



# Coming up

- Crime & money laundering
- Regulatory & social responsibility issues
- Perceptions
- Taxation (+UK Horserace Betting Levy)
- Europe
- State of the industry

# RGA



**BETFRED**

*Ladbrokes*

**CORAL**

*William HILL*

**sky BETTING & GAMING**

**bet365**

**888.com**  
— Enjoy the game —



**Paddy Power**

**betfair**



**tombola**  
Britain's biggest bingo site

**GVC Holdings**

**Stanleybet**

**betway**

**Poker Stars**

**gamesys**



**NYX GAMING GROUP**

**NETENT**

**NetPlayTV**  
Creating real winners



**THE Sun BETS**



**blueprint GAMING**

**meridianbet**



# Anti-Money Laundering

- 4<sup>th</sup> Anti-money laundering directive
- Learning lessons
- Are we doing as much as we can?
- GAMLG



# Money laundering





# Regulation



- Putting the consumer at the heart of everything we do.
- Heightened enforcement action and dispute resolution
- AAS and measuring the effectiveness of new initiatives.
- CMA enquiry



# Social responsibility: NOSES



# PROBLEM GAMBLING SELF-EXCLUSION PROGRAM

WHAT YOU NEED TO KNOW

# Social responsibility – player analytics

- RGA Player analytics group
- Gambleaware/PwC research
- Next steps
- But.....







# UK DCMS review

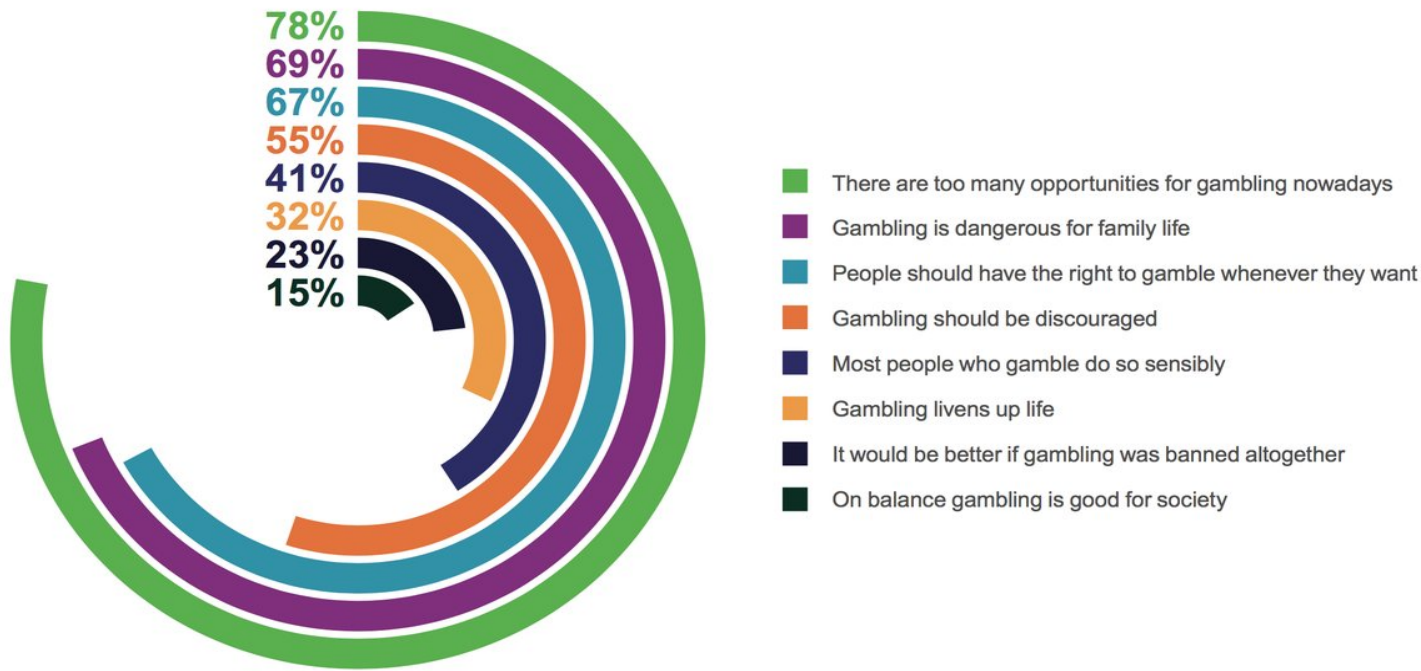
- Call for evidence – 24/10 to 4/12
- Advertising and SR measures added to the Triennial process.
- Evidence-based decision making?
- What next?

# UK Advertising

- Thorough review: 2014/15
- Revised Industry Code
- TV: Density and tone
- Bonus T&Cs
- Social media
- Affiliates

# Perceptions

Figure 41: Proportion of respondents agreeing with individual attitude statements (n=4,001)



# Perceptions

Overall, attitudes towards gambling are more negative



**34%**

of people think that gambling is fair and can be trusted

**39%**

of people think that gambling is associated with criminal activity



**78%**

of people think there are too many opportunities for gambling



**69%**

of people think that gambling is dangerous for family life



People think that protecting children from gambling is the most important policy issue...

...followed by regulating non-UK based gambling companies



Public opinion is informed by personal experience, advertising, and television news



## ALL BETS ARE OFF

*Gambling addicts made more than a million pleas for bookies and online casinos to ban them last year*

*The startling figures follow a Gambling Commission report this month that found 78% of punters felt there were too many opportunities to bet in Britain these days.*

*It also found **almost half of British people admit to gambling - up 3% on last year.***

# MP accepted gifts from bookmakers

Marc Horne

A Nationalist MP's links to the gambling industry have been questioned after it emerged that she had accepted gifts from betting companies.

Corri Wilson hosted a breakfast briefing for William Hill at Westminster and was behind a parliamentary motion that commended Britain's bookmakers.

Ms Wilson, who sits on the SNP's national executive committee, has also praised bookmakers on social media and posted numerous photographs of her visits to betting shops.

The Times has established that the member for Ayr, Carrick and Cumnock accepted gifts and hospitality worth £1,400 from companies involved in the gambling industry, including free entry to every race meeting in Scotland.

A charity has claimed that Ms Wilson, who won the seat at the general election in 2015, appeared to have been "seduced" by the gambling industry.

The SNP insisted that Ms Wilson had been helping to protect jobs in her constituency, which contains Scotland's largest race course.

On April 20, 2016, she tweeted a picture of herself flanked by William Hill

banners and wrote: "Opening the William Hill plc breakfast briefing I am hosting this morning. Discussing gender equality within the betting industry."

Shortly afterwards, on June 20, she praised the company again after being invited to make a charity bet at a shop in Cumnock. "I found the visit useful and it was good to find out more about William Hill's approach to the community and responsible gambling. I think it is really important to engage with the gambling industry."

"Every MP, the length and breadth of the country, has betting shops in their constituency, employing local people and contributing to the make-up of their communities."

Ms Wilson noted that she had concerns "about the impact of gambling on poverty" but added: "I have found William Hill, and the betting industry in general, to be responsive to criticism and to be enthusiastic about looking where it can improve."

On September 30 last year she registered receiving "race tickets and hospitality" with a total value of £400 from William Hill.

On another occasion, April 9, 2016, she thanked Ladbrokes on social media



Corri Wilson won her seat for the SNP in 2015, with campaign help from Nicola Sturgeon

seduced into submitting an early day motion which called on MPs to welcome the launch of Gamble Aware Week. This initiative is an attempt to ensure that the gambling industry escapes further regulation by government."

He claimed that politicians were being pressured by bookmakers, saying: "MPs we have spoken to tell us they are lobbied on an almost daily basis."

On January 24 this year, Ms Wilson registered a gift from Scottish Racing Marketing Ltd of "a metal badge entitling the bearer to admittance to every race meeting in Scotland during 2017. The badge is not available to purchase but its estimated value is between £0 and £1,000 depending on usage."

The SNP said that Ms Wilson had done nothing wrong. A spokeswoman said: "Corri Wilson is fully aware of the issues of problem gambling. She has offered to meet with Rethink Gambling to hear their concerns."

Peter Craske, of the ABB, said: "We engage with politicians of all parties to update them on our responsible gambling initiatives and highlight the importance of our industry, which supports 5,000 jobs and contributes £110 million in taxes and business rates in Scotland."

for allowing her to make a free charity bet, while on July 22 the Association of British Bookmakers (ABB) tweeted a photograph of Ms Wilson visiting a Ladbrokes branch in Ayr. A week later she visited Coral in Ayr, tweeting: "Interested to hear about women in the economy and local economy impact."

On July 13 Ms Wilson, the SNP spokeswoman on disability, submitted an early day motion that called on MPs to welcome the launch of Gamble Aware Week. It said: "This House

further welcomes the efforts to promote responsible gambling through initiatives such as the nationwide self-exclusion scheme and new mandatory alerts on gaming machines and further notes that betting shops have been part of our high streets for 55 years."

Gamble Aware Week was created by the ABB, whose members include William Hill, Ladbrokes and Gala Coral.

Simon Perfitt, of Rethink Gambling, said: "It is very concerning to learn that Corri Wilson appears to have been

*‘I fear that many middle-class people have no idea what a curse to the nation betting and gambling are today. ‘*

Guardian columnist

# UK problem gambling rates



- 0.5% of people aged 16+ in England identify as problem gamblers (2012)
- 0.7% of people aged 16+ in Scotland identify as problem gamblers (2015)
- 1.1% of people aged 16+ in Wales identify as problem gamblers (2015)

Source: <http://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Levels-of-participation-and-problem-gambling/Gambling-participation-and-problem-gambling.aspx>



## Losing streak

Biggest gamblers, loss\* per resident adult, \$  
2016 estimate

■ Gaming machines (*non-casino*) ■ Casino  
■ Betting ■ Lotteries ■ Online ■ Other



Source: H2 Gambling Capital

\*Stakes minus payouts,  
excluding expenses

# Taxation

- UK remote tax revenues: expectation and reality
- Taxation of remote gaming ‘freeplays’.
- EU VAT
- Total tax burden

# Horserace betting levy

- DCMS committed to reform
- Why?
- Is the levy in any form justified?
- Is it compatible with State aid issues?
- Is the April 2017 deadline realistic?

# Europe

- European Commission
- New Licensing jurisdictions
- Established jurisdictions
- Brexit



# Commercial reality



- *Survey of 1,000 UK adults shows engagement with gambling is high (45% vs 43% in our 2016 survey) and continues to rise (+2pp vs our 2016 survey) with growing Online participation (now at 24%, +2pp). This equates to a 63% online penetration of gamblers we surveyed, a particularly high level owing to the online methodology we used, which is more likely to attract heavy internet users. We also show new data from the Gambling Commission that shows supportive trends on market growth and customer dynamics.*
- ***What are the industry trends?** The drivers of structural growth remain in place. Mobile penetration continues to grow, and younger demographics are betting on more devices from more locations more regularly. We anticipate 12% online market growth in 2017 and 9-10% in 2018-20.*

# State of the industry (i)



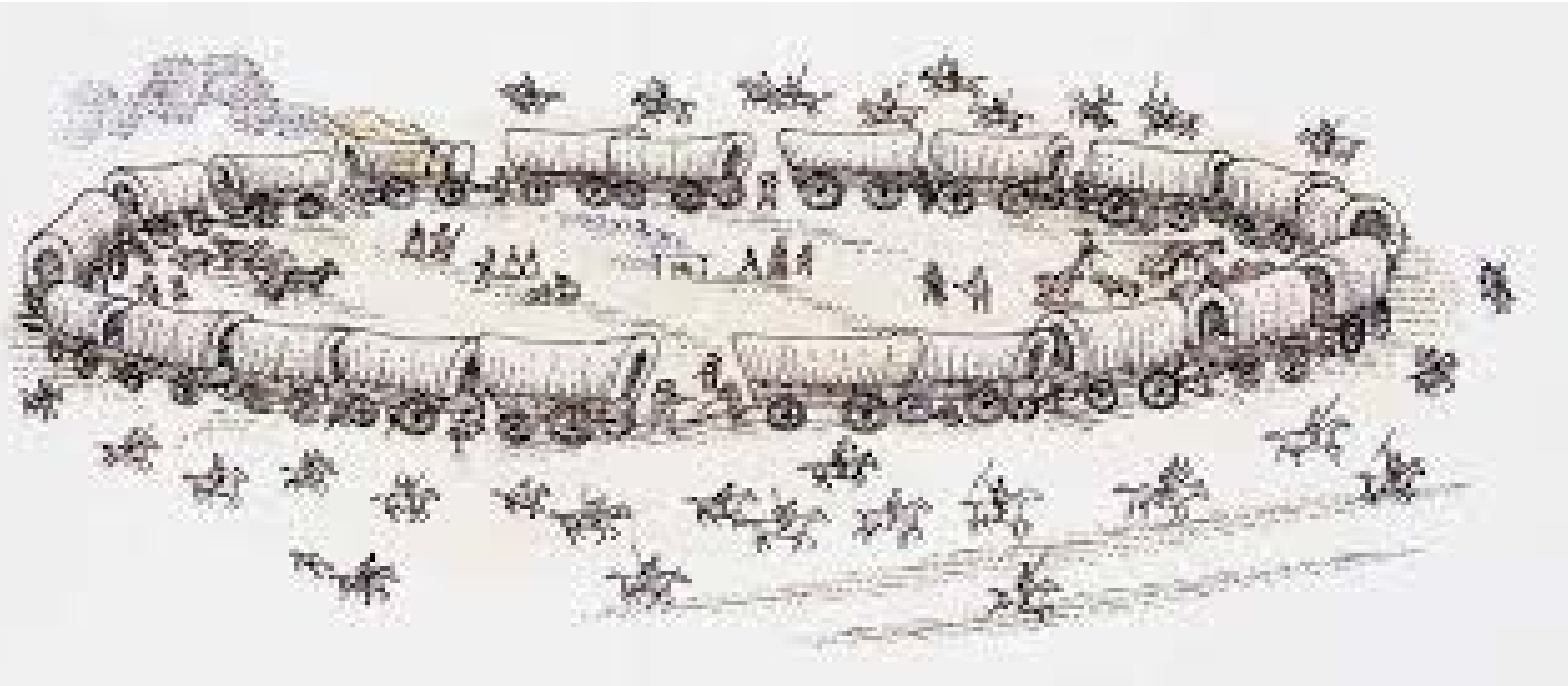
- Revenues still growing (UK online is third of the market)
- Trading conditions becoming tougher (but it's all relative)
- More regulated markets = certainty + cost

# State of the industry (ii)



- Cost + maturing markets = competition
- Scale more important = consolidation, M&A, fewer operators.
- Innovation and new products.

# State of the industry







# Thanks