and the White Paper contains an annex on the likely impact of some of the key changes. To ensure that horse racing is not adversely impacted by any changes, we have therefore 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 this document to ensure the levy delivers an appropriate level of funding for the sector. Currently, the levy is charged at a rate of 10% of bookmaker's profits from leviable bets exceeding an initial exempt amount of £500,000.

Next steps

I know that many colleagues responded to the Call for Evidence and have been engaged in gambling policy issues for a number of years. I would like to thank you all for your contributions, and look forward to continuing to work with you as we progress reform to keep people safe from gambling related harms, especially at racecourses and the review of the Horserace Betting Levy.

Yours sincerely,

Vicky Smith