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Dame Meg Hillier MP Chair, Public Accounts Committee House of Commons London SW1A 0AA 27 April 2023

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Dear Chair,

Gambling White Paper

Today the government will be publishing the gambling white paper. The white paper follows our manifesto commitment to review the Gambling Act 2005, and sets out our vision for the future of regulation and legislation in the gambling sector.

The Secretary of State will update the whole House later today, and will write to all colleagues to set out the details of our proposed package.

However, I wanted to write to you in advance with a copy of the full command paper (attached) which will be laid today, and to provide an overview of the main proposals (below). In publishing the white paper we have further addressed the recommendations set out in your June 2020 report *Gambling regulation: problem gambling and protecting vulnerable people*. I would firstly like to thank you for the contribution that report has made to our review process and the final package of measures we are setting out today.

Proposals for reform which may be of particular interest to the Committee relate to increasing online protections, securing future funding for independent gambling research and treatment through a statutory levy, creating an ombudsman for consumer redress, increasing the minimum age for society lottery and football pools products, and supporting the Premier League to strengthen protections around sponsorship.

Today's white paper is focused on responding to the challenges and capitalising on the opportunities which have accompanied the enormous change in the gambling sector since the 2005 Act was passed. We are striking a balance, with a range of new controls to protect vulnerable people from the practices and products which can drive harm, while not interfering with the large majority of adults who value their freedom to gamble in a safe way.



Policy proposals

The white paper sets out our intention to bring forward reform swiftly through a combination of legislation (mainly secondary and when parliamentary time allows), the Gambling Commission's existing powers to set licence conditions, and voluntary action by the gambling industry and other related sectors. This is a comprehensive package, and I want to highlight some of our key areas of change:

Responding to risks of online gambling:

- Bringing in new rules on when operators must check that high spending customers' losses are not unaffordable or harmful, based on financial information frictionlessly provided by credit reference agencies
- Introducing a stake limit for online slots games of between £2 to £15 per spin, subject to consultation
- Consulting on a range of options such as a lower online slots stake limit to better protect young adults (18 to 24 year olds) who the evidence suggests are a particularly vulnerable cohort
- Making online games safer by design by limiting the riskiest features such as excessive speed of play
- Mandating online industry data-sharing on high risk customers so they can't move freely from account to account and exacerbate harm
- Developing stronger controls to prevent bonuses (like free bets) being deployed in harmful ways, like encouraging those with significant losses to gamble more or creating a sense of urgency to gamble

Funding for gambling addiction treatment:

- Introducing a statutory levy to secure long-term, independent funding for quality gambling research, education and treatment
- Consulting to ensure this is fairly set between different sectors

<u>Strengthening regulatory systems to work in consumers' interest:</u>

- Giving the Gambling Commission new powers against the black market, and more flexibility in how fees are changed
- Introducing a new non-statutory ombudsman to rule on redress for punters, potentially backed up by licence conditions or legislation if the voluntary approach fails to deliver
- Reviewing fees income for local authorities, and giving them new powers to assess the impact of new premises on their areas when deciding gambling premises applications (like with alcohol)



Modernising outdated regulations:

- Supporting the Premier League's removal of gambling operator logos from the front of players' shirts, aligning with recent changes to advertising rules
- Helping the casino sector with more consistent rules on machines, allowing all rather than only some to offer sports betting, and allowing them to offer credit to wealthy overseas visitors (subject to suitable protections)
- Updating gaming machine rules for bingo and arcade premises to lower energy costs and respond to customer demand
- Reviewing of the Horserace Betting Levy to ensure that funding for racing remains appropriate going forwards

Simplifying age limits

• 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, bringing them in line with other gambling products with similar risk profiles

I 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. However, I am confident that the impact is proportionate to the harm that this package of measures will prevent, and that the vast majority of gamblers will not be inconvenienced at all by new protections.

Next steps

I would like to thank you and your committee again for the contribution made by your report. In the coming months, DCMS as well as the Gambling Commission will launch public consultations to refine policy details ahead of implementation. I look forward to continuing to work with you as we progress those consultations and the reforms to keep people safe from gambling related harms.

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Minister for Sport, Gambling and Civil Society

