

Public consultation on the Green Paper on on-line gambling in the Internal Market

You are invited to reply to the on-line questionnaire. The questions listed in the Green Paper are reproduced in the same order hereunder. A pdf version of the [Green Paper](#) is available in all EU languages for guidance to the questions.

There are 51 questions in the consultation document. You may reply to those questions in any one of the EU languages. You may focus your contributions on the areas of most interest to you; you are not obliged to answer all the questions.

Please save this document on your computer. Once you have completed the questionnaire, come back to the on-line questionnaire. You will be able to upload your answers on page 3 of the on-line questionnaire.

The consultation will close on 31/07/2011.

We thank you for your participation.

Your name / Your organisation:

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Questions from the Green Paper on on-line Gambling in the Internal Market

1. Regulating on-line gambling in the EU: Recent developments and current challenges from the Internal Market standpoint
 - 1.1. Purpose of the consultation
 - 1.2. On-line gambling in the EU: current situation

(1) Are you aware of any available data or studies on the EU on-line gambling market that would assist policy-making at EU and national level? If yes, do the data or study include licensed non-EU operators in the EU market?

Yes. The report that Europe Economics wrote in 2008 for the European Parliament contains such data, and also references further data. The report reference is IP/A/IMCO/FWC/2006-186/C1/SC2.

(2) Are you aware of any available data or studies relating to the nature and size of the black market for on-line gambling services? (Unlicensed operators)

No.

(3) What, if any, is your experience of EU-based on-line gambling operators licensed in one or more Member State and providing and promoting their services in other EU Member States? What are your views on their impact on the corresponding markets and their consumers?

On-line gambling operators based and licensed in one or more EU Member States contribute usefully to economic activity and to consumer welfare in the Member States in which they offer services. We have seen no evidence that their impacts on markets and consumers are anything other than beneficial.

(4) What, if any, is your experience of licensed non-EU on-line gambling operators providing and promoting their services in EU Member States? What are your views on their impact on the EU market and on consumers?

We have no experience of such operators.

(5) If any, which are the legal and/or practical problems that arise, in your view, from the jurisprudence of national courts and the CJEU in the field of online gambling? In particular, are there problems of legal certainty on your national and/or the EU market for such services?

The problems that arise are attributable to the lack of a single gambling market in the EU, in contravention of the Treaty. Problems of legal certainty clearly arise for gambling operators who wish to provide gambling services across national borders within the EU.

(6) Do you consider that existing national and EU secondary law applicable to on-line gambling services adequately regulates those services? In particular, do you consider that coherence / consistency is ensured between, on one hand, the public policy objectives pursued by Member States in this field and, on the other hand, the national measures in force and/or the actual behaviour of public or private operators providing on-line gambling services?

National laws "adequately" regulate gambling services. The question is whether such national laws over-regulate such services, to the disadvantage of consumers and the national economies by imposing needlessly restrictive regulatory regimes. Member States would no doubt claim consistency between their declared public policy objectives and the behaviour of gambling operators, but one must bear in mind that many such operators are owned, directly or indirectly, by the government that regulates them, so dissent is unlikely.

Other comments on issues raised in section 1

None.

2. Key policy issues subject to the present consultation

2.1. Definition and organisation of on-line gambling services

(7) How does the definition of on-line gambling services in the Green Paper differ from definitions at national level?

Not significantly.

(8) Are gambling services offered by the media considered as games of chance at national level? Is there a distinction drawn between promotional games and gambling?

Yes to both in the UK.

(9) Are cross-border on-line gambling services offered in licensed premises dedicated to gambling (e.g. casinos, gambling halls or a bookmaker's shop) at national level?

Generally no.

(10) What are the main advantages/difficulties associated with the coexistence in the EU of differing national systems of, and practices for, the licensing of on-line gambling services?

There are no advantages that we can see arising from the patchwork quilt of national regulations. The disadvantages are that operators licensed in one EU Member State can only infrequently offer their services in other Member States. Such prohibition deprives operators of economies of scale and scope, and consumers of a genuine choice of gambling opportunity.

Other comments on issues raised in section 2.1

None.

2.2. Related services performed and/or used by on-line gambling services providers

(11) With focus on the categories mentioned in the Green Paper, how are commercial communications for (on-line) gambling services regulated for at national level? Are there specific problems with such cross-border commercial communications?

We have not studied these issues and therefore are unable to give an opinion.

(12) Are there specific national regulations pertaining to payment systems for on-line gambling services? How do you assess them?

If the question means: "Do payment systems for on-line gambling differ from payment systems for other goods and services?" the answer is no, not in the UK.

(13) Are players' accounts a necessary requirement for enforcement and player protection reasons?

Yes.

(14) What are the existing national rules and practices relating to customer verification, their application to on-line gambling services and their consistency with data protection rules? How do you assess them? Are there specific problems associated with customer verification in a cross-border context?

We have no detailed comments to make. But we observe that the procedures already put in place by UK-based operators work well for consumers. We know of no instances where such procedures have failed in a way which compromises consumer data protection (in the UK, it is government agencies rather than private sector operators which have most often failed in relation to protecting data relating to private citizens). It is hard to say whether each Member State's procedures would be as effective cross-border as within a domestic market. If degrees of protection vary across borders (and we are not expert on that) we envisage that problems could arise for consumers in a better-protected MS when they trade in less well protected MS. Given the lack of cross-border trading in on-line gambling, it must be hard to establish empirical evidence.

Other comments on issues raised in section 2.2

None.

2.3. Public interest objectives

2.3.1. Consumer protection

(15) Do you have evidence that the factors listed in the Green Paper are linked to and/or central for the development of problem gambling or excessive use of on-line gambling services? (if possible, please rank them)

We have no evidence that any of these factors, singly or together, contribute to addictive gambling, though it is intuitively likely that some factors affect some individuals.

(16) Do you have evidence that the instruments listed in the Green Paper are central and/or efficient to prevent or limit problem gambling relating to on-line gambling services? (if possible, please rank them)

It is not clear from GB experience whether or to what extent any of these measures, singly or together, are effective. Intuitively, we suggest that they are probably effective at the margin but not across the population.

(17) Do you have evidence (e.g. studies, statistical data) on the scale of problem gambling at national or EU level?

Yes. See the successive Gambling Prevalence Studies conducted in Great Britain (not the UK). The reports date from 2000, 2007 and 2010 and can be found on the website of the Gambling Commission.

(18) Are there recognised studies or evidence demonstrating that on-line gambling is likely to be more or less harmful than other forms of gambling for individuals susceptible to develop a pathological gaming pattern?

There are studies that run in both directions. Our view, based on studies of machine gambling in Great Britain, is that no one form of gambling causes addictive or problem gambling. Addictive gamblers are known to pursue several forms of gambling, and if one such preferred form is denied to them the addiction moves elsewhere. If all gambling were denied to them it seems likely that the addiction would transfer to some other form, e.g. alcohol or drugs.

(19) Is there evidence to suggest which forms of on-line gambling (types of games) are most problematic in this respect?

None that we have seen.

(20) What is done at national level to prevent problem gambling? (E.g. to ensure early detection)?

Entry to gambling premises is strictly controlled. Warnings are displayed where possible. Gambling operators offer a self-exclusion scheme to those who believe they are at risk. A voluntary scheme, funded largely by the gambling industry and overseen by the Gambling Commission, has been established to finance a number of prevention and treatment schemes.

(21) Is treatment for gambling addiction available at national level? If so, to what extent do on-line gambling operators contribute to the funding of such preventive actions and treatment?

Yes. The extent of funding by on-line gambling operators is not known to us. Some large operators offer both on-line and traditional gambling, and probably do not split their contributions along these lines.

(22) What is the required level of due diligence in national regulation in this field? (e.g. recording on-line players' behaviour to determine a probable pathological gambler?).

We do not know.

(23) What is the statutory age limit for having access to on-line gambling services in your Member State? Are existing limits adequate to protect minors?

18 years. In our view this is an appropriate limit given the wider social responsibilities and opportunities confronting people of this age.

(24) Are on-line age controls imposed and how do these compare to off-line 'face-to-face' identification?

On-line age controls are applied. We have not, however, studied their relative effectiveness.

(25) How are commercial communications for gambling services regulated to protect minors at national or EU level? (e.g. limits on promotional games that are designed as on-line casino games, sports sponsorship, merchandising (e.g. replica jerseys, computer games etc) and use of social on-line networks or video-sharing for marketing purposes.

Please see the UK Gambling Commission's website for full details of regulation.

(26) Which national regulatory provisions on license conditions and commercial communications for on-line gambling services account for the risks described in the Green Paper and seek to protect vulnerable consumers? How do you assess them?

Please see the UK Gambling Commission's website for full details of regulation.

Other comments on issues raised in section 2.3.1

None.

2.3.2. Public order

(27) Are you aware of studies and/or statistical data relating to fraud and on-line gambling?

We are aware of very few studies, whether within or beyond the EU. Our impression is thus that the subject is not well covered. That said, the limited amount of material we have seen suggests that there is an extremely low level of fraud relating to on-line gambling among gambling operators within the EU. Beyond the EU the picture is less clear.

(28) Are there rules regarding the control, standardisation and certification of gambling equipment, random generators or other software in your Member State?

Yes.

(29) What, in your opinion, are the best practices to prevent various types of fraud (by operators against players, players against operators and players against players) and to assist complaint procedures?

Regulation, self-regulation and rigorous enforcement are the best ways of preventing fraud by operators against players. Fraud by players against operators is much harder to detect and deal with (but exists on a bigger scale). We believe that ever more sophisticated software is probably the best way of detecting it, and that the exclusion of players needs then to be enforced, along with sharing of information among operators.

(30) As regards sports betting and outcome fixing - what national regulations are imposed on on-line gambling operators and persons involved in sport events/games to address these issues, in particular to prevent 'conflicts of interest'? Are you aware of any available data or studies relating to the magnitude of this problem?

The criminal law generally applies. We are not aware of studies concerning the magnitude of outcome-fixing, though investigations into specific allegations are generally made public.

(31) What issues should in your view be addressed in priority?

We have no view on this.

(32) What risks are there that a (on-line) sports betting operator, which has entered into a sponsorship agreement with a sports club or an association, will seek to influence the outcome of a sports event directly or indirectly for profitable gain?

The evidence suggests that the risk is negligible.

(33) What concrete cases are there that have demonstrated how on-line gambling could be used for money laundering purposes?

None that we are aware of. On-line gambling would in our view be an extremely inefficient way of laundering money, since the risk of loss of "dirty" funds would be so high.

(34) Which micro-payments systems require specific regulatory control in view of their use for on-line gambling services?

We have no view on this.

(35) Do you have experience and/or evidence of best practice to detect and prevent money laundering?

No.

(36) Is there evidence to demonstrate that the risk of money laundering through on-line gambling is particularly high in the context of such operations set up on social web-sites?

We have seen no such evidence.

(37) Are national e-commerce transparency requirements enforced to allow for illegally operated services to be tracked and closed? How do you assess this situation?

We have no experience of this.

Other comments on issues raised in section 2.3.2

None.

2.3.3. Financing of benevolent and public interest activities as well as events on which on-line sports betting relies

(38) Are there other gambling revenue channeling schemes than those described in the Green Paper for the public interest activities at national or EU level?

The National Lottery is the principal form of channelling funds from gambling to "public interest" activities. The Lottery can be played on-line as well as conventionally.

(39) Is there a specific mechanism, such as a Fund, for redistributing revenue from public and commercial on-line gambling services to the benefit of society?

See our answer to Q38.

(40) Are funds returned or re-attributed to prevention and treatment of gambling addiction?

Not from the Lottery. The prevention and treatment of gambling addiction are financed by voluntary contributions from private sector operators.

(41) What are the proportions of on-line gambling revenues from sports betting that are redirected back into sports at national level?

We do not know. In 2010 we completed a study on this subject for the Remote Gambling Association in London, but the findings are commercially confidential. You may wish to contact the RGA on this point.

(42) Do all sports disciplines benefit from on-line gambling exploitation rights in a similar manner to horse-racing and, if so, are those rights exploited?

No.

(43) Do on-line gambling exploitation rights that are exclusively dedicated to ensuring integrity exist?

No.

(44) Is there evidence to suggest that the cross-border "free-riding" risk noted in the Green Paper for on-line gambling services is reducing revenues to national public interest activities that depend on channelling of gambling revenues?

There is no evidence that we know of.

(45) Do there exist transparency obligations that allow for gamblers to be made aware of whether and how much gambling service providers are channelling revenues back into public interest activities?

None that we know of.

Other comments on issues raised in section 2.3.3

None.

2.4. Enforcement and related matters

(46) Which form of regulatory body exists in your Member State and what are its competences, its scope of action across the on-line gambling services as defined in the Green Paper?

The principal regulatory body is the Gambling Commission. Its principal means of exercising its powers are through the issue and revocation of licences. Its full range of powers are too great to be summarised here, but they are all easily and publicly accessible.

(47) Is there a national register of licensed operators of gambling services? If so, is it publicly accessible? Who is responsible for keeping it up to date?

Yes to the first two questions. The Gambling Commission is responsible for keeping the register up to date.

(48) Which forms of cross-border administrative cooperation are you aware of in the domain of gambling and which specific issues are covered?

None that we are aware of, though we do not doubt that there are informal exchanges of views and opinion between national regulators

(49) Are you aware of enhanced cooperation, educational programmes or early warning systems as described in the Green Paper that are aimed at strengthening integrity in sport and/or increase awareness among other stakeholders?

No.

(50) Are any of the methods mentioned in the Green Paper, or any other technical means, applied at national level to limit access to on-line gambling services or to restrict payment services? Are you aware of any cross-border initiative(s) aimed at enforcing such methods? How do you assess their effectiveness in the field of on-line gambling?

We have not studied these issues and therefore are unable to give an opinion.

(51) What are your views on the relative merits [in terms of suitability and efficiency] of the methods mentioned in the Green Paper as well as any other technical means to limit access to gambling services or payment services?

We have not studied these issues and therefore are unable to give an opinion.

Other comments on issues raised in section 2.4

None.

Other comments on issues raised in the Green Paper

None.