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**The European Commission**  
DG Internal Market and Services  
J-59 08/061  
Rue de la Loi 200 B-1049

29 July 2011

Dear Sirs,

**WorldPay Limited: Written submission in response to the Green Paper on Online Gambling in the Internal Market.**

WorldPay is pleased to welcome the European Commission's initiative to launch a consultation in respect of online gambling in the EU and supports the development of an EU regulatory framework for online gambling.

WorldPay has chosen to contribute comments on some of the issues raised in the Green Paper, in particular in response to questions 50 and 51 which relate to the relative merits of payment blocking measures to limit access to gambling services.

WorldPay is a global leader in payments processing for business. We help our online clients to collect payments securely, swiftly and with total confidence. We are particularly active in the development and implementation of anti-fraud and security systems and strive to remain at the forefront of technology and professional standards.

We operate in regulated markets across many European countries and serve a large range of businesses in the airline, retail, insurance, software, digital and online gambling industries. WorldPay has served the online gambling sector since 2002, only recruiting and maintaining relationships with clients who comply with the highest industry standards.

We consider the online gambling industry to be an important contributor to the development of the EU economy in general, and to e-commerce in Europe in particular. The online gambling industry contributes to innovation, tax revenues, job creation and the generation of trade for a range of ancillary businesses in sectors such as advertising, media, internet service providers and payment service providers and, therefore, benefits the EU economy.

Payment services providers and the gambling industry share the same objective - to increase consumer confidence in e-commerce through developments such as secure electronic payment systems, electronic identification methods and safe ways to store private data. All of which is, of course, critical to our business.

Gambling is an activity that, like the financial industry, is subject to strict statutory regulation. More Member States are regulating the gambling sector and introducing national licensing systems, but it appears that aspects of these national regulations are contrary to the fundamental EU law principles and generate legal uncertainty in the sector.

The European Commission and the Court of Justice of the European Union regularly stress the non EU compliance of a number of national gambling regulations, in particular, the freedom to provide services (Article 56 TFEU) and freedom of establishment (Article 49 TFEU).

The potential of the online gambling market, far from being realised, is threatened by the increasing regulatory segmentation of the EU market. The cost of this fragmentation and the high level of legal uncertainty have a direct negative impact on our business.

The online gambling industry does not use cash payments and, thus, the industry has had to work towards making the digital environment for payments as safe and reliable as possible. Approximately 60% of online gambling payments come from credit cards. Internet traceability makes it possible to monitor online gambling activity more closely than traditional forms of gambling where the identity and/or spending pattern of most customers is typically unknown.

EU licensed gambling operators use mainstream payment services providers also commonly used by other companies in the e-commerce sector. These payment services providers are, in principle, required to be licensed and to comply with a number of EU regulations such as the electronic money, electronic commerce, distance selling, payment services and money laundering directives.

Some national regulators have considered preventing the provision of payment services to gambling operators as a means of enforcing gambling laws in their respective countries. Some national regulators have considered cutting off the unregulated gambling market through measures such as payment blocking. In this respect, WorldPay would like to raise the following legal and operational challenges to such measures:

- First, financial blocking or any similar measures would be disproportionate and would contradict the principle of net neutrality, i.e. the principle that the Internet should remain cross-border and open to all users and that no content or content providers should be prioritised or downgraded.
- Second, it can be questioned whether the restriction of payment services providers' rights to offer their services to gambling operators that carry out business with the requisite licences in other European Member States would be compatible with EU law and fundamental principles.
- Third, any such restrictions must have a clear legal basis and be subject to specific regulation that does not infringe the basic principles of EU law (i.e. rights of information and privacy).

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- Fourth, the efficiency and adequacy of such measures are questionable as they do not seem to achieve their policy objective. For example, Norway's payment ban on internet gambling has enjoyed only partial success in its first six months. Players found it harder to use foreign sites, but more than half found ways of bypassing the blocks. The Norwegian Gaming Authority's preliminary evaluation of the payment controls, released in February 2011, shows that 52% of online players paid for gambling by credit or debit card after the ban came into force (down from 67% before the ban).

WorldPay believes that the only way to sustainably channel customers towards regulated and controlled online gaming offerings, is a harmonized, trustworthy, attractive and, therefore, internationally competitive European offering.

For the reasons set out above, WorldPay welcomes the Commission's initiative to develop a single and secured EU regulatory framework for online gambling.

We remain at your disposal for any further questions you may have regarding this submission.

Yours sincerely



Shane Happach  
Chief Commercial Officer for eCommerce