



# Operators Handbook

**February 2021**

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# Section A

## Regulatory

# 1 Licensing Conditions and Codes of Practice (LCCP)

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## 1.1 Introduction

**1.1.1** The LCCP was first published in 2007 and numerous revisions have been made over the years since its launch. The consolidated version released in April 2020 is the current version of the LCCP and is available on the Gambling Commission's website and a link within the Resource Area.

**1.1.2** The LCCP is a significant part of the framework by which the Commission upholds the licensing objectives. The Regulatory sections of the Bingo Operators Handbook discuss in detail those areas of the LCCP in which operators should be particularly mindful. The licensing objectives are set out in the Gambling Act 2005 and are:

The Commission has no objection to players in bingo being able to select some, or indeed all, of their numbers provided there is a mechanism to ensure that each player nevertheless has a unique set of numbers and the game therefore remains equal chance. The Commission also considers that fixed odds bingo games are acceptable provided they are structured to ensure there is no banker's interest.

1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
2. Ensuring that gambling is conducted in a fair and open way
3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

**1.1.3** The gambling industry needs to demonstrate that it is genuinely committed to delivering the objectives above.

**1.1.4** The LCCP must be seen within the overall architecture of gambling regulation. In particular, the industry is responsible for the active pursuit of the licensing objectives, with

the LCCP as part of that infrastructure. The LCCP is not merely a standalone checklist which the industry should follow, nor should it be seen as the maximum standard to be achieved. Equally important as adherence to the LCCP, is the operator's compliance with the Gambling Act 2005 (and with the secondary legislation connected with that Act) and with the management of the business in a socially responsible manner.

**1.1.5** The LCCP provides a framework of conditions and codes within which operators can develop good practice and which, in the case of ordinary codes of practice can be used in regulatory or court actions as evidence of good practice. In many areas, the LCCP leaves room for flexibility in the manner in which it is implemented and allows businesses to decide how best to give life to the licensing objectives. This applies particularly to the ordinary code provisions. The approach was always intended to allow development and improvement in operators' policies and procedures, without the need for frequent wholesale changes to LCCP. However, the Gambling Commission amend and update the LCCP on a regular basis and all operators should be mindful of these changes and how they might impact their individual operations.

## 1.2 What are Licence Conditions? (Part I of LCCP)

There are four types of licence condition that may be attached to operating licences, under the Gambling Act 2005:

**1 General conditions** (attached by the Gambling Commission)

General licence conditions can be applied to an individual operating licence or a class of operating licence (for example, all bingo operating licences).

**2 Individual conditions** (attached by the Gambling Commission)

Individual licence conditions can be applied to an individual operating licence. They are likely to

address matters concerning an individual operator and their activities

**3 Conditions imposed by the Secretary of State**  
(made through statutory instruments)

Conditions imposed by the Secretary of State may be applied to a class of operating licence.

**4 Statutory conditions imposed by the Gambling Act 2005 itself**

Statutory conditions may be applied to a class of operating licence.

**1.3 What are Codes of Practice? (Part II of LCCP)**

**1.3.1** The Gambling Commission issue codes of practice under section 24 of the Gambling Act 2005, about the manner in which facilities for gambling are provided to ensure that the three licensing objectives above are met.

**1.3.2** Codes of Practice (section 24 and 82 (1) Gambling Act 2005) are either:

**i. Social responsibility code provisions**  
or

**ii. Ordinary code provisions**

The most recent consolidated LCCP for all forms of gambling was issued in April 2020.

**1.4 What Happens if I do not comply with the Licence Conditions and Codes of Practice?**

The Gambling Commission has powers to take action against licensed operators who fail to comply with the conditions of their licence or codes of practice. The Commission has a range of powers which they may exercise following a review including:

- a)** issuing a warning to a licence holder
- b)** attaching an additional condition to a licence
- c)** removing or amending a condition to a licence
- d)** suspending a licence at the outset, or following a review
- e)** revoking a licence
- f)** imposing a financial penalty following breach of a licence condition

## 2 Licensing Requirements

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### 2.1 Background

#### Bingo Games

- 2.1.1** Cash bingo is the main type of bingo played in commercial bingo premises. Prize Bingo is also offered, predominately as interval games. The holder of a bingo operating licence will be able to offer any type of bingo game, whether cash or prize. This means that only premises with a bingo premises licence, or a 2005 Act large casino premises licence (where the licence permits the operator to offer casino games, bingo and betting) will be able to offer bingo in all its forms.

#### Gambling Act 2005

- 2.1.2** The Gambling Act 2005 (‘the Act’) contains the regulatory system to govern the provision of all gambling in Great Britain including the National Lottery (from October 2013) but not spread betting, which remains the responsibility of the Financial Services Authority. The Gambling Act received Royal

Assent on 7 April 2005 and came in to force on 1st September 2007.

#### Summary of the Act

- 2.1.3** Gambling is unlawful in Great Britain, unless permitted by:
- the measures contained in the Act
  - the measures contained in the National Lottery Act 1993, or pursuant to the Financial Services and Markets Act 2000.
- 2.1.4** Two comprehensive offences are established by the Act: providing facilities for gambling or using premises for gambling, in either case without the appropriate permission. Such permission may come from a licence, permit, or registration granted in accordance with the Act or from an exemption given by the Act. Where authority to provide facilities for gambling is granted, it is subject to varying degrees of regulation, depending on the type of gambling, the means by which it is conducted, and the people by whom and to whom it is offered.

- 2.1.5** The Gambling Commission (the Commission) is the unified regulator for gambling in Great Britain.
- 2.1.6** The Gambling Commission has responsibility for granting operating and personal licences for commercial gambling operators and personnel working in the industry. The Act sets out different types of operating licence that cover the full range of commercial gambling activities conducted in Great Britain. It also makes provision for the Commission to have powers of entry and inspection to regulate gambling, with safeguards for those subject to the powers.
- 2.1.7** **Licensing authorities grant** licences for gambling premises (**premises licence**) within their area.

## 2.2 The 3 Licensing Objectives

- 2.2.1** As stated in Section A3 the Gambling Act contains three licensing objectives which underpin the functions that the Commission and licensing authorities will perform. These objectives are central to the Act. They are:

- 1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder, or being used to support crime**
- 2. Ensuring that gambling is conducted in a fair and open way**
- 3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.**

- 2.2.2** The Commission has an overriding obligation to pursue and have regard to the objectives, and to permit gambling so far as it thinks is reasonably consistent with them.

Further details of these objectives are as follows:

### Objective 1

#### **Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime**

- 2.2.3** The Commission play a leading role in preventing gambling from being a source of crime. It maintains rigorous licensing procedures that aim to prevent criminals from providing facilities for gambling, or being associated with providing such facilities. The Act provides the Commission with powers to investigate the suitability of applicants for operating and personal licences, and others relevant to the application. This will provide the Commission with the power to make enquiries about and investigate those who are involved in the control of a company or the provision of gambling. In considering applications for operating and personal licences the Commission will, in particular,

take a serious view of any offences involving dishonesty committed by applicants or persons relevant to the application.

- 2.2.4** As applicants for premises licences will have to hold an operating licence from the Commission before the premises licence can be issued, licensing authorities will not need to investigate the suitability of an applicant. If during the course of considering a premises licence application, or at any other time, the licensing authority receives information that causes it to question the suitability of the applicant to hold an operating licence; these concerns will be brought to the attention of the Commission.
- 2.2.5** Among other matters, licensing authorities will consider the location of premises in the context of this licensing objective. If an application for a licence or permit is received in relation to premises that are in an area noted for particular problems with organised crime, for example, licensing authorities will consider what (if any) controls might be appropriate to prevent those premises becoming a source of crime. These might include conditions being put on the licence, such as a requirement for door supervisors.
- 2.2.6** Regulatory issues arising from the prevention of disorder are likely to focus almost exclusively on premises licensing, rather than on operating licences. (Although if there are persistent or serious disorder problems that an operator could or should do more to prevent, the licensing authority could bring this to the attention of the Commission so that it can consider the continuing suitability of the operator to hold an operating licence.)
- 2.2.7** Local authorities are experienced in making judgements in relation to the suitability of premises, particularly those for which they have responsibilities under the Licensing Act 2003, in which context they have wider powers to also take into account measures to prevent nuisance.
- 2.2.8** In relation to preventing disorder, licensing authorities have the ability under section 169 of the Act to attach additional conditions to premises licences, and are entitled to include a requirement for door supervision, as provided for in section 178 of the Act. If a person employed on door supervision would be required to hold a licence issued by the Security Industry Authority (SIA), that requirement will have force as though it were a condition on the premises licence.
- 2.2.9** Local authorities will note that in the case of gambling premises licences, disorder is intended to mean activity that is more serious and disruptive than mere nuisance. Factors to consider in determining whether a disturbance was serious enough to constitute disorder would include whether police assistance was

required and take the views of its lawyers before determining what action to take in circumstances in which disorder may be a factor.

### Objective 2

#### Ensuring that gambling is conducted in a fair and open way

- 2.2.10** The Commission is concerned to ensure that not only is gambling fair in the way it is played, but also that the rules are transparent to players and they know what to expect. It achieves this by working to ensure that:
- a) operating and personal licences are issued only to those who are suitable to offer gambling facilities or work in the industry;
  - b) easily understandable information is made available by operators to players about, for example: the rules of the game, the probability of losing or winning, and the terms and conditions on which business is conducted;
  - c) the rules are fair;
  - d) advertising is not misleading;
  - e) the results of events and competitions on which commercial gambling takes place are made public;
  - f) machines, equipment and software used to produce the outcome of games meet standards set by the Commission and operate as advertised.
- 2.2.11** Generally, the Commission would not expect the licensing authorities to become concerned with ensuring that gambling is conducted in a fair and open way as this will be a matter for either the management of the gambling business, and therefore subject to the operating licence, or will be in relation to the suitability and actions of an individual and therefore subject to the personal licence. If, however, licensing authorities suspect that gambling is not being conducted in a fair and open way it may be brought to the attention of the Commission so that it can consider the continuing suitability of the operator to hold an operating licence or of an individual to hold a personal licence.

### Objective 3

#### Protecting children and other vulnerable persons from being harmed or exploited by gambling

- 2.2.12** With limited exceptions, the intention of the Gambling Act is that children and young persons should not be permitted to gamble and should be prevented from entering those gambling premises which are adult-only environments. The objective refers to protecting children from being 'harmed or exploited by gambling'. That means preventing them from taking part in gambling

and for there to be restrictions on advertising so that gambling products are not aimed at children or advertised in such a way that makes them particularly attractive to children, excepting Category D gaming machines.

- 2.2.13** Over 18 machine areas within bingo clubs that admit under-18s must be separated by a barrier with prominently displayed notices stating that under-18s are not allowed in that area and with adequate supervision in place to ensure that children and young people are not able to access these areas or the category B or C machines. Supervision may be done either by placing the terminals within the line of sight of an official of the operator or via monitored CCTV.
- 2.2.14** Under the Act, children and young persons (anyone up to the age of 18) cannot be employed in providing any facilities for gambling on bingo premises, and children (under 16) cannot be employed, in any capacity, at a time when facilities for playing bingo are being offered. However, young persons, aged 16 and 17, may be employed in bingo premises (while bingo is being played), provided the activities on which they are employed are not connected with the gaming or gaming machines.
- 2.2.15** Children and young people are allowed into bingo premises; however, they are not permitted to participate in the bingo and if category B or C machines are made available for use these must be separated from areas where children and young people are allowed. Most bingo operators in Great Britain choose to exclude all under 18s from entry to their clubs.
- 2.2.16** Test purchasing is one method by which the Commission or Licensing Authorities may, in England and Wales, measure the compliance of licensed operators, or groups of licensed operators, with aspects of the Gambling Act 2005. The Commission encourages operators to manage the business risk associated with both underage access to premises and permitting a young person to gamble. Where an operator takes measures to do this, such as commissioning a third party to test the effectiveness of their policies and procedures, and where the results of the tests are shared with the Gambling Commission they will be less inclined to conduct their own test purchasing.
- 2.2.17** The Act does not seek to prohibit particular groups of adults from gambling in the same way that it prohibits children. The Commission does not seek to define 'vulnerable persons', but it does for regulatory purposes assume that this group includes people who gamble more than they want to; people who gamble beyond their means; and people who may not be able to make informed or balanced

decisions about gambling due to mental health needs, learning disability or substance misuse relating to alcohol or drugs.

- 2.2.18** Licensing authorities will consider, in relation to particular premises, whether any special considerations apply in relation to the protection of vulnerable persons. Any such considerations need to be balanced against the authority's objective to aim to permit the use of premises for gambling.

### 2.3 The Licensing Framework

The Gambling Act 2005 provides for three categories of licence:

1. **Operating licences (issued by Gambling Commission)**
2. **Personal licences (issued by Gambling Commission)**
3. **Premises licences (issued by local Licensing Authority)**

### 2.4 Achieving Compliance with the Act

- 2.4.1** Regulation of gambling in Great Britain is achieved through a variety of measures established under the Act. These include:
- a) general regulations attached to all licences made by the Secretary of State or Scottish Ministers, including mandatory and default licence conditions,
  - b) conditions attached to the operating or personal licences (attached by the Gambling Commission) or conditions attached to the premises licences imposed by the local licensing authorities,
    - i. they may attach automatically, having been set out on the face of the Gambling Act
  - c) codes of practice from the Commission;
  - d) guidance from the Commission;
  - e) conditions placed on licences of a particular class, or they may be specific to a particular licence.

### 2.5 Operating Licences

- 2.5.1** Individuals and companies who intend to provide facilities for certain types of gambling must obtain a bingo operating licence from the Gambling Commission.
- 2.5.2** The licence may authorise remote or non-remote gambling. However, a person who wishes to offer gambling, or carry on activities, both remotely and non-remotely will need to obtain a full remote and non-remote operating licence. A single licence cannot authorise both remote and non-remote activities.

- 2.5.3** In considering an application, the Commission will have regard to the licensing objectives, and will consider the suitability of applicants to provide facilities for gambling. In particular, the Commission will have regard to the integrity of the applicant, and any others relevant to the application, and to their competence and financial circumstances.

- 2.5.4** Conditions covering a range of matters may be attached to operating licences. The Commission's powers are wide. A condition could, for example, contain restrictions on the number of premises that may be operated or minimum requirements for staffing levels. In relation to particular categories of licence, conditions could cover the display of rules or the provision of information to customers. The Act provides that the Secretary of State may impose conditions on operating licences of a specified description. At the date of this publication the Secretary of State has done so only in respect of the level of participation fees and money prizes in **prize bingo**. Therefore, it generally falls to the Commission to determine what licence conditions are necessary, both for particular categories of licence and, where appropriate, for particular licensees. Supporting the licence conditions are the codes of practice (see LCCP section C1). The Commission published the latest version of its 'Licence Conditions and Codes of Practice' ('the LCCP') in January 2020.

- 2.5.5** Breach of an operating licence condition gives rise to a criminal offence (as the result of the fact that unauthorised gambling is taking place). The Commission also has a range of administrative penalties available to it, separate from taking criminal proceedings. These include warnings, unlimited fines and suspension or revocation of the licence. The Commission has also consulted on its policy in relation to financial penalties (under section 121 of the Act) and published a '**Statement of Principles for Licensing and Regulation**', (see 2.24) as part of the Licensing, Compliance and Enforcement policy. Some provisions of the Commission's principal code of practice are designated as 'social responsibility' provisions and breaches of these carry the same weight and potential penalties as breaches of licence conditions. Failure to comply with an ordinary code of practice provision will not be a criminal offence, but it may be taken into account in considering licence breaches or criminal prosecutions.

- 2.5.6** Operating licences are not transferable. However, there are provisions in the Act which deal with circumstances in which control of a company changes hands.

## 2.6 What the Commission Expects from Applicants for Licences

- 2.6.1** The Commission expects applicants for licences to:
- a) be able to demonstrate that they can meet the Commission's suitability assessment;
  - b) ensure that the activities they plan to carry out will be conducted in a manner which minimises the risks to the licensing objectives;
  - c) work with the Commission in an open and co-operative way;
  - d) disclose to the Commission anything which the Commission would reasonably expect to know.
- 2.6.2** The Commission expects licensees to conduct their gambling operations in a way that does not put the licensing objectives at risk. The Licence Conditions and Codes of Practice are designed to ensure this.
- 2.6.3** The Commission also expects those holding licences, including, as appropriate, personal licences, to:
- a) conduct their business with integrity;
  - b) act with due care, skill and diligence;
  - c) take care to organise and control their affairs responsibly and effectively and have adequate systems and controls to minimise the risks to the licensing objectives;
  - d) maintain adequate financial resources;
  - e) have due regard to the interests of customers and treat them fairly
  - f) have due regard to the information needs of customers and communicate with them in a way that is clear, not misleading, and allows them to make a properly informed judgment about whether to gamble;
  - g) manage conflicts of interest fairly.

## 2.7 Personal Licences

- 2.7.1** One of the mandatory conditions that the Commission has placed on operating licences, except in the case of small-scale operators, is to ensure that for each operating licence at least one person holds a specified management office and that person must hold a personal licence from the Commission. (see full details in LCCP Section A3).
- 2.7.2** The purpose of the personal licence is to ensure that individuals who control facilities for gambling or are able to influence the outcome of gambling are licensed to ensure that they are suitable to carry out those functions, and that they understand the legal and compliance requirements concerned with the gambling they operate.

- 2.7.3** Personal licences are granted to an individual and are not transferable. They cannot be held by a company. Once granted they are portable between posts and employers provided that the same type of personal licence is appropriate. The Commission has imposed licence conditions that are specific to personal licences. These require that the holder takes reasonable steps to avoid causing a breach of an operating licence; keeps up to date with developments in gambling legislation or guidance; and informs the Commission of certain specified key events.

- 2.7.4** 'Small-scale operators' are exempt from the obligation to have at least one member of management hold a personal licence.

The definition of a small-scale operator has been set out in regulations made by the Secretary of State. Individuals or companies are classed as small-scale operators if, in relation to the activity authorised by their operating licence, they have no more than three 'qualifying positions' each of which is occupied by a 'qualified person'. See The Gambling Act 2005 (Definition of Small-scale Operator) Regulations 2006 for a full definition (see also 2.24).

- 2.7.5** **Qualifying positions** are those offices (whether or not held by a director in the case of a licensee which is a company, a partner in the case of a licensee which is a partnership or an officer of the association in the case of a licensee which is an unincorporated association) the occupier of which is by virtue of the terms of their appointment responsible for:
- a) the overall management and direction of the licensee's business or affairs
  - b) the licensee's finance function as head of that function
  - c) the licensee's gambling regulatory compliance function as head of that function
  - d) the licensee's marketing function as head of that function
  - e) the licensee's information technology function as head of that function in so far as it relates to gambling-related information technology and software
  - f) oversight of the day to day management of the licensed activities at an identified number of premises licensed under Part 8 of the Act or across an identified geographical area
  - g) in the case of casino and bingo licences only, oversight of the day to day management of a single set of premises licensed under Part 8 of the Act.

- 2.7.6** The person responsible for the licensee's gambling regulatory compliance function as head of that function shall not, except with the Commission's express approval, occupy any other specified management office.

**2.7.7** The Head of Compliance must (regardless of the reporting lines or structure of the company) be able to raise objections at board level to anything which puts the licensing objectives at risk, or was in direct conflict with them.

**2.7.8** Licensees must take all reasonable steps to ensure that anything done in the performance of the functions of a specified management office is done in accordance with the terms and conditions of the holder's personal management licence.

**2.7.9** Where an individual is authorised by a personal licence and that licence comes under review under section 116(2) of the Act, the operating licensee must comply with any conditions subsequently imposed on that licence by the Commission about redeployment, supervision, or monitoring of the individual's work and any requirements of the Commission in respect of such matters applicable during the period of the review.

**2.7.10** **Qualified persons** are those:

- a) named on the operating licence as holding a qualifying position or
- b) who are the subject of an application to vary the licence to add their name as a person holding a qualifying position.

**2.7.11** **The relevance of criminal convictions**

The Commission will determine the weight it will attach to convictions for relevant offences and unspent convictions for other offences committed by licence applicants or persons relevant to applications for operating or personal licences having regard to the nature and seriousness of the offence and the time which has elapsed since the offence was committed.

**2.7.12** **Failure to declare convictions**

The Commission will attach significant weight to failure by a licence applicant to declare a conviction for a relevant offence or unspent conviction for any other offence committed by it or a person relevant to the application, in the absence of a reasonable excuse for such failure.

**2.8.3** Premises licences may only be issued to people with a relevant operating licence. **To obtain a bingo premises licence the applicant must hold a bingo operating licence.** Premises licences are transferable to someone else holding a valid operating licence.

**2.8.4** The Act provides that licensing authorities may attach conditions to premises licences.

## 2.9 Premises Licence Conditions

**2.9.1** The Act provides that conditions may be attached to licences in a number of ways:

- a) they may attach automatically, having been set out on the face of the Act;
- b) they may attach through regulations made by the Secretary of State or Scottish Ministers;
- c) they may be attached to operating and personal licences by the Commission;
- d) they may be attached to premises licences by licensing authorities.

**2.9.2** Conditions may sometimes be general in nature (in effect they attach to all licences or all licences of a particular class) or they may be specific to a particular licence.

**2.9.3** Conditions on premises licences should relate only to gambling, as considered appropriate in the light of the principles to be applied by licensing authorities under section 153. Accordingly, if the Commission's Licence Conditions and Codes of Practice or other legislation places particular responsibilities or restrictions on an employer or the operator of premises, it is not necessary or appropriate to impose the same or similar duties in conditions on a premises licence issued in accordance with the Gambling Act. Similarly, where other legislation confers powers on inspection and enforcement agencies in relation to separate activities or concerns, the Gambling Act does not affect the continued use of such powers; for example, the powers of an environmental health officer in respect of statutory nuisance under the Environmental Protection Act 1990.

## 2.10 Conditions and Authorisations That Attach Automatically to Premises Licences by Virtue of Provisions on the Face of the Act

The following paragraphs discuss the sections of the Act that provide for conditions to be attached automatically to premises licences, or for authorisations to be granted automatically. The Secretary of State may make regulations requiring these conditions to be set out on the premises licence. There is no discretion to decide not to include them, or to modify them.

**2.10.1** **Section 172 - Gaming Machines**

- a) Section 172 provides for premises licences to permit a specified number of gaming machines of particular categories in each type of gambling premises.

## 2.8 Premises Licences

**2.8.1** Where an individual or company proposes to offer gambling for which an operating licence is required, and which is premises based, that individual or company will also need to apply for a premises licence.

**2.8.2** Premises licences are issued by the licensing authority with responsibility for the area in which the premises are situated and may authorise the provision of facilities on a bingo premises.

- b) Section 172(7) provides that the holder of a bingo premises licence may make available for use a number of category B gaming machines not exceeding 20% of the total number of gaming machines which are available for use on the premises and any number of category C or D machines. Premises in existence before 13 July 2011 are entitled to make available eight category B gaming machines, or 20% of the total number of gaming machines, whichever is the greater. The holder of a bingo premises licence granted on or after 13 July 2011 is entitled to make available a maximum of eight category B gaming machines or 20% of the total number of gaming machines, whichever is the greater; from 1 April 2014 these premises will be entitled to 20% of the total number of gaming machines only. Regulations state that category B machines at bingo premises are restricted to sub-category B3 and B4 machines but not B3A machines.

#### 2.10.2 Section 177 - Giving Credit

Section 177 attaches a condition to bingo premises licences that prohibits the licensee from:

- a) giving credit in connection with the gambling taking place on the premises.
- b) participating in, arranging, permitting or knowingly facilitating the giving of credit in connection with the gambling on the premises.
- c) However, section 177 does not prevent the licensee from contracting a third party to install cash dispensers (ATMs) on their premises, which may accept both credit and debit cards. Such an arrangement is subject to requirements that the premises licence holder has no other commercial connection in relation to gambling with the provider of the ATMs (aside from the agreement to site the machines), does not profit from the arrangement, and does not make any payment in connection with the machines. All premises licences also include a mandatory condition which requires that any ATM made available for use on the premises must be located in a place that requires any customer who wishes to use it to cease gambling in order to do so. (see Cash Transactions section B)
- d) This part of the Guidance deals only with the issue of credit in the context of section 177. The provision of credit by gambling operators and the use of credit cards are separate matters that are managed through operating licence conditions and codes of practice issued by the Commission.

#### 2.10.3 Section 178 - Door Supervision

- a) Section 178 relates to door supervision at premises licensed for gambling. It defines a condition for door supervision as one requiring someone to be responsible for 'guarding the premises against unauthorised access or occupation, against outbreaks of disorder or against damage'. **Where a licensing authority chooses to attach such a condition**, section 178 also provides that if the person carrying out such duties is required to be licensed under the Private Security Industries Act 2001 (PSIA), then that requirement must be treated as though it were a condition of the premises licence. There is, however, an exemption from the PSIA licensing requirement for in-house employees working as door supervisors at bingo premises.
- b) The SIA regulates the private security industry in England, Wales and Scotland, and is responsible for licensing individuals working within the various industry sectors, by virtue of the Private Security Industry Act 2001 (PSIA). The majority of persons employed to work as door supervisors at premises licensed for gambling, and carrying out the functions listed under Schedule 2 Part 1 of the PSIA, will need to be licensed by the SIA. There are, however, exceptions to this requirement.
- c) The PSIA requires that all contract staff (those employed under a contract for services) carrying out the functions set out under Schedule 2 Part 1 of the PSIA require licensing by the SIA. However, certain premises also need to have their in-house employees (those employed under a contract of service), who carry out these functions, licensed. These premises include those holding a premises licence for the supply of alcohol or regulated entertainment under the Licensing Act 2003.
- d) This requirement is relaxed when applied to door supervisors at bingo premises. Where 'contract' staff are employed as door supervisors bingo premises, such staff will need to be licensed by the SIA. However, 'in-house' employees working as door supervisors at casino and bingo premises are exempt from these requirements.

#### 2.10.4 Section 183 – Christmas Day Working

Section 183 applies to all premises licences. It attaches the condition to the premises licence that facilities for gambling must not be provided on Christmas Day. In this context, 'Christmas Day' covers the period of 00.01 hours on 25 December until 00.00 hours on 26 December.

### 2.10.5 Conditions attached through regulations made by the Secretary of State or Scottish Ministers

These conditions fall into two categories.

- a) The first are **mandatory conditions** under section 167 of the Act, which provides for the Secretary of State or Scottish Ministers to set out in regulations conditions that must be attached to premises licences. Mandatory conditions are set by the Secretary of State and Scottish Ministers with the intention that no further regulation in relation to that matter is required.
- b) The second category relates to **default conditions** which may be imposed under section 168 of the Act, which provides for the Secretary of State or Scottish Ministers to make conditions that apply, unless the licensing authority decides to exclude them using its powers under section 169.
- c) **Mandatory conditions** are set by the Secretary of State and Scottish Ministers with the intention that no further regulation in relation to that matter is required. Therefore, it is extremely unlikely that licensing authorities will need to impose individual conditions that will lead to a more restrictive regime in relation to matters that are already dealt with by mandatory conditions. Licensing authorities will only consider doing so where there are regulatory concerns of an exceptional nature and any additional licence conditions must relate to the licensing objectives.
- d) Licensing authorities have more flexibility in relation to **default conditions**, and may exclude a default condition and substitute it with one that is either more or less restrictive. The default conditions are intended to be the basic industry norm. While, given the requirements of section 153, the Commission would expect default conditions to be excluded and replaced with less rigid conditions on a relatively regular basis, licensing authorities would need to ensure that they have clear regulatory reasons for excluding default conditions and replacing them with more restrictive ones.
- b) Any admission charges, the charges for playing bingo games and the rules of bingo must be displayed in a prominent position on the premises. Rules can be displayed on a sign, by making available leaflets or other written material containing the rules, or running an audio-visual guide to the rules prior to any bingo game being commenced.
- c) the layout of the premises must be maintained in accordance with the plan that forms part of the premises licence.
- d) neither National Lottery products nor tickets in a private or customer lottery may be sold on the premises.
- e) There are also mandatory conditions attaching to each type of premises licence controlling access between premises. There can be no direct access between one premises licensed under the Gambling Act 2005 and another premises licensed under the Gambling Act 2005, with the following exception:
  - i. between bingo premises and alcohol-licensed premises/clubs with a club gaming or club machine permit/FECs and tracks.
- f) A notice stating that no person under the age of 18 years is permitted to play bingo on the premises shall be displayed in a prominent place at every entrance to the premises.
- g) Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling in order to do so.

#### Default Condition: Hours of Play

Bingo facilities in bingo premises may not be offered between the hours of midnight and 9am. However, there are no restrictions on access to gaming machines in bingo premises. Extensions to the operating hours may be granted on application to the local Licensing authority.

### 2.10.7 Conditions that may be imposed on or excluded from premises licences by licensing authorities

Section 169 of the Act gives licensing authorities:

- a) the ability to exclude from premises licences any default conditions that have been imposed under section 168.
- b) the power to impose conditions on the premises licences that they issue.
- c) Licensing authorities have a duty to act in accordance with the principles set out in section 153. Since they must aim to permit the use of premises for gambling, they should not attach conditions that limit

### 2.10.6 Mandatory conditions attaching to all premises licences

The following mandatory conditions apply to all premises licences:

- a) the summary of the terms and conditions of the premises licence issued by the licensing authority must be displayed in a prominent place on the premises.

the use of premises for gambling, except where that is necessary as a result of the requirement to act:

- i. In accordance with this Guidance, the Commission's codes of practice or their own Licensing Authority Statement of Policy.
  - ii. In a way that is reasonably consistent with the licensing objectives.
  - iii. Conversely, licensing authorities should not turn down applications for premises licences where relevant objections can be dealt with through the use of conditions.
- d) Conditions imposed by the licensing authority must be proportionate to the circumstances which they are seeking to address. In particular, licensing authorities should ensure that the premises licence conditions are:
- i. relevant to the need to make the proposed building suitable as a gambling facility;
  - ii. directly related to the premises and the type of licence applied for;
  - iii. fairly and reasonably related to the scale and type of premises; and
  - iv. reasonable in all other respects.
- e) It is the Commission's view that the conditions necessary for the general good conduct of gambling premises are those set as default and mandatory conditions by the Secretary of State and Scottish Ministers. Therefore, a pool of additional conditions published by the Commission is not necessary. Where there are specific, evidenced risks or problems associated with a particular locality, or specific premises or class of premises, a licensing authority will be able to attach individual conditions to address this. That will be a matter for them in the light of local circumstances.

#### 2.10.8 Conditions that may not be attached to premises licences by licensing authorities

The Act sets out certain matters that may not be the subject of conditions, as follows:

- a) section 169(4) prohibits an authority from imposing a condition on a premises licence which makes it impossible to comply with an operating licence condition;
- b) section 172(10) provides that conditions may not relate to gaming machine categories, numbers, or method of operation;
- c) section 170 provides that membership of a club or body cannot be required by attaching a condition to a premises licence (the Act specifically removes

the membership requirement for bingo clubs and this provision prevents it being reinstated);

- d) section 171 prevents an authority imposing conditions in relation to stakes, fees, winnings or prizes.

### 2.11 Primary Gambling Activity (PGA)

#### 2.11.1 Ordinary code provisions 9.1.1 & 9.1.2

In order to demonstrate that the primary gambling activity for which an operating licence has been issued is being offered in each licensed premises, licensees should have regard to the following general factors:

- a) the ratio of the space available to customers allocated to the primary gambling activity, to that allocated to other gambling activities;
- b) the extent to which the primary gambling activity is promoted on the premises and by way of external advertising compared to other gambling activities;
- c) the use, either expected or actual, to be made of the different gambling facilities.

#### 2.11.2 Licensees should also have regard to the following additional sector specific factors:

- a) the frequency and extent that bingo is, or is intended to be played on the premises, compared with the periods when the premises are open.
- b) whether there is:
  - i. capacity on the premises for the generation of main stage bingo numbers;
  - ii. a facility to sell tickets or cards for bingo games on the premises;
  - iii. bingo available to be played whenever sessions are advertised;
  - iv. display of prize board information;
  - v. a means of stopping a game to claim a win.

2.11.3 Not all the indicators would need to be present in a particular case, nor do they preclude others, but the combination of those factors that are present should be sufficient to indicate that the activity is the primary one in any given premises.

2.11.4 In accordance with section 150 of the Act, premises licences can authorise the provision of facilities on bingo premises.

2.11.5 By distinguishing between premises types the Act makes it clear that the primary gambling activity of the premises should be that described. Thus, in a bingo premises, the primary activity should be bingo, with gaming machines as an ancillary offer on the premises. The latest issue of the **Licence Conditions and Codes of Practice** (see 2.24) sets out

in full the requirements on operators. Subject to the gaming machine entitlements which various types of licence bring with them the Act does not permit premises to be licensed for more than one activity.

- 2.11.6** Licence conditions set out the requirements for Primary Gambling Activity in relation to bingo operators. The licence condition (16.1.1) states that:
- a) 'Gaming machines may be made available for use in licensed bingo premises only on those days when sufficient facilities for playing bingo are also available for use.
  - b) In cases where bingo is exclusively offered by means of electronic bingo terminals or bingo machines, there must be more individual player positions made available for bingo than there are gaming machines made available for use.'

## 2.12 In the Act, the Meaning of 'Premises'

- 2.12.1** Is defined as including 'any place'. Section 152 therefore prevents more than one premises licence applying to any place. But, there is no reason in principle why a single building could not be subject to more than one premises licence, provided they are for different parts of the building, and the different parts of the building can reasonably be regarded as being different premises. This approach has been taken to allow large, multiple unit premises such as pleasure parks, tracks, or shopping malls to obtain discrete premises licences, where appropriate safeguards are in place. However, licensing authorities will pay particular attention if there are issues about sub-division of a single building or plot and should ensure that mandatory conditions relating to access between premises are observed.

- 2.12.2** In most cases the expectation is that a single building/plot will be the subject of an application for a licence, for example, 32 High Street. But that does not mean that 32 High Street cannot be the subject of separate premises licences for the basement and ground floor, if they are configured acceptably. Whether different parts of a building can properly be regarded as being separate premises will depend on the circumstances. The location of the premises will clearly be an important consideration and the suitability of the division is likely to be a matter for discussion between the operator and the licensing officer. However, the Commission does not consider that areas of a building that are artificially or temporarily separated, for example by ropes or moveable partitions, can properly be regarded as different premises.

- 2.12.3** The Commission recognise that different configurations may be appropriate under different circumstances but the crux of the

matter is whether the proposed premises are genuinely separate premises that merit their own licence with, for example, the machine entitlements that brings and are not an artificially created part of what is readily identifiable as a single premise.

- 2.12.4** Facilities corresponding to the premises licence type. The Licence Conditions and Codes of Practice (LCCP), sets out in full the requirements on operators.
- 2.12.5** With the exception of **bingo clubs**, tracks on race-days and licensed family entertainment centres, children will not be permitted to enter licensed gambling premises. Therefore, businesses will need to consider carefully how they wish to configure their buildings if they are seeking to develop multi-purpose sites.
- 2.12.6** Licensing authorities will take particular care in considering applications for multiple premises licences for a building and those relating to a discrete part of a building used for other (non-gambling) purposes. In particular, the following:
- a) The third licensing objective seeks to protect children from being harmed by gambling. In practice, that means not only preventing them from taking part in gambling, but also preventing them from being in close proximity to gambling. Therefore, premises should be configured so that children are not invited to participate in, have accidental access to, or closely observe gambling where they are prohibited from participating.
  - b) Entrances to and exits from parts of a building covered by one or more premises licences should be separate and identifiable so that the separation of different premises is not compromised and people do not 'drift' into a gambling area. In this context it should normally be possible to access the premises without going through another licensed premises or premises with a permit.
  - c) Customers should be able to participate in the activity named on the premises licence.
- 2.12.7** In determining whether two or more proposed premises are truly separate, the licensing authority will look at the following factors:
- a) Is a separate registration for business rates in place for the premises?
  - b) Is the premises' neighbouring premises owned by the same person or someone else?
  - c) Can each of the premises be accessed from the street or a public passageway?
  - d) Can the premises only be accessed from any other gambling premises?

**2.12.8** Where more than one premises licence is permitted within a building the gaming machine entitlement for the separately licensed premises may not be aggregated and no more than the permitted number and category of machines for the relevant type of premises may be placed in any one of the individual sets of premises within the building.

**2.12.9** The proper application of section 152 means that different premises licences cannot apply in respect of single premises at different times. There is no temporal element to a premises licence. Therefore, premises could not, for example, be licensed as a bingo club on week days and a betting shop at weekends.

### 2.13 Division of Premises and Access Between Premises

**2.13.1** An issue that may arise when division of a premises is being considered is the nature of the unlicensed area from which a customer may access a licensed gambling premises. The precise nature of this public area will depend on the location and nature of the premises. Licensing authorities will consider whether the effect of any division is to create a machine shed-type environment with very large banks of machines, which is not the intention of the access conditions, or whether it creates a public environment with gambling facilities being made available. Licensing authorities will consider that where they have concerns about the use of premises for gambling, these can be addressed through licence conditions.

**2.13.2** The Gambling Act 2005 (Mandatory and Default Conditions) Regulations set out the access provisions for each type of premises. The broad principle is that there can be no access from one licensed gambling premises to another, except between premises which allow access to those under the age of 18. Under-18s can go into family entertainment centres, tracks, pubs and some bingo clubs. So access is allowed between these types of premises.

**2.13.3** There is no definition of 'direct access' in the Act or regulations. However, it could be said that there should be an area separating the premises concerned (for example a street or cafe), which the public go to for purposes other than gambling, for there to be shown to be no direct access.

#### 2.13.4 Bingo Premises

No customer must be able to access the premises directly from:

- a) a casino;
- b) an adult gaming centre;
- c) a betting premises, other than a track.

### 2.14 The Gambling Commission

**2.14.1** The Act established the Gambling Commission to regulate all commercial gambling in Great Britain other than spread betting.

**2.14.2** The Gambling Commission also regulates the National Lottery, following the abolition of the National Lottery Commission which provided a transfer of property, rights and liabilities under the Public Bodies (Merger of the Gambling Commission and National Lottery Commission) Order 2013 which was effective on 1st October 2013.

**2.14.3** The Commission was established on 1 October 2005 and has an overriding obligation to pursue and have regard to the licensing objectives as set out in section 1 of the Act, and to permit gambling so far as it thinks it is reasonably consistent with them.

**2.14.4** The Commission published its Statement of principles for licensing and regulation in September 2009. The Statement sets out how the Commission would approach its regulatory and other functions under the Gambling Act 2005. This document and any subsequent update to it is available from the Commission's website or by using the link above.

**2.14.5** The Commission has legal powers to monitor licence holders and is able to apply penalties. Penalties for both operating and personal licences may include fines and/or revocation of the licence. The Commission also has the ability to prosecute operating and personal licence holders. It may also investigate and, where appropriate, in consultation with licensing authorities and the police, may prosecute illegal gambling.

**2.14.6** The Commission is required to advise the Secretary of State about the incidence of gambling, the manner in which gambling is carried on, the effects of gambling and the regulation of gambling. Copies of the advice are sent to Scottish Ministers.

**2.14.7** To ensure that the Commission is well placed to provide advice, it monitors developments in gambling in Great Britain and in other jurisdictions. It works closely with a range of stakeholders including academics, the Department of Health and bodies working in the field of gambling research and problem gambling.

**2.14.8** Licensing authorities have a key role in providing information to the Commission to assist it in carrying out these functions. The Commission's advice paper sets out the requirements on local authorities to provide data on those they licence and on compliance and enforcement action that may be necessary (see GLA 4th Edition Sept 2012).

**2.14.9** The Commission also requires operators to submit information and, together, these sources of information will allow it to build

up a picture of gambling in Great Britain that can be relied upon so the Commission offers advice that is evidence-based.

## 2.15 Regulatory sanctions

- 2.15.1** If a premises licence or permit holder is found to be at risk of breaching, or is actually in breach of: a premises licence condition; a code of practice, compliance with which is a condition attached to a permit; or otherwise committing an offence under the Act, then licensing authorities may take enforcement action against that licence or permit holder. Such enforcement action may take the form of regulatory action, ranging from informal action through to prosecuting an offence under the Act.
- 2.15.2** Informal actions that could be taken include giving oral and written advice, or issuing oral and written warnings. Formal actions that could be taken include conducting interviews under PACE (Police and Criminal Evidence) (or common law in Scotland), reviewing a premises licence, issuing simple cautions and initiating prosecutions. In Scotland, the licensing board will refer the question of interview to the police in the first instance and the decision to initiate a prosecution will be taken by the procurator fiscal.
- 2.15.3** If the matter relates to a premises licence, then it may be that the particular circumstances give rise to the possibility of breaching the conditions of both a premises and an operating licence. In such circumstances the Commission will generally take action against the operator (which might include prosecution but would normally be regulatory action) following discussion with the licensing authority, against the operator. However, there may be occasions where a licensing authority is better placed to take the lead, particularly where there is a breach of a premises licence condition that is confined to one authority area and is a particular priority for that area, or where the risk of, or impact of, any operating licence breach is isolated rather than systemic. The licensing authority may also be best placed to take the lead if there are additional specific matters that it also wants to take action on that fall outside the scope of the Act's licensing objectives, such as health and safety concerns.
- 2.15.4** Licensing authorities will also take the lead if there is a possibility of a breach or an actual breach of a permit, as the Commission does not have powers to undertake enforcement action relating to permits, besides the general power to prosecute illegal gambling.
- 2.15.5** Section 197 of the Act requires licensing authorities to inform the Commission when a review into a premises licence is initiated, either as a result of a complaint from another party or if initiated by the licensing authority itself. The Commission will therefore be able

to provide an input into any premises licence review and as such requires to be informed of the output of such reviews, as there may be wider implications towards the status of the operating licence.

- 2.15.6** Where considered appropriate and necessary, cases that involve offences other than gambling offences may be referred to the appropriate external enforcement agency (for example the police, Advertising Standards Authority, Trading Standards etc.), but the Commission will need to be aware of the breach.

- 2.15.7** The Commission has established criteria by which it will determine which agency should take the lead on enforcement matters relating to breaches connected to premises licences, permits and temporary use notices.

The criteria are as follows:

### The powers available under the Act:

- a)** Only licensing authorities can undertake administrative action (suspensions, revocations) in relation to premises licences and permits.

### The nature of the breach or risk of breach:

- b)** If it involves permits, temporary permissions or breaches of premises licences conditions with essentially local impacts the local licensing authority would normally deal with them.

### The seriousness of the breach or risk of breach:

- c)** Where a breach appears to be widespread or stemming from systemic failures on the part of the operator, then the Commission will generally take action. The Commission will also generally take action if the offence is high impact, if there is nationwide deterrence value of enforcement action or if the case will establish a precedent. As noted above the Commission will be notified if a licensing authority starts to review a premises licence and so will have the opportunity to comment and contribute to the review.

### The geographical impact of the breach:

- d)** If there is a regional element to the breach, it may be appropriate for licensing authorities to co-ordinate their activity locally and to liaise with the Commission on the regulatory action to be taken.

### The frequency of the breach, or risk of breach:

- e)** A 'one off' event may be best dealt with by a licensing authority, whereas repeat offences, or offences in several premises owned by the holder of an operating licence suggesting systemic breaches of licence conditions, should generally

be dealt with by the Commission. Also whether the breach has a seasonal and therefore temporary impact.

**The enforcement action that is available:**

- f) For example whether a fine would be a suitable enforcement outcome.
- g) Generally, if a licensing authority discovers a breach of a premises licence condition or permit in the course of other regulatory activity, it is expected that it will deal with the case. However, when formal enforcement action in relation to suspected breaches of a premises licence is to be taken by a licensing authority, it will inform the Commission that it is taking such action. This enables the Commission to comment on the proposed course of action if it considers it necessary to do so. It will be for the Commission to respond promptly to the notification of the intention to take action, and it is not expected that licensing authorities will wait for agreement from the Commission before taking action.

## 2.16 Prosecutions

- 2.16.1** The Act gives licensing authorities (in England and Wales), the police and the Commission the power to prosecute (among other offences) the offence of using premises for gambling without the requisite permissions. In exceptional circumstances, such as repeated deliberate breaches of premises licence conditions, licensed operators or permit holders may be prosecuted without any prior regulatory action (warnings, suspension or revocation of licence or removal of permit etc.). Most prosecutions will be against those illegally providing gambling without a licence or permit.
- 2.16.2** Normally the Commission or the licensing authority would decide when to involve the police, rather than the police initiating any action. The Commission considers that examples of scenarios where the police should be involved include:
- a) when non-gambling offences are discovered, for example large-scale theft or other serious crime which extends beyond the reach of licence conditions;
  - b) assistance with Commission investigations, for example enquiries into other criminal activity.
- 2.16.3** There is a distinction between those who conduct gambling operations under a licence or permits but breach the conditions of their licence or permit, and those who seek to profit from providing facilities for gambling without a licence. While both situations result in unlawful gambling, the latter situation is generally considered by the Commission to be more serious.

## 2.17 Breaches of Licences

- 2.17.1** For the licensed industry there are a range of compliance and regulatory tools to ensure that licence holders remain compliant. Enforcement is a highly effective method of ensuring regulatory compliance and deterring regulatory breaches. Therefore, the Commission will undertake enforcement cases against those licensed operators and individuals who fall below the required regulatory standard or who fail to take effective remedial action to correct regulatory failings. In serious cases this will mean regulatory or criminal proceedings that may ultimately result in loss of the licence and therefore expulsion from the industry. Additionally, in serious cases, operators may also incur fines or imprisonment.
- 2.17.2** Before commencing criminal proceedings against a licensed operator or his employee without a prior premises licence review (by virtue of which the Commission would be notified), licensing authorities will consult the Commission, as it may be that there have also been related breaches connected to operating and/or personal licences held by the operator, or breaches at premises in other parts of the country.
- 2.17.3** If a particular breach is committed by a large national or regional operator, which may have wider implications for the gambling industry as a whole, then the Commission may wish to take primacy. However, under such circumstances the Commission will liaise with licensing authorities to establish who should take the lead on a case by case basis.
- 2.17.4** In exceptional circumstances, where a licensing authority considers that enforcement action is justified and would normally take primacy, but feels it does not have sufficient investigatory powers or resources to deal with a relevant breach of the Act, it can refer the matter to the Commission to consider whether or not it can either assist the authority by providing resources/expertise or assuming primacy in the investigation and potential prosecution.
- 2.17.5** In the course of an investigation into a breach of licence conditions or codes of practice, a licensing authority may find that other non-gambling offences are being committed on the premises, for example drugs offences or handling of stolen goods. Under these circumstances a multi-agency approach involving the police and the Commission will be essential.

## 2.18 Summary of Offences Under The Gambling Act 2005

A full list of offences under the Gambling Act 2005 can be found in appendix D of the Guidance to licensing authorities, 4th Edition.

## 2.19 Liquor Licence

### 2.19.1 Overview

Businesses, organisations and individuals who want to sell or supply alcohol in England and Wales must have a licence or other authorisation from a licensing authority - usually a local council. The law and policy governing this area is overseen by the Home Office.

The powers of the Licensing Act 2003 came fully into force at midnight at the end of 23rd November 2005.

The current licensing regime gives more freedom and flexibility than the previous system of common fixed licensing hours. Establishments that apply for a Premises Licence or variation to their Premises Licence are able to request longer opening hours than the previous regime allowed. Decisions relating to the times, at which alcohol can be sold, as with any other conditions relating to a licence, are made by the local Licensing Authority.

Key measures contained in the Act include:

- a) **Flexible opening hours** for licensed premises, with the potential for up to 24 hour opening, seven days a week. As well as the flexibility, the granting of the licence is subject to consideration of the impact on local residents, businesses, and the expert opinion of a range of authorities in relation to the licensing objectives.
- b) **Single premises licences.** The single integrated premises licence, brings together the six previous licensing regimes (for alcohol, public entertainment, cinemas, theatres, late night refreshment houses, and night cafés) with the intention of cutting down on bureaucracy and simplifying such provision.
- c) **Personal licences.** A personal licence is issued relating to the supply of alcohol. This enables holders to move more freely between premises where a premises licence is in force.

The licensing authority, in considering any application for a licence or for a variation must have regard to **The Licensing Objectives** which are:

- i. **The prevention of crime and disorder;**
- ii. **Public safety;**
- iii. **The prevention of public nuisance; and**
- iv. **The protection of children from harm.**
- v. **In Scotland a fifth objective is added; Protecting and improving public health**

### 2.19.2 Licensable activities

For the purposes of the 2003 Act, the following are licensable activities:

- a) The sale by retail of alcohol;
- b) The supply of alcohol by or on behalf of a club to, or to the order of, a member of the club;
- c) The provision of regulated entertainment; and
- d) The provision of late night refreshment.

Note: It is not expected that the provision of late night refreshment as a secondary activity in licensed premises open for other purposes should give rise to a need for significant additional conditions. The key licensing objectives in connection with late night refreshment are the prevention of crime and disorder and public nuisance, and it is expected that both will normally have been adequately covered in the conditions relating to the other licensable activities on the premises.

### 2.19.3 Unauthorised Activities

It is a criminal offence under section 136 of the 2003 Act to carry on any of the licensable activities listed at paragraph C2.19.2 above other than in accordance with a licence or other authorisation under the 2003 Act. The maximum fine for this offence is £20,000, six months' imprisonment or both. Police and local authorities have powers to take action in relation to premises carrying on unauthorised activities.

### 2.19.4 Applying for a Licence

The types of licences required are defined as follows:

- a) any business or other organisation that sell or supplies alcohol on a permanent basis needs to apply for a premises licence.
- b) anyone who plans to sell or supply alcohol or authorise the sale or supply of alcohol must apply for a personal licence.
- c) To apply for a licence, an application form should be completed and sent to the local council, along with the fee. Copies of the form (depending on the type of application made) may be sent to the police and other 'responsible authorities'. Some councils accept electronic applications, otherwise, apply by post.
- d) Responsible authorities are:
  - i. police
  - ii. local fire and rescue
  - iii. primary care trust (PCT) or local health board (LHB)
  - iv. the relevant licensing authority

- v. local enforcement agency for the Health and Safety at Work etc. Act 1974
- vi. environmental health authority
- vii. planning authority
- viii. body responsible for the protection of children from harm
- ix. local trading standards
- x. any other licensing authority in whose area part of the premises is situated

#### 2.19.5 Fees Under the Licensing Act 2003

Licence fees are prescribed in regulations (the Licensing Act 2003 (Fees) Regulations 2005). The fees paid in respect of applications for new premises, applications for full variations, annual fees, licences and club premises certificates; vary dependent on the national non-domestic rateable value (NNDR) “band” of the premises.

#### 2.19.6 Determining a Licence Application

- a) Where an application is properly made and no responsible authority or other person makes representations, the licensing authority must grant the application, subject only to conditions which are consistent with the operating schedule and relevant mandatory conditions in the act. This should be undertaken as a simple administrative process by the licensing authority’s officials.
- b) If representations are made by a responsible authority or other person, it is for the licensing authority to decide whether those representations are relevant to the licensing objectives and not frivolous or vexatious. If the licensing authority decides that any representations are relevant, then it must hold a hearing to consider them.
- c) At a hearing, the licensing authority may:
  - i. grant the application subject to modifying conditions that are consistent with the operating schedule in a way it considers appropriate for the promotion of the licensing objectives;
  - ii. reject one or more requested licensable activities;
  - iii. reject the application;
  - iv. refuse to specify a person as a designated premises supervisor.

All decisions of the licensing authority, and any conditions imposed, must be appropriate for the promotion of the licensing objectives. If the applicant disagrees with the council’s decision, you have a right of appeal to the magistrate’s court.

#### 2.19.7 Mandatory Licensing Conditions

Where a premises licence authorises the supply of alcohol, the licence must include the following conditions:

- a) The first condition is that no supply of alcohol may be made under the premises licence:
  - i. at a time when there is no designated premises supervisor in respect of the premises licence, or
  - ii. at a time when the designated premises supervisor does not hold a personal licence or his personal licence is suspended.
- b) The second condition is that every supply of alcohol under the premises licence must be made or authorised by a person who holds a personal licence.

#### The Licensing Act 2003 (Mandatory Licensing Conditions) Order 2010

introduced conditions that apply to all relevant premises in England and Wales. They apply to all licensed premises and those with a club premises certificate in England and Wales. In particular, if your premises sells or supplies alcohol, you must ensure that **an age verification policy applies** at the premises.

The **other conditions** apply in respect of premises licensed for the sale or supply of alcohol on the premises, and are:

- a) a ban on irresponsible promotions;
- b) a ban on dispensing alcohol directly into customers’ mouths;
- c) mandatory provision of free tap water;
- d) the mandatory provision of smaller measures (see below for further details).

#### Age verification policy

- a) The premises licence holder or club premises certificate holder must ensure that an age verification policy applies to the premises in relation to the sale or supply of alcohol.
- b) This must as a minimum require individuals who appear to the responsible person to be under the age of 18 years of age to produce on request (before being served alcohol) identification bearing their photograph, date of birth, and a holographic mark. Examples of acceptable ID include photo card driving licences, passports or proof of age cards bearing the PASS hologram, although other forms of ID which meet the criteria laid out above are also acceptable.
- c) The premises licence holder or club premises certificate holder must ensure that staff (in particular staff who are involved in the supply of alcohol) are

made aware of the existence and content of the age verification policy applied by the premises.

- d) This condition does not exclude best practice schemes such as Challenge 21 or Challenge 25 which require individuals who appear to be under an age which is greater than 18 to provide ID.

#### Smaller measures

- a) The responsible person must ensure that the following drinks if sold or supplied on the premises are available in the following measures:
  - i. beer or cider - half pint
  - ii. gin, rum, vodka or whisky - 25ml or 35ml
  - iii. still wine in a glass - 125ml
- b) As well as making the drinks available in the above measures, the responsible person must also make customers aware of the availability of these measures - for example, by making their availability clear on menus and price lists, and ensuring that these are displayed in a prominent place in the relevant premises (e.g. at the bar).
- c) The above condition does not apply if the drinks in question are sold or supplied having been made up in advance ready for sale or supply in a securely closed container. For example, if beer is only available in pre-sealed bottles the condition to make it available in ½ pints does not apply.

#### The Licensing Act 2003 (Mandatory Licensing Conditions) Order 2014 (effective 6th April 2014)

- a) Its purpose is to introduce a further mandatory condition, applicable to all premises licences and club premises certificates, which will prohibit licensed premises from making a sale or supply of alcohol below the “permitted price”; this is defined as the aggregate of the duty chargeable in relation to the alcohol and the amount of that duty multiplied by a percentage which represents the rate of VAT chargeable in relation to the alcohol.
- b) This Order extends to England and Wales only.
- c) The ban will prevent anyone who supplies alcohol from selling alcohol at heavily discounted prices and aims to reduce excessive alcohol consumption and its associated impact on alcohol related crime and health harms.

#### 2.19.8 Personal Licence

- a) You are not required to have a personal licence to be employed in a pub or other business that sells alcohol.

#### b) Premises licensed to sell alcohol must have a designated premises supervisor (DPS), who holds a personal licence.

The one exception is a community premises that has successfully applied to waive the DPS requirement under section 41D of the act. Anyone who does not hold a personal licence must be authorised to sell alcohol by a personal licence holder. There is no such requirement for the supply of alcohol in a members’ club.

- c) **Personal licences** allow you to sell alcohol on behalf of any business that has a premises licence or a club premises certificate. The relationship is similar to the way that a driving licence permits the driving of any car.

#### d) About the licence

The personal licence is designed to ensure that anybody running or managing a business that sells or supplies alcohol will do so in a professional fashion. Once you receive your personal licence, you can act as the designated premises supervisor for any business that sells or supplies alcohol.

#### e) Who can apply

- i. In order to apply, you must be aged 18 years or over, and (in almost all cases) hold a licensing qualification - for example, a BII Level II examination certificate or a similar accredited qualification such as the EDI NCPLH level 2 qualification.
- ii. If you are applying for a personal licence, you must obtain an accredited qualification first. The aim of the qualification is to ensure that licence holders are aware of licensing law and the wider social responsibilities involved in the sale of alcohol. Personal licence qualification providers are accredited by the Home Secretary.
- iii. Download the full list of accredited personal licence qualification providers through the link with the Resource Centre.
- iv. Your local council will want to know of any relevant criminal convictions, and these may impact on whether or not you’re found to be suitable as a licensee. You will also need to provide a basic criminal conviction disclosure form.

#### f) Changing a licence or club certificate

If you wish to change any aspect of your licence or club certificate once it has been granted, you will need to apply to your local council for either a full or a minor variation.

**Full variations**

The full variation process is very similar to the application process for a new premises licence and the fee is the same. You should use this process if you want to make a substantial change to your licence, for example, increasing the hours when you sell alcohol.

**Minor variations**

If you want to make a small, low-risk change to your premises licence, you may be able to use the minor variation process. This is cheaper and quicker than the full variation application.

Small changes could include:

- i. removing a licensable activity
  - ii. reducing the hours you sell alcohol
  - iii. making small changes to the layout of your premises
- g) If you apply for a minor variation and your application is rejected, you will not be able to appeal. However, you can reapply using the full variation process.
- h) Contact your local council for advice on which process is more suitable for the change you want to make.

**2.19.9 Community Involvement in Licensing**

- a) Any person or business may make representations on premises licence applications or variations, premises licence reviews, representations in relation to club premises certificates and reviews of club premises certificates.
- b) **Making representations:** Any person can make representations or comments to the council about applications for new licences, variations or reviews. Comments may be positive or negative, but will only be considered relevant by the council if they relate clearly to the licensing objectives. Councils will also reject comments considered to be frivolous (not serious or time-wasting) or if they relate to personal disputes between businesses.
- c) **Requesting a review of a licence:** Members of the public can also call for an existing licence to be reviewed by the council, if they have concerns relating to the licensing objectives.
- d) **Hearings:** If the council considers their reasons for making representations or calling for a review are relevant, it will arrange a hearing to consider the evidence. The complainant or someone representing them will be invited to the hearing to explain their concerns.
- e) Representations and requests for the review of a licence must be made in writing. Forms are obtained from the local council.

- f) If the complainant disagrees with the council's decision following a hearing, they have the right to appeal to the magistrates' court.

**2.19.10 Late Night Refreshment**

Late night refreshment is the sale of hot food or drink to the public to consume off or on the premises between 11pm and 5am. For further information, see Schedule 2 to the Licensing Act 2003.

**2.19.11 Designated Premises Supervisor (DPS)**

- a) A designated premises supervisor (DPS) is the person who has day-to-day responsibility for the running of the business.
- b) All businesses and organisations selling or supplying alcohol, except members' clubs and certain community premises must have a designated premises supervisor.
- c) Whoever holds this role must be named in the operating schedule, which you will need to complete as part of the application process, when you apply for a premises licence.

**2.19.12 What the DPS Does**

- a) The person chosen to be designated premises supervisor (DPS) will act as primary contact for local government and the police. They must understand the social issues and potential problems associated with the sale of alcohol, and also have a good understanding of the business itself.
- b) While they need not be on site at all times, they are expected to be involved enough with the business to be able to act as its representative, and they must be contactable at all times.
- c) If the police or local government have any questions or concerns about the business, they will expect to be able to reach the designated supervisor.
- d) Each business may have only one supervisor selected for this role, but the same person may act as the designated supervisor at more than one business.

The Role and responsibilities of the DPS is detailed in the Home Office factsheet at the end of this section (2.24).

**2.19.13 Taking Responsibility**

- a) The Licensing Act requires the supervisor - and all personal licence holders - to take responsibility for the sale and supply of alcohol.
- b) This is because of the impact alcohol has on the wider community, on crime and disorder, and antisocial behaviour.

- c) Because of these issues, selling alcohol carries greater responsibility than licensing regulated entertainment and late night sales of food and non-alcoholic drinks.

#### 2.19.14 Becoming a DPS

A designated premises supervisor must have a personal licence and must be nominated by the premises licence holder for the role of designated supervisor. (see link in 2.24)

#### 2.19.15 Early Morning Restriction Order (EMRO)

- a) A responsible authority or any other person can make representations to a licensing authority about its proposal to make an early morning alcohol restriction order.
- b) A responsible authority or any other person may make representations during the 42-day period from the day after the day on which the proposal is advertised.
- c) A responsible authority is a body listed in sections 13(4) and 69(4) of the Licensing Act 2003. This order would enable the licensing authority to restrict the sale of alcohol in the specified area during the specified period, if the licensing authority considers it appropriate for the promotion of the licensing objectives.
- d) It is possible that a licensing authority may propose to make more than one early morning alcohol restriction order (“EMRO”) in its area. They may wish to replicate the description of the geographical area of the EMRO which the licensing authority has included in the proposed order.
- e) A licensing authority proposing to make an EMRO must hold a hearing to consider any relevant representations, unless the authority and each person who has made such a representation agree that a hearing is unnecessary.
- f) An early morning alcohol restriction order (“EMRO”) can apply to any period on each day beginning at or after 12am and ending at or before 6am. It does not have to apply on every day, and can apply for different time periods on different days.
- g) An EMRO can apply to the whole or any part of the licensing authority’s area. The EMRO will apply to premises licences, club premises certificates and temporary event notices in relation to premises situated in the specified area.
- h) An EMRO can apply for a limited or unlimited period of time. For example, an EMRO may apply for a few weeks in relation to a specific event or apply for an indefinite period.
- i) It should be noted that any Early Morning Restriction Order (EMRO) or Late Night Levy (LNL) in operation in an area which includes a bingo licensed premises, may

have the effect of introducing a liability to pay significant levies and restrictions on opening hours for individual premises. Operators should ensure that they are aware of the effect of any such liabilities before they apply for an extension to their opening hours.

- j) Operators should also check whether there are any restrictions in their own leases or if there are planning restrictions on hours of operation.

#### 2.19.16 Alcohol Licensing & Legislation in Scotland

##### Introduction

This section looks at key aspects of alcohol legislation in Scotland that affect bingo operations.

The Scottish Government is responsible for regulating the powers of Scottish local authorities and Licensing Boards in relation to licensing the sale of alcohol. Licensing is the responsibility of Licensing Boards under powers contained in the Licensing (Scotland) Act 2005. Local Licensing Boards have wide discretion to determine appropriate licensing arrangements according to local needs and circumstances and their own legal advice.

Guidance on licensing (including alcohol) is available at:

- a) **Licensing (Scotland) Act 2005** – originally published 2007 Licensing (Scotland) Act 2005 - **Section 142: Guidance for Licensing Boards and Local Authorities** - This guidance has been prepared in accordance with section 142 of the Licensing (Scotland) Act 2005. This guidance was produced in 2007 to support the implementation of the Licensing (Scotland) Act 2005.
- b) **Alcohol etc. (Scotland) Act 2010 – Guidance for Licensing Boards** (published in 2011) - This guidance was prepared and issued in order to assist with the implementation of the Alcohol etc. (Scotland) Act 2010 with focus on Pricing of alcohol, Drinks promotions, Age verification policy, Licensing policy statements, Chief Constables’ Reports
- c) **Personal Licence Holder – Modification to Guidance** Document - originally published 2013. This modification to the Licensing (Scotland) Act 2005 guidance has been produced to assist Licensing Boards and clerks with the administration of the requirement for personal licence holders to evidence that they have undertaken refresher training, particularly in relation to those personal licences issued in the transition period between 01 March 2008 and 01 September 2009.

### Key Variations to England/Wales

#### a) Age Verification policy

- i. There is a mandatory condition in premises licences in that there must be an age verification policy in relation to the sale of alcohol on the premises
- ii. An age verification policy is where steps are to be taken to establish the age of a person attempting to buy alcohol on the premises (the customer) if it appears to the person selling the alcohol that the customer may be less than 25 years of age (or such older age as may be specified in the policy).
- iii. The minimum age that an age verification policy applies in relation to, **must be at least 25 years of age**. It does not prescribe the details of the policy that must be in place, allowing flexibility for retailers to adopt the most appropriate procedures for them. The retailer would still be able to operate an age verification policy that operates at a higher age, for example, 30.
- iv. It is an offence to sell alcohol to persons under 18. However, it is a defence for a person to show that they have taken reasonable steps to establish the customer's age. One such step is that the person selling the alcohol has been shown a proof of age document which Scottish Ministers have listed as being acceptable.
- v. The documents which can be used as proof of age are:
  - a passport;
  - an EU photocard driving licence; and,
  - a photographic identity card approved by the British Retail Consortium for the purposes of its Proof of Age Standards Scheme (PASSCard)
- vi. the Sale of Alcohol to Children and Young Persons (Scotland) amendment regulations 2013 (effective 1st October 2013) prescribes additional documents which are:
  - Ministry of Defence Military Identity Cards;
  - European Union Identity Cards; and
  - Biometric Residence Permits.

#### b) Pricing of alcohol

- i. Section 2 of the 'Alcohol etc. (Scotland) Act 2010' makes provision in respect of minimum price of a package containing two or more

alcoholic products (for example, a case containing 12 bottles of wine, or a pack containing 6 cans of beer). The price of such packages must be equal to or greater than the sum of the prices at which each product is for sale. This provision only applies where each alcoholic product in the package is available for sale on the premises. This provision means the retailer cannot both sell an alcoholic product individually and offer a discount to the buyer for buying a package containing a multiple of alcoholic products which includes that product.

- ii. For example, if a bottle of wine is sold at £4, then a retailer would not be able to sell a package of 2 of those bottles for less than £8. If one bottle of wine is sold for £4 and another bottle of wine is sold for £4.50, a retailer would not be able to sell a package of one of each of those bottles for less than £8.50.
- iii. Similarly, a case of 24 x 440ml cans of beer may not be sold at a price less than the cost of individually buying 24 of those cans (provided that individual 440ml cans of that beer were available for sale on the premises).

#### c) Drinks promotions

- i. Premises licences and occasional licences contain a mandatory licence condition restricting irresponsible promotions. One of the ways in which a drinks promotion in respect of on-sales of alcohol can be irresponsible is if it "involves the supply of an alcoholic drink free of charge or at a reduced price on the purchase of one or more drinks (whether or not alcoholic drinks)."
- ii. Examples of such promotions to which these paragraphs apply include:
  - buy one, get one free
  - all you can drink for £x
  - three for the price of two
  - five for the price of four, cheapest free
  - 3 bottles of wine for £10
  - buy six, get 20% off.
  - based on the strength of alcohol
  - involving drinking alcohol quickly

- iii. Variations to the retail price of alcoholic drinks, for short term promotional purposes, are very restricted. Any promotion has to be in place for at least 72 consecutive hours (i.e. three trading days).

- iv. In addition, non-alcoholic drinks sold at a reasonable price must be available and tap water must be provided free of charge when requested.
- v. The 2005 Act provides a licence condition in premises licences that a drinks promotion is irresponsible if it “encourages, or seeks to encourage, a person to buy or consume a larger measure of alcohol than the person had otherwise intended to buy or consume.” This condition applies to on-sales and off-sales of alcohol. Section 4 of the Alcohol Act amends this so that it only applies to on-sales of alcohol.

#### d) Designated Premises Manager (DPM)

- i. Each premises must have a Designated Premises Manager who must hold a Personal Licence.
  - ii. An individual may not, at any one time, be the premises manager of more than one licensed premises. and, accordingly, if an individual who is the premises manager of licensed premises is subsequently specified in the premises licence of other licensed premises as the premises manager of those other premises, the subsequent specification is of no effect.
  - iii. If the Designated Premises Manager leaves the premises, the Premises Licence Holder has 7 days in which to notify the Licensing Board and then 6 weeks to nominate a new Premises Manager.
  - iv. Failure to nominate will result in the Premises no longer being able to sell alcohol.
  - v. Alcohol is not to be sold on the premises at any time when:
    - there is no premises manager in respect of the premises,
    - the premises manager does not hold a personal licence,
    - the personal licence held by the premises manager is suspended, or
    - the licensing qualification held by the premises manager is not the appropriate licensing qualification in relation to the premises.
    - The premises manager is not required to be present on the premises at the time any sale of alcohol is made.
- licence and premises licence unless the activity is subject to an exemption. Part 12 of the Act provides that in pubs and clubs, certain gaming, including poker, is exempt, subject to stakes and prizes limitations or, if correct permissions are held (club gaming permit), then there can be unlimited stakes and prizes.
- 2.20.2** Gaming of the type usually provided in clubs and alcohol licensed premises is subject to lesser controls and a code of practice. These are designed to protect both the players and those providing the gaming facilities and ensure that, in general, gaming remains ancillary to the main purpose of the pub or club. While the principles are the same for both pubs and clubs there are different provisions for each sector. It remains the case that the law in this area is complex and each case must be judged according to its facts.
- 2.20.3** A summary of gaming entitlements in pubs & clubs is set out in an appendix at the end of this section.
- 2.20.4** Under the Act, clubs and pubs can offer bingo without a permit or a licence provided that:
- a) no sums are deducted from sums staked or won – so there can be no ‘rake’ from the prize pot;
  - b) no participation fee is charged in respect of bingo games in pubs and the participation fee is no more than £1 per person per day in respect of bingo games in clubs, or £3 where a club gaming permit is held;
  - c) games are held on the premises;
  - d) games are not linked with games held on other premises;
  - e) the total stakes or prizes for bingo games played in any seven day period does not exceed £2,000 more than once in 12 months, and
  - f) there is a maximum stake per game per player of £5 for bingo in pubs.
- 2.20.5** In the case of members’ clubs and miners’ welfare institutes, bingo may only be played by members and bona fide guests.
- 2.20.6** Clubs and pubs will need to apply for a bingo operating licence if they operate bingo on club/pub premises with total stakes or prizes that go above £2,000 in any week and they plan to do so again at any time during the following twelve months. This is known as high turnover bingo. After the first week of high turnover bingo the club will commit an offence if high turnover bingo is played again in the following twelve months, unless a bingo operating licence has been obtained. Provided the conditions outlined in the Act are complied with, the club will not need a premises licence.

## 2.20 Bingo in Pubs & Clubs

- 2.20.1** It is an offence to provide facilities for gambling without the relevant operating

[Note – if the £2k limit is exceeded in a 7-day period, the club/institute is required to inform the Gambling Commission as soon as is reasonably practical, and commits an offence if it fails to do so. GA 2005, 275(6) & (7)]

## 2.21 Defining Clubs and Alcohol Licensed Premises

**2.21.1** The Act separates gaming in clubs from that in other alcohol licensed premises (commonly known as pubs).

**2.21.2** The Act creates two types of club for the purposes of gaming: members' clubs (including miners' welfare institutes) and commercial clubs. This is an important distinction in respect of the gaming that may take place.

### 2.21.3 Members' club

- a) A members' club is a club that is not established as a commercial enterprise, and is conducted for the benefit of its members. Examples include working men's clubs, miners' welfare institutes, branches of the Royal British Legion and clubs with political affiliations. Members' clubs may apply to their local licensing authority for club gaming permits and club machine permits.
- b) The Act states that members' clubs must have at least 25 members and be established and conducted 'wholly or mainly' for purposes other than gaming, unless the gaming is restricted to bridge and whist. Members' clubs must be permanent in nature, but there is no need for a club to have an alcohol licence, if they want to provide gaming.

### 2.21.4 Miners' welfare institute

The definition of a miners' welfare institute has changed since they were first set up. They are associations established for recreational or social purposes. They are managed by representatives of miners or use premises regulated by a charitable trust which has received funds from one of a number of mining organisations. Miners' welfare institutes may also apply for club gaming permits and club machine permits.

### 2.21.5 Commercial club

A commercial club is a club established for commercial gain (whether or not they are making a commercial gain). Examples include snooker clubs, clubs established as private companies and clubs established for personal profit. There are established tests in respect of determining a club's status. In case of doubt, legal advice should be sought. Commercial clubs may only apply for club machine permits.

### 2.21.6 Alcohol licensed premises

Alcohol licensed premises are premises where there is an 'on-premises alcohol licence'. The Act applies to premises which have a bar and where there is no requirement that alcohol is only served with food, that is, the premises should be dedicated bar premises as opposed to restaurant type premises. Pubs are not able to apply for club gaming or club machine permits, as they do not have membership.

### 2.21.7 Permitted and exempt gaming in clubs and alcohol licensed premises

The Act creates two types of gaming permission for clubs and alcohol licensed premises.

#### a) Permitted gaming

Permitted gaming is equal chance and other gaming permissible through the grant of a club gaming permit. A club gaming permit can only be granted to a members' club (including a miners' welfare institute). A club gaming permit cannot be granted to a commercial club or other alcohol licensed premises. A club gaming permit will allow a club to offer equal chance gaming with unlimited stakes and prizes, pontoon and chemin de fer (unequal chance gaming), and bingo. There are limits on participation fees (maximum of £20 for bridge and whist and £3 for other gaming) and the maximum for bingo stakes and prizes is £2,000 per week.

Other than in the case of clubs established to provide the prescribed games of bridge and whist, clubs seeking club gaming permits must, as set out above, be established 'wholly or mainly' for purposes other than gaming. As was the position under the former Gaming Act 1968, when a club gaming permit is granted there are no limits on the stakes and prizes associated with permitted gaming. Permitted gaming also includes two bankers' games: pontoon and chemin de fer. (chemin de fer was the original version of baccarat when it was introduced to France and is still the version that is popular there).

#### b) Exempt gaming

Exempt gaming is equal chance gaming generally permissible in any club or alcohol licensed premises. Equal chance gaming includes games such as backgammon, mah-jong, rummy, kalooki, dominoes, cribbage, bingo and poker. Such gaming should be ancillary to the purposes of the premises. Unlike the position under the Gaming Act 1968, this exemption is automatically available to all

club or alcohol licensed premises, but is subject to statutory stakes and prize limits determined by the Secretary of State.

#### 2.21.8 Club premises certificates

Members' clubs can operate under club premises certificates instead of premises licences. This means, for example, that they are not required to have a designated premises supervisor, and sales of alcohol do not need to be authorised by a personal licence holder.

##### Qualifying clubs

- a) To be classified as a club for the purpose of this certificate, a group must meet several conditions. These include:
  - i. legitimacy - each applicant must be a real club with at least 25 members;
  - ii. a membership process that takes at least two days between application and acceptance;
  - iii. alcohol must not be supplied on the premises other than by the club;
  - iv. alcohol must be purchased by a committee made up of members all of whom are at least 18 years old;
  - v. alcohol for the club must be purchased legally.
- b) A fee may not be levied for participation in the equal chance gaming offered by the club or alcohol licensed premises under the exempt gaming rules. A compulsory charge, such as a charge for a meal, would probably constitute a participation fee.
- c) As stated previously, in order to qualify as exempt gaming, clubs and alcohol licensed premises may not charge a rake on games or levy or deduct an amount from stakes or winnings.
- d) Members' clubs may only be established wholly or mainly for the purposes of the provision of facilities for gaming if the gaming is of a prescribed kind. The Secretary of State has decided that bridge and whist should be the only prescribed kinds of gaming. So long as it does not provide facilities for other types of non-machine gaming, a bridge or whist club may apply for a club gaming permit. If gaming is the principal reason for attendance at a club (other than a dedicated whist or bridge club), then it is not exempt gaming under Section 269 of the Gambling Act 2005. This would include poker clubs and the like established primarily for the purpose of providing poker. If the gaming which is provided is not exempt, the operator will need to apply to the Commission for the relevant operating licence.

## 2.22 Entertainment & Music Licences

**2.22.1** If you are providing entertainment, you may need two different licences:

- a) a licence from the local council that entitles you to provide public entertainment;
- b) a separate licence that gives you the right to perform copyrighted material or play recorded music and videos.

#### 2.22.2 Local council entertainment licences

- a) If you are holding a small private event that is not for profit and is not open to the public (for example a film showing in a sheltered housing scheme) you do not need a licence. This includes live music events so long as:
  - i. it takes place between 8am and 11pm;
  - ii. it takes place at a venue that has a 'Premises licence' or a 'Club Premises Certificate';
  - iii. the audience is less than 200 people.
- b) You also do not need a licence to show unamplified live music at any venue, so long as it takes place between 8am and 11pm.
- c) For events open to the public, recorded music, dance or sporting events, plays and film or video shows, or live, amplified music where the audience is more than 200, premises generally do need to be licensed by the local authority.
- d) A venue should have a 'Premises Licence' or a 'Club Premises Certificate' issued by the City Council. The licence must cover the activities, for example, some premises are licensed for music and dancing but not for stage and film shows. The event will also have to take place in the premises' licensed opening hours.

#### 2.22.3 Performing or playing copyright material

- a) If you want to perform music or a play written by someone else, or if you want to play recorded music or video, your premises will need a licence. If your event includes live music you must check the venue has a PPL PRS licence. PPL & PRS used to be separate bodies and often 2 separate licences were required. However, the 2 bodies have now merged to form PPL PRS.
- b) If you are playing recorded music or music video you will require the PPL PRs product, which is called **TheMusicLicence**
- c) A link to the PPL PRS web site will be found in the [Resource Centre](#).

### 2.23 TV Licensing

- 2.23.1** You need to be covered by a valid TV Licence if you watch or record TV as it's being broadcast. This includes the use of devices such as a computer, laptop, mobile phone or DVD/video recorder.
- 2.23.2** With a TV Licence, your organisation can display TV legally, whatever your staff, customers and visitors watch it on.
- 2.23.3** If your staff or customers watch live TV without being covered by a TV Licence, your business is committing a criminal offence.
- 2.23.4** As the owner, director, manager – or simply the one your colleagues rely on to make sure your organisation stays on the right side of the law, it's your responsibility to buy a TV Licence when one's needed.
- 2.23.5** A link will be found to the TV Licensing web site within the *Resource Centre*.

## 3 Advertising and Marketing

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### 3.1 Introduction

Marketing and advertising in the licensed gambling industry are regulated by the Gambling Commission in the LCCP, this includes Bingo.

There are any number of codes, regulations and guidance notes on how to legally market and advertise gambling, however a common sense approach to what is fair, equitable and not genuinely mis-leading is a good starting point.

#### 3.1.1 The Gambling Industry Code for Socially Responsible Gambling

A key point is made in the LCCP at Ordinary Code Provision 5.1.8, which states:

1. Licensees should follow any relevant industry code on advertising, notably the Gambling Industry Code for Socially Responsible Advertising

We would recommend that this Industry Code be used as a reference point for all marketing and advertising within your business (see [Resource Centre](#) for the appropriate link).

The Industry Code is not mandatory but sets a benchmark against which operators' commitment to social responsibility will be measured. Its success depends on the gambling industry adhering to its provisions and the aim is that all gambling operators comply.

The following section of the Operators Handbook will identify in greater detail those areas of regulation and guidance that will, if adhered to and interpreted correctly keep the Operator on the right side of the regulators; be it the Gambling Commission, the Advertising Standards Authority or the UK Competition & Markets Authority.

### 3.2 The Licence Conditions and Codes of Practice (see [Resource Centre](#))

#### 3.2.1 Social Responsibility Code Provisions

The first Social Responsibility Code Provision appears at 5.1.1 of the SR Code, which is set out in full below:

1. If a licensee makes available to any customer or potential customer any

*incentive or reward scheme or other arrangement under which the customer may receive money, goods, services or any other advantage (including the discharge in whole or in part of any liability of his) ('the benefit') the scheme must be designed to operate, and be operated, in such a way that:*

- a) *the circumstances in which, and conditions subject to which, the benefit is available are clearly set out and readily accessible to the customers to whom it is offered;*
- b) *neither the receipt nor the value or amount of the benefit is:*
  - i) *dependent on the customer gambling for a pre-determined length of time or with a pre-determined frequency; or*
  - ii) *altered or increased if the qualifying activity or spend is reached within a shorter time than the whole period over which the benefit is offered.*
- c) *if the value of the benefit increases with the amount the customer spends it does so at a rate no greater than that at which the amount spent increases; and further that:*
- d) *if the benefit comprises free or subsidised travel or accommodation which facilitates the customer's attendance at particular licensed premises the terms on which it is offered are not directly related to the level of the customer's prospective gambling.*

**In other words, be clear and ensure your proposal is proportionate to what a customer spends.**

Operators should state in their policy how they will meet these provisions.

### 3.2.2 Marketing Incentives

Marketing Incentives are dealt with in Social Responsibility Code 5.1.9, as follows:

1. Licensees must ensure that their marketing communications, advertisement, and invitations to purchase (within the meaning of the Consumer Protection from Unfair Trading Regulations 2008) do not amount to or involve misleading actions or misleading omissions within the meaning of those Regulations.
2. Licensees must ensure that all significant conditions which apply to marketing incentives are provided transparently and prominently to consumers. Licensees must present the significant conditions at the point of sale for any promotion, and on any advertising in any medium for that marketing incentive except where, in relation to the latter, limitations of space make this impossible. In such a case, information about the significant conditions must be included to the extent that it is possible to do so, the advertising must clearly indicate that significant conditions apply and where the advertisement is online, the significant conditions must be displayed in full no further than one click away.
3. The terms and conditions of each marketing incentive must be made available for the full duration of the promotion.

**Make sure your Terms and Conditions are clear and unambiguous.**

As also stated earlier in this section Operators should state in their policy how they will meet these social responsibility provisions.

Ordinary Code provision 5.1.2 also references **Incentives**:

1. Licensees should only offer incentive or reward schemes in which the benefit available is proportionate to the type and level of customers' gambling.

**Be proportionate! Don't offer 1000 free bingo games for every 1 ticket purchased by an individual customer.**

Ordinary Code provision 5.1.10 refers to the placement of marketing or incentives as follows:

1. Licensees should ensure that no advertising or other marketing information, whether relating to specific offers or to gambling generally, appears on any primary web page/screen, or micro site that provides advice or information on responsible gambling.

### 3.2.3 Alcohol

Alcoholic drinks are occasionally used as part of a marketing campaign. Operators should be mindful that there is a specific Social Responsibility Code, 5.1.3, that deals with this:

1. If licensees offer customers free or discounted alcoholic drinks for consumption on the premises they must do so on terms which do not in any way link the availability of such drinks to whether, or when, the customer begins, or continues, to gamble.
2. Licensees must not make unsolicited offers of free alcoholic drinks for immediate consumption by customers at a time when they are participating in gambling activities.

**Do not use free alcohol to encourage continued or further machine play.**

It should also be noted that a company policy statement, induction procedure and ongoing training should be in place to ensure compliance with this social responsibility code.

### 3.2.4 Advertising Codes

Compliance with Advertising codes is also dealt with within the LCCP, firstly with a Social Responsibility Code provision at 5.1.6:

1. All marketing of gambling products and services must be undertaken in a socially responsible manner.
2. In particular, Licensees must comply with the advertising codes of practice issued by the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP) as applicable. For media not explicitly covered, licensees should have regard to the principles included in these codes of practice as if they were explicitly covered.
3. The restriction on allowing people who are, or seem to be, under 25 years old (ie: those in the 18-24 age bracket) to appear in marketing communications need not be applied in the case of non-remote point of sale advertising material, provided that the images used depict the sporting or other activity that may be gambled on and not the activity of gambling itself and do not breach any other aspect of the advertising codes.

Further reference will be made to CAP and BCAP later in this section.

**Before you publish a new promotion always sense check the content with a colleague: How old do these customers look? Is the offer genuine?**

### 3.2.5 Direct Marketing

Social Responsibility Code 5.1.11 addresses the sensitive issue of direct electronic marketing as follows:

1. *Unless expressly permitted by law consumers must not be contacted with direct electronic marketing without their informed and specific consent. Whenever a consumer is contacted the consumer must be provided with an opportunity to withdraw consent. If consent is withdrawn the licensee must, as soon as practicable, ensure the consumer is not contacted with electronic marketing thereafter unless the consumer consents again. Licensees must be able to provide evidence which establishes that consent.*

**If you advertise or promote on Facebook ALWAYS include the 18+ logo and BeGambleAware web address (See Resource Centre).**

**Understand who in your company is responsible for Facebook posts. It may reach millions but has many potential pitfalls.**

### 3.3.1 The CAP Codes

The CAP Codes relate to the rules governing non-broadcast advertising and the BCAP Codes relate to with broadcast advertising. Although separate codes, they do in fact, cover exactly the same ground and in most respects and in many cases the rules of each one are identically worded.

Thus, the advertising rules set out below can be taken to apply to both forms of advertising for bingo clubs.

Section 16 of the CAP Code deals specifically with Gambling and along with the Gambling Industry Code for Socially Responsible Gambling is an excellent quick reference document when considering any new Advertising or Marketing campaign.

All 22 Code Rules are listed below and a link to Section 16 of the CAP Code is provided at the end of this section.

Rules (the number references are the same as the CAP code)

- 16.1 *Marketing communications for gambling must be socially responsible, with particular regard to the need to protect children, young persons and other vulnerable persons from being harmed or exploited.*
- 16.2 *In line with rule 1.2, the spirit as well as the letter of the rules in this section applies whether or not a gambling product is shown or referred to.*
- 16.3 *Marketing communications must not:*
  - 16.3.1 *portray, condone or encourage gambling behaviour that is socially irresponsible or could lead to financial, social or emotional harm*
  - 16.3.2 *exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons*
  - 16.3.3 *suggest that gambling can provide an escape from personal, professional or educational problems such as loneliness or depression*
  - 16.3.4 *suggest that gambling can be a solution to financial concerns, an alternative to employment or a way to achieve financial security*

## 3.3 Advertising Standards

The Advertising Standards Authority (ASA) is the independent regulator of advertising across **all** media in the UK. It applies the Advertising Codes (CAP and BCAP), which are written by the ASA's Committees of Advertising Practice.

CAP: Committee of Advertising Practice.

BCAP: Broadcast Committee of Advertising Practice.

Its work includes acting on complaints and proactively checking the media to take action against misleading, harmful or offensive advertisements.

The ASA is the independent watchdog responsible for administering the Codes. It responds to complaints from consumers and industry about advertisements that appear to be misleading, harmful or offensive. If a complaint is upheld, then the advert must be withdrawn or amended. ASA adjudications are often reported in the National Press which could be damaging to the reputation of the advertising company.

Complaints about advertisements can be made via the ASA's website. The web site is listed at the end of this section.

Advertising of all forms of gambling is permitted, subject to the requirements of the advertising codes of the Committee of Advertising Practice (CAP) and the Broadcast Committee of Advertising Practice (BCAP), both of whom are independently administered by the ASA. The CAP and BCAP codes have been updated, to include advice from the Gambling Commission. They emphasise compliance with the third licensing objective (protection of the young and vulnerable). These rules ensure that gambling advertising is not aimed at children or young people and that it does not leave vulnerable people open to exploitation and harm.

- 16.3.5 *portray gambling as indispensable or as taking priority in life; for example, over family, friends or professional or educational commitments*
- 16.3.6 *suggest that gambling can enhance personal qualities, for example, that it can improve self-image or self-esteem, or is a way gain control, superiority, recognition or admiration*
- 16.3.7 *suggest peer pressure to gamble nor disparage abstention*
- 16.3.8 *link gambling to seduction, sexual success or enhanced attractiveness*
- 16.3.9 *portray gambling in a context of toughness or link it to resilience or recklessness*
- 16.3.10 *suggest gambling is a rite of passage*
- 16.3.11 *suggest that solitary gambling is preferable to social gambling*
- 16.3.12 *be likely to be of particular appeal to children or young persons, especially by reflecting or being associated with youth culture*
- 16.3.13 *be directed at those aged below 18 years (or 16 years for football pools, equal-chance gaming (under a prize gaming permit or at a licensed family entertainment centre), prize gaming (at a non-licensed family entertainment centre or at a travelling fair) or Category D gaming machines) through the selection of media or context in which they appear*
- 16.3.14 *include a child or a young person. No-one who is, or seems to be under-25 years old may be featured gambling. No-one may behave in an adolescent, juvenile or loutish way.*
- Individuals who are, or seem to be under 25 years old (18-24 years old) may be featured playing a significant role only in marketing communications that appear in a place where a bet can be placed directly through a transactional facility, for instance, a gambling operator's own website. The individual may only be used to illustrate specific betting selections where that individual is the subject of the bet offered. The image or other depiction used must show them in the context of the bet and not in a gambling context*
- 16.3.15 *exploit cultural beliefs or traditions about gambling or luck*
- 16.3.16 *condone or encourage criminal or anti-social behaviour*
- 16.3.17 *condone or feature gambling in a working environment. An exception exists for licensed gambling premises.*
- 16.4 *Marketing communications for family entertainment centres, travelling fairs, horse racecourses and dog race tracks, and for non-gambling leisure facilities that incidentally refer to separate gambling facilities, for example, as part of a list of facilities on a cruise ship, may include children or young persons provided they are accompanied by an adult and are socialising responsibly in areas that the Gambling Act 2005 does not restrict by age.*
- 16.5 *Marketing communications for events or facilities that can be accessed only by entering gambling premises must make that condition clear.*
- On April 1st 2019 CAP released new standards which aim to further protect children and young people from irresponsible gambling advertising. The link to the Guidance document is available at the [Resource Centre](#):
- Do not use anyone in your marketing material that is, or appears to be, under 25.**
- 3.3.2 Free Bets**
- There is particular concern amongst both the ASA and Gambling Commission about misleading advertising of free bets. However, these concerns could, on occasion be applied to free games in a bingo club. The ASA receives an increasing number of complaints about them.
- The majority of these complaints centre on unclear or unfair terms and conditions, particularly around the requirement for consumers to make a deposit to access their free bet and the number of times they must then wager their free bet and deposit money before they are allowed to withdraw any winnings.

When considering any type of “Free” offer Operators should ensure that:

*Marketing communications must not materially mislead or be likely to do so.*

- a) *Marketing communications must not mislead the consumer by omitting material information. They must not mislead by hiding material information or presenting it in an unclear, unintelligible, ambiguous or untimely manner.*
- b) *Material information is information that the consumer needs to make informed decisions in relation to a product. Whether the omission or presentation of material information is likely to mislead the consumer depends on the context, the medium and, if the medium of the marketing communication is constrained by time or space, the measures that the marketer takes to make that information available to the consumer by other means.*

*Qualifications*

- a) *Marketing communications must state significant limitations and qualifications. Qualifications may clarify but must not contradict the claims that they qualify.*
- b) *Qualifications must be presented clearly.*
- c) *Marketing communications must not describe a product as “free”, “gratis”, “without charge” or similar if the consumer has to pay anything other than the unavoidable cost of responding and collecting or paying for delivery of the item.*
- d) *Marketing communications must make clear the extent of the commitment the consumer must make to take advantage of a “free” offer.*
- e) *Marketing communications that include a promotion and are significantly limited by time or space must include as much information about significant conditions as practicable and must direct consumers clearly to an easily accessible alternative source where all the significant conditions of the promotion are prominently stated. Participants should be able to retain those conditions or easily access them throughout the promotion.*

**If you advertise something as “free” ensure you understand what this means. Is it really “free” or is a purchase required? Are your terms fair and clear?**

### 3.3.3 The BCAP Codes

All additional codes not covered under the CAP codes and are as follows:

- a) *Radiocentre Clearance – Radio broadcasters must ensure that advertisements for gambling are centrally cleared.*
- b) *Advertisements for events or facilities that can be accessed only by entering gambling premises must make that condition clear.*
- c) *broadcast advertisements for bingo may not be aired in or adjacent to children’s programmes or programmes commissioned for, principally directed at or likely to appeal particularly to audiences below the age of 18.*

### 3.3.4 Guaranteed Prize Money

At one stage or another all bingo operators have advertised a “Guaranteed Prize”, probably accompanied by a disclaimer within the Terms & Conditions. There is no restriction or indeed no guidance on Guaranteed Prizes other than ensuring that the Terms and Conditions and specifically any disclaimer are not unfair. This is obviously open to interpretation.

All operators should consider the wording of any “guaranteed prize” promotion extremely carefully before going into print. The idea of massive monetary wins will quickly gain the attention of potential players, but should the offer be withdrawn, for whatever reason, it may well attract the attention of the Advertising Regulator equally as quickly.

You may wish to consider legal advice before offering any substantial Guaranteed Prize.

## 3.4 General Data Protection Regulation

The General Data Protection Regulation, more commonly known as GDPR, was introduced in May 2018 and is designed to modernise laws that protect the personal information of individuals.

All bingo operators should be mindful of how they collect, use and store data, with particular emphasis on how any personal data is used for Marketing & Advertising purposes, whether it be by direct mail; text message, email or telephone.

The Privacy & Electronic Communications Regulation (PECR) sits alongside GDPR and contains specific rules relating to the use of cookies and all modes of electronic marketing and communication.

Links to the Information Commissioners website and their guides to GDPR and PECR will be found within the [Resource Centre](#).

### 3.5 The Gambling (Licensing & Advertising) Act 2014

Under this legislation only gambling operators licensed by the Gambling Commission are able to advertise to consumers in Britain or to provide them with remote gambling facilities. This simplifies the position for carriers of gambling advertising who will need to ensure they only permit gambling operators licensed by the Gambling Commission to advertise in Britain.

It is also a requirement that all operators need to obtain their gambling software from holders of a Gambling Commission software licences and therefore software suppliers will need to be licenced by the Gambling Commission.

This Act came in to force on 1st November 2014 and was updated in March 2015. A link to the Act will be found at the end of this section. (See [Resources Centre](#))

**Marketing & Advertising is an integral part of any bingo business – but are your terms fair and clear?**

## 4 Information Requirements

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### 4.1. Introduction

The requirement for information from Bingo Operators and Licensees falls in to two categories:

1. **The Bingo Annual Regulatory Return** and;
2. **Reportable Events**

In both cases the recipient of the information is The Gambling Commission. The Commission collects a range of information from licence holders within the gambling industry in order to monitor compliance with gambling legislation, regulations and the licence conditions and codes of practice. This information enhances their understanding of the industry.

The following sections summarise the information that is required.

### 4.2. The Bingo Annual Regulatory Return

This information is provided by licenced bingo operators, via the completion of a 'Bingo Annual Regulatory Return'.

The regulatory returns can be completed through the online regulatory returns system, available on the Gambling Commission website. A link is available within the [Resource Centre](#).

A return needs to be completed for each type of activity for which a licence is held. For example, if an individual holds a licence authorising bingo and adult gaming centre, two returns will need to be completed and submitted, one for each activity.

If a licence holder has ceased trading in any particular activity, or has not yet started to trade, but still holds a valid licence at the time a return is due, a NIL return must be submitted.

The regulatory framework for gambling places the onus for securing the licensing objectives with licenced operators. As part of the Commission's compliance programme, operators may often be asked to provide evidence that demonstrates how they ensure that the policies and procedures they have put in place to

secure the licensing objectives are effective. This may include, as appropriate, information that is not collected through regulatory returns. In practice the data required for the regulatory returns is likely to be a subset of the data needed for operational purposes.

Some data items are snapshots at a particular date rather than aggregations of data throughout the period. In completing these data items, operators should report information as at the latest convenient or appropriate date within the period to which it relates. For example, for staff head count data, this might most easily be calculated at the date of the last pay run in the reporting period.

Licence holders who are required to submit annual regulatory returns should complete and submit their regulatory returns within 42 days of their year end. You may choose to complete regulatory returns according to your business year.

Licence holders who are required to submit quarterly regulatory returns should complete and submit their regulatory returns within 28 days of their period end.

### 4.3. Licence Conditions – General and Regulatory Returns and Other Reportable Events.

It is a licensing condition to provide the Gambling Commission with General and Regulatory returns, this is detailed within the LCCP at Licence Condition 15.3.1

### 4.4. Information Required for the Bingo Annual Regulatory Return

The 'Bingo Annual Regulatory Return' requires a variety of information covering such areas as Contact Information; Workforce Information; Operational Information; Details relating to Disputes; Gaming Machine and Electronic Bingo Terminal information; Financial information; Self Exclusion numbers and much more. At the time of writing (May 2020) the Gambling Commission are consulting regarding changes to the information required within these Annual Regulatory Returns.

#### 4.5. Reporting Key Events

A key event is an event that could have a significant impact on the nature or structure of a licensee's business. Licensees must notify the Commission, or ensure the Commission is notified, in such form or manner as the Commission may from time to time specify, of the occurrence of any of the following key events as soon as reasonably practicable and in any event within five working days of the licensee becoming aware of the event's occurrence.

Key events fall in to 6 categories and the specific licence conditions will be found in the LCCP at 15.2.1 and 15.2.2.

#### 4.6. Ordinary Code Provision

The Gambling Commission also provide an ordinary code provision for Information Requirements:

##### Ordinary code provision 8.1.1

##### Information requirements

1. As stated earlier in this code, the Commission expects licensees to work with the Commission in an open and cooperative way and to inform the Commission of any matters that the Commission would reasonably need to be aware of in exercising its regulatory functions. These include in particular matters that will have a material impact on the licensee's business or on the licensee's ability to conduct licensed activities compliantly and consistently with the licensing objectives.
2. Thus, licensees should notify the Commission, or ensure that the Commission is notified, as soon as reasonably practicable and in such form and manner as the Commission may from time to time specify(1), of any matters which in their view could have a material impact on their business or affect compliance. The Commission would, in particular, expect to be notified of the occurrence of any of the following events in so far as not already notified in accordance with the conditions attached to the licensee's licence(2):
  - a) any material change in the licensee's structure or the operation of its business
  - b) any material change in managerial responsibilities or governance arrangements
  - c) any report from an internal or external auditor expressing, or giving rise to, concerns about material shortcomings in the management control or oversight of any aspect of the licensee's business related to the provision of gambling facilities.

- (1) These matters can be reported securely online at the Commission's website through the eServices system

**[www.gamblingcommission.gov.uk](http://www.gamblingcommission.gov.uk)**

Events which **must** be reported, because the Commission considers them likely to have a material impact on the nature or structure of a licensee's business, are set out in general licence condition 15.2.1

#### 4.7. Summary of Information

In Summary information requirements may cover several operational and compliance areas including:

- a) Gambling facilities
- b) Admissions
- c) Frequency
- d) Staff levels
- e) Policies and procedures on problem gambling
- f) Interaction and self-exclusion
- g) Operational Information
- h) Conclusions from any ADR process
- i) Any matters the Commission would reasonably need to be aware of that impact on the licensee's business and their compliance responsibilities such as company structure or change in management responsibilities
- j) Operator Status
- k) Relevant persons and positions
- l) Financial Information
- m) Financial events
- n) Legal or regulatory proceedings or reports

## 5 Inspectorates

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### 5.1 Inspectorates for Bingo Premises are:

- The local Licensing Authorities (local council)
- The Gambling Commission
- The Police
- Fire Authority / Fire Safety Officer
- Environmental Health Officer
- Trading Standards Officer

### 5.2 The local Licensing Authority

Licensing Authorities (as defined at section 2 of the Act) are responsible for issuing premises licences to enable gambling operators to provide different types of gambling facilities.

For the purposes of this Act the following are licensing authorities:

#### in relation to England:

- a district council
- a county council for a county in which there are no district councils
- a London borough council
- the Common Council of the City of London
- the Council of the Isles of Scilly.

#### in relation to Wales:

- a county council
- a county borough council.

#### in relation to Scotland:

- a licensing board constituted under section 5 of the Licensing (Scotland) Act 2005.

### 5.3 Licensing Authorities' Inspection Guidance Templates

- 5.3.1 To help Local Authority Licensing Officers ensure they meet their regulatory obligations under the Gambling Act 2005, the Gambling Commission worked together with the Leicester, Leicestershire and Rutland Licensing Forum and LLEP to create templates for inspections

at gambling premises. The templates include reference to the social responsibility code provisions issued by the Commission under Section 153 of the Gambling Act 2005. The inclusion of these provisions allow Officers to get a wider understanding for a premises/operators approach towards achieving compliance in areas that tie directly into the community safety.

- 5.3.2 The initiative aims to make gambling regulations easier to access and understand and supports regulatory services in providing advice and guidance to businesses on how to achieve compliance.

- 5.3.3 The templates are shown in the appendices (it is important to note that not all authorities use the template) and include:

- 5.3.4 **Inspection guides:** Aid officers in completing inspections at gambling premises (see appendix A).

- 5.3.5 **Premises information:** To be left at the premises and satisfy the inspection provision regulations. They provide premises with information about the concept of shared regulation, inspection rationale and frequency, legal powers of entry, evidence of ID and the complaints procedures. They also include detail of the inspection areas (for example, relevant Premises Licence conditions, legislation and Social Responsibility Code Provisions).

- 5.3.6 **Inspection guidance note for Authorised Local Authority Officers:** This is preparatory tool that includes guidance on the legal requirements when conducting inspections such as the statement on entry, questioning and evidence of ID (appendix B).

- 5.3.7 **Requests for a written record of the inspection:** Template to fulfil obligations around transparency (appendix C).

- 5.3.8** These documents assist Licensing Authority Officers throughout England and Wales to fulfil gambling regulation obligations and achieve wider community safety objectives by helping protect the young and the vulnerable.
- 5.3.9** The documents are owned by The Leicester, Leicestershire and Rutland Licensing Forum.
- 5.3.10** The documents may not be wholly appropriate for all Officers and authorities, but they provide a solid foundation from which Officers will work. They are reviewed annually to ensure they reflect legislative change.

## 5.4 The Gambling Commission

- 5.4.1** The Act also creates powers of entry and inspection for the Commission to regulate gambling and sets out safeguards for those subject to the powers.

Licence condition (14.1.1) ‘**Access to premises**’ sets out the licensee’s responsibilities.

### Licence condition 14.1.1 - Access to premises

Licencees must have and put into effect policies and procedures (including staff training programmes) designed to ensure that their staff co-operate with the Commission’s enforcement officers in the proper performance of their compliance functions and are made aware of those officers’ rights of entry to premises contained in Part 15 of the Act.

## 5.4.2 Advice and assessment

- 5.4.2.1** The Commission will undertake compliance activity in a variety of ways. The Commission will provide advice to licensees to help them comply with the requirements of the legislation and the licence conditions and codes of practice which apply to them.
- The Commission may also undertake desk based assessment, or may telephone licensees to assess compliance.
- 5.4.2.2** The purpose of an assessment and visit is to:
- a) ensure that the licensee remains suitable to hold a licence
  - b) check that the licensee is conducting their activities in a manner which is consistent with the licensing objectives
  - c) ensure that the licensee is complying with the requirements of the Act and relevant regulations
  - d) ensure that the licensee is complying with the Commission’s LCCP that apply to the licence held

- 5.4.2.3** Assessments and visits also offer an opportunity for the Commission to promote good practice, as well as offering licensees an opportunity to seek advice and to provide feedback to the Commission.

## 5.4.3 Requests for information

- 5.4.3.1** A request for the production of any records or to provide an explanation of records will be made either orally or in writing, dependent upon the individual circumstances of each case. Wherever possible, licensees will be given a reasonable period of time to comply with the request. The Commission will seek to take into account the burden placed on the individual or business when removing records so that it causes minimal disruption.

- 5.4.3.2** The Commission will only ask a licensee to produce documents or records which it needs and will only remove them if it is necessary. Generally, the Commission will copy documents or records and leave the original records with the licensee. When any document or record is removed, the Commission will give an explanation of why this is necessary and provide a receipt. Any documents which have been removed will be returned as soon as possible after the need for their retention has passed. Where an information request is made orally on a visit a record will be made of the request, what has been requested and the time and place for its production.

## 5.4.4 Required improvements

During the course of an assessment visit, compliance issues may be identified which require improvements to be made. Wherever possible, the Commission will explain to the licensee why any changes need to be made, the basis for requiring the changes and a timeframe in which required improvements should be carried out.

## 5.4.5 Notification

The Commission may give advance notice of its intention to visit a licensee and provide details of the process and procedures to be followed. This will provide the licensee with clarity about what will be required and gives the licensee an opportunity to prepare and to minimise potential disruption to the licensed activities being undertaken. However, assessment visits may be made without prior notice.

## 5.4.6 Regulatory Enforcement

In its widest sense, enforcement includes the regulatory or criminal investigation processes, which may result in the exercise of the Commission’s regulatory powers under the Act, or the commencement of a prosecution

and the laying of criminal charges.

Enforcement forms an essential part of the Commission's work to keep gambling fair and safe for all.

The Commission's policy in relation to its regulatory enforcement functions, are:

- a) **Licence reviews**
- b) The exercise of the Commission's **regulatory powers** after a licence review
- c) The exercise of the Commission's **other regulatory powers**

See below for further details:

#### 5.4.7 Licence reviews

**5.4.7.1** Section 116 of the Act gives the Commission the power to review, over time, the performance of licence holders and the operation of licence conditions. The section provides for two different types of review.

**5.4.7.2** Under section 116(1) of the Act the Commission may review matters relating to a class, or type, of licence. The purpose of such a review will be to review the manner in which a particular class of licensees carry on the licensed activities authorised by their licences, and, in particular, how the licensees in question comply with the conditions attached to the class of operating licence.

**5.4.7.3** Section 116(2) of the Act gives the Commission the power to review any matter relating to an individual licence if the Commission:

- a) suspects that conditions of a licence have been or are being breached
- b) believes that the licence holder or any person connected with the gambling activities, has been convicted of a relevant offence in Great Britain or abroad; or
- c) for any reason:
  - i. suspects that the licence holder may be unsuitable to perform the licensed activities;
  - ii. thinks that a review would be appropriate.

**5.4.7.4** A review can be carried out even if there is no suspicion or belief about the licence holder's activities. This means that a licence could be reviewed solely on the grounds that the Commission considers a review would be appropriate. There will, however, always be a reason for a review to be commenced and the Commission will ensure that the letters sent to licensees when a review is being initiated clearly explain the grounds for the review.

#### 5.4.8 Regulatory Powers

The Commission has regulatory powers which it can exercise without carrying out a licence review. The Act gives the Commission the power to:

- a) decide to take no further action
- b) decide to give the licensee advice as to conduct
- c) give the licensee a warning
- d) add, remove or vary a condition to the licence
- e) suspend a licence
- f) revoke a licence

Other regulatory powers:

- g) impose a financial penalty, where the Commission thinks that a condition of a licence has been breached
- h) void a bet
- i) decide that a licence has lapsed if a licensee becomes incapable of carrying on the licensed activities by reason of mental or physical incapacity
- j) revoke a licence for non-payment of an annual fee.

### 5.5 The Police

**5.5.1** The Act creates a number of powers for police towards gambling premises and facilities. Most of these powers are shared with, for example, Commission Enforcement Officers and in some cases other authorised persons. Part 15 of the Act in particular creates a range of powers for entering premises.

**5.5.2** Section 320 of the Act requires powers exercised under Part 15 of the Act to be exercised only at reasonable times.

**5.5.3** Section 325 of the Act requires persons exercising powers under Part 15 of the Act to take reasonable steps to leave premises they have entered as secure as when they initially gained access.

#### 5.5.4 Compliance activity – section 305

Police officers have powers to undertake activities for the purpose of assessing:

- a) compliance with provisions of the Act;
- b) whether an offence under the Act is being committed.

#### 5.5.5 Suspected offences – section 306

Police officers have powers to enter premises where they reasonably suspect an offence under the Act:

- a) is being committed on the premises;
- b) is about to be committed on the premises.

### 5.5.6 Inspection of gambling facilities provided under an operation licence – section 308

Where police officers reasonably believe premises are being used by an operating licence holder wholly or partly for purposes connected to the licensed activities, they may enter the premises using section 308 of the Act in order to determine whether the activities are being conducted in accordance with the terms and conditions of the licence.

### 5.5.7 Powers upon entry sections 317 and 322

Police officers exercising their powers under section 317 of the Act to enter premises may:

- a) inspect any part of the premises, any machine or any other thing on the premises;
- b) question anyone on the premises;
- c) request access to any written or electronic record kept on the premises require a copy of any entry made in a written or electronic record kept on the premises;
- d) remove and retain anything that they believe is evidence (or is being used/ has been used) for a breach of a term or condition under the Act, or commission of an offence under the Act.

Police are a responsible authority under the Act and may request that a licensing authority reviews a particular premises licence.

### 5.5.8 The Gambling Act 2005, Section 319 – Records

This section sets out the specific restrictions on the powers granted to a Police Constable, Gambling Commission Enforcement Officer or authorised person in relation to written or electronic records. A Police Constable, Gambling Commission Enforcement Officer or authorised person may only inspect or seize such records without a warrant where the records relate entirely to matters to which the powers of entry relates. Where records also contain information which is unrelated to the power of entry then a warrant will be required.

## 5.6 Fire Authority

Any person authorised in writing by the fire authority may enter and inspect licensed premises for the purpose of ascertaining whether appropriate precautions against the danger of fire are being sufficiently observed.

## 5.7 Environmental Health Officer

5.7.1 An Environmental Health Officer or practitioner (EHO or EHP), could deal with a wide range of issues at your premises including:

- a) food safety
- b) environmental protection
- c) pollution control
- d) noise control

- e) health and safety at work
- f) waste management

5.7.2 A visit may involve:

- a) inspecting businesses for health and safety, food hygiene and food standards
- b) following up complaints and investigating outbreaks of food poisoning, infectious disease or pests
- c) collecting samples for laboratory testing
- d) enforcing environmental health laws
- e) investigating accidents at work
- f) giving evidence in cases that come to court
- g) advising employers on all environmental health matters.

## 5.8 Trading Standards Officer

5.8.1 Trading Standards Officers (TSOs) work for local councils investigating under-age sales, advising on consumer law, investigating complaints and, if all else fails, prosecuting traders who break the law.

5.8.2 These laws cover a wide area, which includes:

- a) consumer safety
- b) counterfeit goods
- c) product labelling
- d) weights and measures
- e) under-age sales

5.8.3 A visit may involve:

- a) visiting local traders for routine checks or to investigate complaints
- b) taking samples of goods for testing
- c) checking that drink dispensing measures are accurate
- d) checking that food labelling is correct and advertising is not misleading
- e) advising consumers and businesses about the law
- f) investigating suspected offences, which could include undercover or surveillance work
- g) preparing evidence for prosecuting cases in court

# Appendix A

## Inspection guide – Bingo

This template may assist authorised local authority officers with their compliance visits. It provides a list of the matters which are provided for as premises licence mandatory and default conditions. Additional conditions attached by the licensing authority can be added to this list. It also outlines further requirements set out in the legislation and within the codes of practice issued by the Gambling Commission. Section 153 of the Gambling Act 2005 requires Licensing Authorities to exercise its functions in accordance with relevant codes of practice and those listed in this template aim to ensure that gambling is fair and safe for all.

<b>Premises name and address</b>	
<b>Premises person(s) present</b>	
<b>Authorised Officer(s)</b>	
<b>Signature of Authorised Officer(s)</b>	
<b>Date and time of the assessment</b>	

Premises licence condition	Comment
Summary of the terms and conditions of the premises licence shall be displayed in a prominent place within the premises (mandatory condition – SI 2007 / 1409).	
The layout of the premises shall be maintained in accordance with the plan (mandatory condition - SI 2007 / 1409).	
The premises shall not be used for the sale of tickets in a private lottery or customer lottery or the sale of tickets in any other lottery (the National Lottery) in respect of which the sale of tickets on the premises is otherwise prohibited (mandatory condition - SI 2007 / 1409).	
A notice stating that no person under the age of 18 is permitted to play bingo on the premises shall be displayed in a prominent place at every entrance to the premises (mandatory condition - SI 2007 / 1409).	
<p>No customer shall be able to enter the premises directly from any other premises in respect of which one of the following permissions has effect:</p> <p>A casino premises licence</p> <p>An adult gaming centre premises licence</p> <p>A betting premises licence other than a track premises licence (mandatory condition - SI 2007 / 1409).</p>	
<p>Where children and/or young persons are permitted by the licence holder to enter the premises, and category B or C gaming machines are made available for use on the premises, then the gaming machines must be:</p> <ul style="list-style-type: none"> <li>- separated from the rest of the premises by a physical barrier to prevent access other than via an entrance designed to be the entrance</li> <li>- supervised at all times to ensure children or young persons do not enter the area arranged so that the area can be observed by persons responsible for supervision or closed circuit television which is monitored.</li> </ul> <p>The gaming machines area must also have a notice at the entrance stating that no person under the age of 18 years is permitted to enter the area (mandatory condition - SI 2007 / 1409).</p>	
Where there is a charge for admission there must be a notice of the charge displayed in a prominent place at the principal entrance to the premises (mandatory condition - SI 2007 / 1409).	
A notice setting out any other charges in respect of the gaming (except prize gaming) shall be displayed at the main point where payment for the charge is to be made. Such a notice must include the cost (in money) of each game card or set of game cards, payable by an individual in respect of the game of bingo, and the amount that will be charged by way of a participation fee. There should also be in the notice a statement that all/part of the participation fee may be waived at the discretion of the person charging it. This notice can be displayed in electronic form (mandatory condition - SI 2007 / 1409).	
The rules of each type of game that is available (other than gaming machines) shall be made available to customers within the premises by either displaying a sign, making leaflets or other written material available, or running an audio-visual guide prior to any game commencing (mandatory condition - SI 2007 / 1409).	
Any ATM made available for use on the premises shall be located in a place that requires any customer who wishes to use it to cease gambling at any gaming machine in order to do so (mandatory condition - SI 2007 / 1409).	
Hours of operation – No facilities for gambling shall be provided on the premises between the hours of midnight and 9am. This condition does not apply to making gaming machines available for use (default condition - SI 2007 / 1409).	
<p>Additional premises licence conditions attached by the licensing authority:</p> <p>NB. where a condition is attached to a premises licence to require door supervisors, if the Private Security and Industry Act 2001 means that they must be SIA registered then that also becomes a condition of the premises licence. (GA05 Section 178)</p>	

Gambling Act 2005 legislation (GA05)	Comment
<p>Bingo premises licences in existence before 13 July 2011 are entitled to make available 8 category B3/B4 gaming machines, or 20% of the total number of gaming machines, whichever is the greater and any number of Categories C and D.</p> <p>Bingo premises licences granted on or after 13 July 2011 but before 1 April 2014 are entitled to a maximum of 8 category B3/B4 gaming machines or 20% of the total number of gaming machines, whichever is the greater and any number of Category C and D. From 1 April 2014 these premises will be entitled to 20% of the total number of gaming machines only (GA05 Section 172, SI 2007 / 2158 and SI 2011 / 1710).</p> <p>Note: Gaming machine content can be made available on hand held bingo terminals and this will form part of the total number of machines.</p> <p>Category B3 = £2 stake / £500 money prize            Category B4 = £2 stake / £400 money prize            Category C = £1 stake / £100 money prize            Category D = 10p stake / £5 money prize or 30p stake / £8 non-money prize or 10p stake / £8 prize of which £5 maximum is money.</p> <p>Note: stakes may be paid by cash or non-cash forms of payment, except that credit cards cannot be used directly or indirectly to pay for any gaming machine use and debit cards may only be used as an indirect form of payment e.g. to purchase a token or smart card that is subsequently put in the machine (SI 2007 / 2158 and SI 2007 / 2319).</p> <p>Licensing Officers may also wish to familiarise themselves with SI 2007 / 2319 and SI 2007 / 2320 which include requirements that gaming machines display:</p> <ul style="list-style-type: none"> <li>• what category it is</li> <li>• the name and telephone number for assistance with problem gambling</li> <li>• that the machine is not to be used by child / young person unless it is a category D</li> <li>• the % return to player.</li> </ul>	
<p>Premises licence shall be kept on the premises and available on request by police, enforcement officer or authorised local authority officer (GA05 Section 185).</p>	
<p>No gambling on Christmas Day (GA05 Section 183).</p>	

Protection of Children & Young Persons - Offence if invite, causes or permit a person under 18 to gamble (GA05 Section 46).	Comment
<p>Offence if employ:</p> <ul style="list-style-type: none"> <li>• a person under 18 to provide facilities for gambling (GA05 Section 51)</li> <li>• a person under 16 to perform any function on the premises when bingo is being provided (GA05 Section 53).</li> <li>• a person under 18 to perform any function on the premises where gaming machines are sited or in connection with a gaming machine (GA05 Section 54).</li> </ul>	

Social Responsibility Code Provisions (SRCP)	Comment
Can the licensee evidence a commitment to and contribution towards research, education and treatment related to problem gamblers? (SRCP 2.1). For national/regional operators, compliance may be evidenced via communication at a corporate level.	
Does the licensee have and put into effect policies and procedures designed to prevent underage gambling? (SRCP 2.2). Things to consider and evidence: <ul style="list-style-type: none"> <li>• Are checks of age carried out on apparently underage customers?</li> <li>• Is only suitable ID accepted?</li> <li>• Is there an awareness of the legal requirements on returning stakes and not paying prizes to underage customers?</li> <li>• Does the licensee undertake internal “test purchase” exercises?</li> </ul>	
Is information readily available to customers on how to gamble responsibly and seek help in respect of problem gambling? (SRCP 2.3). Things to consider and evidence: <ul style="list-style-type: none"> <li>• Is information displayed prominently on posters appropriate to the size and layout of the premises?</li> <li>• Is information contained in leaflets that may be taken away?</li> <li>• Can information be obtained by customers discreetly?</li> </ul>	
Has the licensee put into effect policies and procedures for customer interaction where they have concerns that a customer’s behaviour may indicate problem gambling? (SRCP 2.4). Things to consider and evidence: <ul style="list-style-type: none"> <li>• Are employees trained in recognising types of behaviour that may be indicative of problem gambling and who is designated to deal with problem gambling issues?</li> <li>• Is the licensee able to evidence that customer interaction has been undertaken in appropriate circumstances?</li> </ul>	
Does the licensee have and put into effect procedures for self-exclusion? (SRCP 2.5). These procedures must include: <ul style="list-style-type: none"> <li>• Employee training to ensure the system is enforced</li> <li>• A register of those excluded with appropriate records (i.e. name, address)</li> <li>• Photo ID (where available and if enforcement of the system is dependent upon it) and a signature</li> <li>• The removal of those persons found on the premises</li> </ul>	
In complying with the bingo premises licence condition concerning the display of rules, the licensee must ensure that rules about each variant of bingo made available and any prize gaming made available are included (SRCP 3).	
Are the terms and conditions of any customer incentive or reward schemes clearly set out and readily available to customers? (SRCP 4).	
Customer offers of free or discounted alcohol should not be linked to whether or when they begin or continue to gamble or made at times when they are participating in gambling (SRCP 4).	
Has the licensee put into effect a written procedure for handling customer complaints and disputes? (SRCP 5). Things to consider and evidence: <ul style="list-style-type: none"> <li>• Are customers told the name and status of the person to contact with a complaint?</li> <li>• Are customers given a copy of the procedure on request or on making a complaint?</li> <li>• Does the licensee have arrangements in place for disputes to be referred to an independent third party?</li> </ul>	
Has the licensee ensured that employees involved in the provision of facilities for gambling are made aware of advice on socially responsible gambling and where to get help should their own gambling become hard to control? (SRCP 6).	
Have the premises employees been sufficiently trained in the social responsibility code provisions and was any such training evidenced via logs/records?	

# Appendix B

## Gambling Act 2005

### Inspection Guidance Note for Authorised Local Authority Officers

This document is intended to aid Authorised Local Authority Officers when they are carrying out compliance visits to licensed/permitted premises. It provides information to support Officers in complying with the statutory requirements regarding ‘inspections’ as provided for in regulations under the Gambling Act 2005 (SI 2007/319).

### Statement on Entry

An Authorised Local Authority Officer, when visiting premises, must provide a ‘statement on entry’ which can be either verbal or written and must include specific information. The “statement on entry” should be communicated as soon as reasonably practicable to the person who appears to the Officer to be the occupier of the premises or have responsibility for their management at the time of the inspection. To fulfil the statutory requirements, a written notice is included within the “Premises Information” templates. The notice reads:

This notice is provided to inform you that any of the following persons may, following the inspection, make a request in writing for a written record of the inspection to be provided:

- Gambling Commission;
- Person present at the time of the inspection and who appears to the authorised local authority officer to be responsible for the management of the premises, or occupies the premises;
- The premises licence holder;
- Person who occupies the premises or is responsible for their management at the time of the inspection.

### Questioning

If a person at the premises refuses to answer a question posed by the Authorised Local Authority Officer then the Officer must verbally inform the person as follows:

“I am required to inform you that this question is being asked under the powers provided for in Section 317(1)(b) of the Gambling Act 2005 and that it is an offence under Section 326 if, without reasonable excuse, a person obstructs or fails to co-operate with the officer who is exercising or seeking to exercise a power under, or by virtue of Part 15 of the Gambling Act 2005.”

It is suggested (it is not required by the legislation) that this statement is explained with the following words:

“I am empowered by the Gambling Act 2005 to ask questions of any person on these licensed premises where it relates to assessing whether there is compliance with the provisions of the Gambling Act 2005, or to assess whether an offence under the Act is being committed. If that person obstructs or fails to co-operate with me whilst I am doing this, then an offence is being committed under the Act”

It might be useful to add:

“The maximum penalty on summary conviction for this offence is a fine of level 3 on the standard scale which is £1500.”

### Evidence of Identity

The Authorised Local Authority Officer must provide evidence of their identity and authority to a person who appears to the Officer to be the occupier of the premises or have responsibility for their management at the time of the inspection. Any person accompanying an Authorised Local Authority Officer must also provide evidence of their identity (Gambling Act 2005 Section 321 and SI 2007 / 319 paragraph 3).

### Written Record of Inspection

As detailed above, listed persons may request (in writing) that the Council provides them with a written record of the inspection. This must be provided as soon as reasonably practicable and must contain the following information as specified in SI 2007/319 paragraph 6:

- the address of the premises visited;
- the name of the Authorised Local Authority Officer(s) who visited;
- the date and time the Officer entered the premises;
- the power(s) exercised to enter the premises;
- the part(s) of the premises, equipment and records inspected;
- details of anything that was removed from the premises.

A template named “Request for a Written Record of the Inspection” can be utilised to fulfil this purpose.

### Ready to go?

Each Authorised Local Authority Officer will undertake inspection preparation in their own way and to levels dependent upon the circumstances surrounding the impending inspection. The checklist below details documents that it is advised you have with you during an inspection. It is not intended to be an exhaustive list.

- Your evidence of identity
- A copy of this document - “Inspection Guidance Note for Authorised Local Authority Officers”
- A copy of the relevant “Inspection template”
- A copy of the relevant “Premises Information” document (to be left at the premises)
- A copy of the Premises Licence application and any appropriate supporting documents
- A copy of the Premises Licence
- A copy of the premises plan
- A copy of the Gambling Act 2005 and the Consolidated Gambling Codes of Practice.

# Appendix C

## Gambling Act 2005

### Request for a Written Record of the Inspection

**Written Record of Inspection provided under Gambling Act 2005 (SI 2007 / 319) and in response to a written request from .....**  
**(insert name of person who made the request for a written record of inspection), dated .....**  
**(insert the date of the request).**

This notice is to inform you that the premises  
 .....  
 (insert name of premises)  
 at:.....  
 (insert postal address of the premises) was inspected by the  
 Authorised Local Authority Officer named below on the date  
 provided below:

Authorised Local Authority Officer  
 .....

Council  
 .....

Date of inspection  
 .....

Time of inspection  
 .....

Signature of Authorised Local Authority Officer  
 .....

Person(s) accompanying the Authorised Local Authority Officer  
 .....

The inspection was made under the powers provided by Part  
 15 of the Gambling Act 2005.

The following parts of the premises were inspected under  
 Section 317(1)(a):  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

The following machines / other things were inspected under  
 Section 317(1)(a):  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

Access was required to the following written or electronic  
 records under Section 317(c):  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

The following written or electronic records were supplied in the  
 form described below, under Section 317(d):  
 .....  
 .....  
 .....  
 .....  
 .....

The following items were removed from the premises for the  
 following reasons:  
 .....  
 .....  
 .....  
 .....  
 .....  
 .....

Force was / was not used by the following person(s) for the following reasons:

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Where force was used, these are the steps which were taken in accordance with Gambling Act 2005 Section 325 to ensure that the premises were left as secure by the Authorised Local Authority Officer when they left the premises, as when they entered:

.....  
.....  
.....  
.....  
.....  
.....  
.....  
.....

Where damage was caused during the inspection it is listed below as well as the circumstances in which it was caused:

.....  
.....  
.....

# 6 Customer Interaction

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Licensing Objective:

**Protecting children and other vulnerable persons, from being harmed or exploited by gambling**

The Gambling Commission issues codes of practice in accordance with their duties which are set out in section 24 of the Gambling Act 2005, about the manner in which facilities for gambling are provided in order to ensure that the three licensing objectives are met.

Social Responsibility Code Provisions must be adhered to by all licence holders; compliance with this is a condition of holding a licence. Any breach of them by an operator may lead the Commission to review the operator's licence with a view to suspension, revocation or the imposition of a financial penalty and would also expose the operator to the risk of prosecution and imprisonment. The following section on Customer Interaction, represents one social responsibility code provision and one ordinary code provision.

## 6.1 Introduction

The Gambling Commission has the view that operators' ability to deliver effective customer interaction would be enhanced by ensuring that the policies and procedures outlined in the LCCP contain specific requirements covering a range of key points (identified through the Commission's compliance work).

These points are as follows:

- Behavioural and other triggers for customer interaction
- The use of data to guide customer interaction
- Dealing with difficult customers
- Recording and reporting customer interactions

Behavioural and other triggers for customer interaction are covered in section 1.5.

The use of data to guide customer interaction would be available from loyalty cards or accounts where the licensee has access to customer spend patterns. In considering all relevant sources of information, operators will be best placed to consider the range of customer information collected and collated on

individuals for commercial and other reasons, and how this could be harnessed for social responsibility purposes; e.g. to monitor changes in customer behaviour where these changes might potentially indicate that the customer is experiencing gambling-related harm.

Dealing with difficult customers is covered in 1.6 and recording and reporting customer interactions are in 1.7.

Customer Interaction is a **social responsibility code provision (3.4.1)** which requires licensees to do the following:

**Social responsibility code provision 3.4.1 Customer interaction All licences, except non-remote lottery, gaming machine technical, gambling software and host licences.**

1. Licensees must interact with customers in a way which minimises the risk of customers experiencing harms associated with gambling. This must include:
  - a. identifying customers who may be at risk of or experiencing harms associated with gambling.
  - b. interacting with customers who may be at risk of or experiencing harms associated with gambling.
  - c. understanding the impact of the interaction on the customer, and the effectiveness of the Licensee's actions and approach.
2. Licensees must take into account the Commission's guidance on customer interaction.

## 6.2 Bingo Club/Venue Responsibilities

**6.2.1** The Staff should be aware of the identity of the local club/venue representative (usually the General Manager) who has responsibility for problem gambling issues and provides customer and staff guidance.

**6.2.2** The company should set out their procedures on how to deal with the identification and intervention when a customer exhibits signs of problem gambling. These procedures should detail what types of behaviour should be recorded and how it is to be reported and disseminated to all staff in the club/venue.

- 6.2.3** The General Manager (or responsible person) will inform his senior Manager and Compliance Manager of any relevant customer/staff incidents, interaction or assistance that have occurred.
- 6.2.4** The company procedure (or Terms and Conditions) should detail the rationale and process for a decision to withdraw service to a customer, or prevent them from using the company premises.
- 6.2.5** The company should provide training to identify staff responsibility for reporting observations or incidents to the relevant person who is responsible for problem gambling. Training should also include guidance on how to deal with interaction, while ensuring the Health and Safety of the management and staff.

### 6.3 Recognising a Problem - What is problem gambling?

Problem gambling is behaviour which causes harm to the gambler and those around them, including family, friends and others who know them or care for them, such as those they work with. If someone is struggling to control their gambling behaviour, this can cause stress, depression, anxiety; they may fall behind at work and worry about money. If someone's gambling is causing any of these effects, it is considered problem gambling.

### 6.4 Stages of Interaction or Assistance

There are 3 stages in the customer interaction process and due to the sensitivity of this interaction; the involvement of management and staff usually depends on their level of training and the company guidelines.

In most circumstances members of staff will be trained in spotting the signs of problem gambling and will inform the Duty Manager who will evaluate the situation and decide on the most appropriate course of action.

The 3 stages are:

- a) **Identifying problem gamblers** – It is crucial to be able to read the signs or look for the characteristics of problem gambling and know when it is appropriate to take action.
- b) **Interaction with the Customer** – This has to be managed carefully, sympathetically and by the person with the right level of training.
- c) **Recording the Details of the Interaction** – A company form, Incident Report or possibly the Smart Tablet should be used for this purpose.

### 6.5 Identifying Problem Gamblers

This section describes in detail many of the actions, characteristics or signs of problem gambling:

1. Customer informs an employee that they feel their gambling spend is out of control.
2. Family and friends may inform staff/management about people that they are concerned about.

3. Unacceptable behaviour towards staff, other customers, machines or company property.
4. Crying, mood swings, irritability, agitation, restlessness, not caring about their appearance or even personal hygiene.
5. Approaching other customers or staff for a loan.
6. Significant periods of time engaged in gambling activity, particularly on gaming machines.
7. Repeated use of the ATM
8. Obvious money difficulties and debts
9. Concealing or lying about their gambling behaviour.
10. Frequently spending all the money they have brought with them. It should be noted however that some customers may have brought in a pre-determined amount to limit their spending.
11. Sees gambling as a way to make money
12. Paranoid belief that their gambling losses are as a result of the game being fixed
13. Chasing losses, usually on machines

### 6.6 Interaction with the Customer

**6.6.1** All conversations with a customer concerning problem gambling should be held privately and discreetly. In simple terms a Customer Interaction is a conversation with a customer about their wellbeing, which may or may not result in further action. These conversations should be logged appropriately.

**6.6.2** Where a member of staff is approached by a customer who believes they have a gambling problem, the member of staff must be supportive and sympathetic and direct the customer initially to notices, leaflets and other sources of responsible gambling information. Additionally, they should let the customer know that the Duty Manager (or appropriately trained employee) has more information available that will assist the customer with their query or concerns. Tell the customer that you will let the Duty Manager know that the customer was interested in the information.

Report this incident to the Duty Manager who will follow up on this initial contact, to make sure the customer has the opportunity to discuss their concerns further. The Duty Manager will then provide either material produced by the company, or details of the most appropriate provider of help or guidance for the customer's needs.

**6.6.3** In addition to providing contact details of the sources of help, the Duty Manager should discuss the possibility of **self-exclusion** with any customer who admits to having lost control of their gambling, or who are exhibiting symptoms of distress.

- 6.6.4** In serious cases it may be necessary to stop the customer gambling and asking them to leave the premises; this should be conducted at a time when it is safe to do so. The purpose of this is to allow the customer to cool off.
- 6.6.5** Where deemed appropriate, or triggered by a defined activity, the member of staff may not get involved at all and the Duty Manager may speak immediately and personally to the customer to discuss evidence of their problem gambling.
- 6.6.6** The Duty Manager may act on 3rd party information (such as family member or friend) after ascertaining the truth of the facts.
- 6.6.7** With the player's consent, the Duty Manager may act on information provided, including information from any treatment agency or service, or pass on information to these services.

#### **6.7 Recording the Details of Interaction / Assistance**

- 6.7.1** A company form, Incident Report or the Smart Tablet should be used to record the details of any customer Interaction or Assistance where problem gambling is suspected or evident. The Gambling Commission or local Licensing Authority may ask to see these records.

# 7 Self-Exclusion

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Licensing Objective:

**Protecting children and other vulnerable persons, from being harmed or exploited by gambling**

## 7.1 Introduction

- 7.1.1** Section 6 of the Operators' Handbook (Customer Interaction) covered the requirements for operators on how to deal with customers whose behaviour may indicate that they are experiencing difficulties in controlling their gambling. It states that the Duty Manager (of the premises) should discuss the possibility of self-exclusion with any customer who admits to having lost control of their gambling or who are exhibiting symptoms of distress. All operators should ensure that there are leaflets available in club to inform customers of self-exclusion, what it entails and how they can request this, including an option to self-exclude without revisiting the premises.
- 7.1.2** Self-exclusion has limitations if only administered locally and the Responsible Gambling Trust's "Operator-Based Approaches to Harm Minimisation in Gambling" report identified the ease with which someone who has self-excluded at one location or with one operator could continue to gamble at others. Consequently, there was a need to explore and develop 'Multi-Operator Self-Exclusion Schemes' to permit data and resource sharing, so that gamblers can have the choice of a more comprehensive reach when they take the decision to self-exclude. The Gambling Commission supported this approach and following the subsequent LCCP changes, The Bingo Association developed a

national multi-operator self-exclusion scheme for licensed bingo operators which allows an individual to make a single request to self-exclude from bingo. The scheme known as the Bingo Industry Self-Exclusion Scheme (BISES) has been designed to facilitate compliance with the LCCP and thereby protect the customer's welfare, by providing a scheme that covers all types of licensed bingo operation, whether traditional retail clubs, high street, or holiday parks.

- 7.1.3** In this section of the Operators' Handbook, self-exclusion is considered in terms of the regulations set out in the LCCP and the practical steps to be followed when a customer requests self-exclusion. The process ends by placing a record of the customer's details on to the national self-exclusion database and the customer's self-exclusion becomes active across all premises operated by members of The Bingo Association.

### Customer data and photographs

- 7.1.4** The protection of customer data and the prohibition on its use commercially, or without The Bingo Association's permission is detailed in a separate sub-licence agreement between the Bingo Association and members that use BISES. It is important that all Bingo Association members are aware that they must not store or print images of individuals and that they must put procedures in place to ensure that once a digital image is uploaded to the database, that any images stored locally (on cameras or on cloud storage) **must be deleted**. The Bingo Association is registered with the ICO as a data controller to allow the retention of personal data and images that are on the self-exclusion database.

**7.1.5** The style, face size and photo quality must be suitable for recognition by other self-exclusion scheme users. The guidelines in appendix D are based on a passport photo and should be adhered to, in order to prevent the self-exclusion application being refused by The Bingo Association, due to a poor quality image. Please read, photocopy and ensure that all senior staff follow the instructions in appendix D, so that a quality photograph is taken of your self-excluding customer.

**7.1.6** Passwords

- a) Your compliance department will advise you on how often you should change your passwords for access to the BISES system.
- b) A process must be put in place to remove passwords that were issued to members of staff when they cease employment with the company.

**7.2 LCCP Self-Exclusion Code Provisions**

The social responsibility code provision 3.5.1 for self-exclusion is specific in that it requires operators to ensure the following:

**Social responsibility code provision 3.5.1**

**Self-exclusion non-remote SR code**

1. Licensees must have and put into effect procedures for self-exclusion and take all reasonable steps to refuse service or to otherwise prevent an individual who has entered a self-exclusion agreement from participating in gambling.
2. Licensees must, as soon as practicable, take all reasonable steps to prevent any marketing material being sent to a self-excluded customer.
3. Licensees must take steps to remove the name and details of a self-excluded individual from any marketing databases used by the company or group (or otherwise flag that person as an individual to whom marketing material must not be sent), within two days of receiving the completed self-exclusion notification.
4. This covers any marketing material relating to gambling, or other activities that take place on the premises where gambling may take place. However, it would not extend to blanket marketing which is targeted at a particular geographical area and where the excluded individual would not knowingly be included.
5. Licensees must close any customer accounts of an individual who has entered a self-exclusion agreement and return any funds held in the customer account. It is not sufficient merely to prevent an individual from withdrawing funds from their customer account whilst still accepting wagers from them. Where the giving of credit is permitted, the licensee may retain details of the amount owed to them by the individual, although the account must not be active.

6. Licensees must put into effect procedures designed to ensure that an individual who has self-excluded cannot gain access to gambling. These procedures must include:
  - a) a register of those excluded with appropriate records (name, address, other details, and any membership or account details that may be held by the operator)
  - b) photo identification (except where the Licensee can reasonably satisfy themselves that in the circumstances in which they provide facilities for gambling an alternative means of identification is at least as effective) and a signature;
  - c) staff training to ensure that staff are able to enforce the systems
  - d) the removal of those persons found in the gambling area or attempting to gamble from the premises.
7. Licensees must ensure that their procedures for preventing access to gambling by self-excluded individuals take account of the structure and layout of the gambling premises.
8. Licensees must, when administering the self-exclusion agreement, signpost the individual to counselling and support services.

Additional requirements for operators are set out in the **ordinary code provision 3.5.2**

**Ordinary code provision 3.5.2**

**Self-exclusion non remote ordinary code**

1. Self-exclusion procedures should require individuals to take positive action in order to self-exclude. This can be a signature on a self-exclusion form.
2. Individuals should be able to self-exclude without having to enter gambling premises.
3. Before an individual self-excludes, licensees should provide or make available sufficient information about what the consequences of self-exclusion are.
4. Licensees should take all reasonable steps to extend the self-exclusion to premises of the same type owned by the operator in the customer's local area. In setting the bounds of that area licensees may take into account the customer's address (if known to them), anything else known to them about the distance the customer ordinarily travels to gamble and any specific request the customer may make.
5. Licensees should encourage the customer to consider extending their self-exclusion to other licensees' gambling premises in the customer's local area.

6. Customers should be given the opportunity to discuss self-exclusion in private, where possible.
7. Licensees should take steps to ensure that:
  - a) the minimum self-exclusion period offered is of a duration of not less than 6 nor more than 12 months;
  - b) any self-exclusion may, on request, be extended for one or more further periods of at least 6 months each;
  - c) a customer who has decided to enter a self exclusion agreement is given the opportunity to do so immediately without any cooling-off period. However, if the customer wishes to consider the self-exclusion further (for example to discuss with problem gambling groups), the customer may return at a later date to enter into self- exclusion;
  - d) at the end of the period chosen by the customer, the self-exclusion remains in place for a further 6 months, unless the customer takes positive action in order to gamble again;
  - e) where a customer chooses not to renew the self exclusion, and makes a positive request to begin gambling again during the 6-month period following the end of their initial self-exclusion, the customer is given one day to cool off before being allowed access to gambling facilities. The contact must be made via phone or in person; and
  - f) notwithstanding the expiry of the period of self-exclusion chosen by a customer, no marketing material should be sent to them unless and until they have asked for or agreed to accept such material.
8. The licensee should retain the records relating to a self-exclusion agreement at least for the length of the self-exclusion agreement plus a further 6 months.
9. (Please note that the Commission does not require the licensee to carry out any particular assessment or make any judgement as to whether the previously self- excluded individual should again be permitted access to gambling. The requirement to take positive action in person or over the phone is purely to a) check that the customer has considered the decision to access gambling again and allow them to consider the implications; and b) implement the one day cooling-off period and explain why this has been put in place.)

10. Licensees should have, and put into effect, policies and procedures which recognise, seek to guard against and otherwise address, the fact that some individuals who have self-excluded might attempt to breach their exclusion without entering a gambling premises, for example, by getting another to gamble on their behalf.
11. Licensees should have effective systems in place to inform all venue staff of self-excluded individuals who have recently attempted to breach a self-exclusion in that venue, and the licensees neighbouring venues.
12. In providing training to staff on their responsibilities for self-exclusion, licensees should have, as a minimum, policies for induction training and refresher training.

An additional Social Responsibility Code Provision (3.5.6).

#### **Social Responsibility Code Provision 3.5.6 Self-exclusion non remote**

1. Licensees must offer customers with whom they enter into a self-exclusion agreement in respect of facilities for any kind of gambling offered by them the ability to self-exclude from facilities for the same kind of gambling offered in their locality by any other holder of an operating licence to whom this provision applies, by participating in one or more available multi-operator self-exclusion schemes.

Ordinary code provision (3.5.7)

#### **Ordinary Code Provision 3.5.7 (effective 8th May 2015)**

##### **Self-exclusion non remote**

1. Licensees should contribute to and participate in the development and effective implementation of multi-operator self-exclusions schemes with the aim of making available to customers the ability to self-exclude from facilities for gambling provided by other licensed operators within their local area(s).

### **7.3 The Bingo Industry Self-Exclusion (BISES) Scheme General Overview**

#### **Retail Clubs, Holiday Parks and High Street Bingo licensed premises)**

- 7.3.1 The Bingo Association, working with leading bingo operators, ISD Group (ISD) and IHL Tech Ltd (IHL) to provide a digital self-exclusion solution to all members. When a customer requests self-exclusion; and the interview process has been concluded, the exclusion is carried out using

SmartEXCLUSION app – a tablet-based solution provided by The Bingo Association. During the process, the tablet assists in collecting the personal details, an image and signature, including exclusion preferences and then automatically uploaded on to the Bingo Industry Self-Exclusion Scheme (BISES) database.

[NOTE: If the SmartEXCLUSION tablet is not available due to downtime, software maintenance, hardware/software fault or connectivity issues, then temporary access will be given to an online portal to process the Self-Exclusion. For any queries, please contact The Bingo Association on 01582 860921 or by email: [info@bingo-association.co.uk](mailto:info@bingo-association.co.uk).]

- 7.3.2** Exclusions from any licensed bingo venue are included on BISES which is applicable to Retail Clubs, Holiday Parks and then to any High Street Bingo venue with the same post code prefix.
- 7.3.3** Exclusions from a High Street Bingo venue are added to BISES for retail clubs but are only applicable to other High Street Bingo venues inside the chosen radius.
- 7.3.4** The information is uploaded to the BISES database. A gallery of excluders appears on the tablet in each venue.
- a)** For traditional Retail Bingo venues, the gallery shows all excluders, in a newest to oldest order by exclusion date. This can be filtered by nearest first. The gallery is searchable by name.
  - b)** For High Street Bingo and Holiday Park venues, the gallery shows all applicable exclusions with the same filters available.
- 7.3.5** The BISES database can be accessed automatically from your membership system through an API which allows you to perform lookups for new member details or current members who exclude between visits.
- a)** Where a club has membership card readers connected through their membership system to BISES, any self-excluded customer attempting entry by swiping a membership card that has not been confiscated, will prompt a warning message on the membership monitors, indicating that there is a problem with the membership card and that the member should report to reception. At the same time, reception will get a warning message that there has been an attempted breach.
  - b)** When a new member applies for membership, the details entered on to the membership system are automatically checked against the BISES database and flagged if there is a match. Where a match is detected, the membership application is refused.

**7.3.6** Authorised staff from all the BA member clubs have secure access to the excluder information. The gallery contains only Full Name, image and exclusion start and end date, plus the excluding venue.

**7.3.7** Retail clubs who use a membership solution without current API access will be provided with the relevant API call details and be responsible for ensuring these are written to correctly.

#### Holiday Parks

**7.3.8** Given the seasonal nature of Holiday Parks' business and the difficulty of identifying individuals who are spending a short period of time on a Holiday Park, The Bingo Association has agreed with the Gambling Commission that a customer who has self-excluded through BISES must inform the Holiday Park operator if they intended to visit a holiday park and must also inform reception staff on their arrival at the park. This is covered in the self-exclusion terms and conditions (point 1) which states: *'To activate your self-exclusion at any Holiday Park that you plan to visit, it is your responsibility to inform the Holiday Park before your arrival that you have self-excluded from playing bingo. A list of such member operators is available on The Bingo Association website: [www.bingo-association.co.uk](http://www.bingo-association.co.uk)*

**7.3.9** On arrival at the Holiday Park, the customer must alert reception that they are self-excluded from playing bingo and gaming machines. A member of management with licence responsibility should discreetly remind the customer of their agreement and responsibilities and inform the relevant bingo staff and security that the customer is self-excluded from playing bingo and gaming machines. The operator will ensure that their entertainment staff and other relevant members of staff have seen a photograph of any self-excluded guest. If a customer indicates that they wish to self-exclude within the bingo licensed area during a visit to a Holiday Park, arrangements must be in place for the compliance or Duty Manager to be informed and the self-exclusion process must be undertaken using the SmartEXCLUSION tablet provided.

#### Leaflets and customer information

**7.3.10** Leaflets and customer information must be made available in club, explaining about self-exclusion and also informing the customer of their option to self-exclude without attending the premises.

#### Training and Customer Interview

**7.3.11** Self-exclusion training must be given to all members of management and senior staff that are likely to be on a Duty Manager rota. The process to be followed must be clear to all relevant members of staff. If a customer

requests self-exclusion, a trained member of staff must conduct an interview with the customer to ensure that they understand what self-exclusion entails. The relevant self-exclusion interview script (Appendix A) should be used to ensure that a customer receives a consistent and comprehensive briefing on what the self-exclusion process involves and what their obligations are, once the agreement is signed. **This script can also be used during an interview carried out by telephone, if a customer requests to self-exclude off-site.** Procedures must be put in place to facilitate this, by providing a club telephone number or e-mail address where a customer may request self-exclusion without visiting the premises. An interview must take place and the details entered into the SmartEXCLUSION tablet, together with a digital image of the customer. Once submitted, the customer will be e-mailed a copy of the completed self-exclusion together with the terms and conditions of their self-exclusion. It is important that the identity of the customer is verified before processing the self-exclusion. This can be done by checking their details against your membership records or by requesting an image of the customers' driving licence or another form of photographic ID.

- 7.3.12** Staff training for self-exclusion should include an understanding of the Code provisions relating to customer interaction (see section 14.6.1 of the Operators Handbook) as well as the Self-Exclusion terms and conditions.

## 7.4 Process Overview

- 7.4.1** Following an interview to discuss self-exclusion at the end of which the customer decides to proceed with self-exclusion, the self-exclusion must be completed using the SmartEXCLUSION tablet and a digital image of the customer acquired. The completed self-exclusion, along with the terms and conditions, must be given to the customer as a record of their self-exclusion agreement and its duration by any reasonable means necessary. The completed self-exclusion records all of the details required for a customer's self-exclusion. The information on the digital form, the customer's photograph, the terms and conditions, and the customer's digital acceptance form a comprehensive agreement for self-exclusion between the customer and the operator.

### Images

- 7.4.2** A digital image is essential. **If the customer refuses to have their photograph taken, the self-exclusion cannot proceed.** It is advised that in these circumstances, where the customer will not fully commit to their own self-exclusion, barring the customer from all your premises is the appropriate course of

action. This approach is supported by the Gambling Commission. Furthermore; you must **not** use images from CCTV or from Facebook or other Social Media. If an image has been obtained, save the image to the local drive on your PC or tablet for upload into your Membership system, or directly on to BISES (See [Resources Centre](#)). **The image must be deleted locally when it is successfully uploaded.**

- 7.4.3** Personal cameras must not be used as images are often automatically copied to commercial cloud storage and this will result in a clear breach of data protection regulations. Local images must be deleted after they are uploaded to the BISES database.
- 7.4.4** When the self-exclusion is digitally signed and a photograph obtained, the details must be uploaded to the BISES database via the SmartEXCLUSION tablet as soon as possible, but within 24 hours. A copy of the agreement is automatically emailed to the customer. These actions will exclude a customer from gambling in all retail bingo premises and the high street bingo licensed premises that the customer has chosen to self-exclude from and that are members of The Bingo Association. The exclusion will be with immediate effect for most premises and within 7 days for some operators.

### Funds on electronic device

- 7.4.5** The SmartEXCLUSION form has a tick box where a customer indicates if they have any funds held on an electronic device. Ascertain and verify the amount of customer funds held on any electronic bingo account and return the balance of funds to the customer. Print a copy of the customer funds report from the electronic bingo system confirming the total amount of credit due to the customer together with a supporting 'withdrawal of credit' receipt where available. Ensure both the receipt and printout confirming total amount of funds are signed by the customer to confirm the amount of funds returned to them as part of the self-exclusion process. Retain signed copies and attach to the self-exclusion for audit purposes. Finally delist the customer from their electronic bingo account to prevent further use.

### Online Bingo

- 7.4.6** If the customer has asked to be self-excluded from any online bingo account **that is operated by your company**, follow the relevant internal procedures and pass the details on to the relevant internal contacts or departments. This box must only be ticked if your company operates online bingo. **Ticking this box will not exclude customers from other online websites.**

### Period of Self-Exclusion

- 7.4.7** A customer can only be excluded for a minimum period of 6 months and a maximum period of 12 months. At the end of the period this can be extended for one or more further periods of at least 6 months each.

### Membership Cards

- 7.4.8** Recover the membership card(s) from the customer and shred so that the customer cannot attempt entry by using their membership card. Ask the customer to destroy any duplicate cards that they may have at home. The Maxim membership system will work with the self-exclusion system to identify current and duplicate cards that may subsequently be used by the customer, to obtain entry after they have requested self-exclusion. On real-time systems, when a customer is attempting to use a duplicate card at the membership card reader, the system will provide a message that the card is not valid and that the customer should report to the membership desk. A warning message will also appear at the membership desk to alert the staff. Where a self-excluded customer is identified whilst breaching or attempting to breach their self-exclusion, the customer should be challenged, their details checked and if confirmed, the customer should be asked to leave. The breach or attempted breach must be logged on the BISES system using the SmartEXCLUSION tablet.

### Other gambling sectors

- 7.4.9** During the interview, a customer may ask to be excluded from gambling in other sectors. The bingo industry scheme does **not** link with other sector self-exclusion schemes. There are 3 options available:
1. Direct the Customer to the self-exclusion page on the GamCare website
  2. Direct the customer to GAMSTOP for gambling websites and apps run by companies licensed in Great Britain.
  3. Direct the customer to the relevant trade association so that they can make direct contact. The trade associations' telephone numbers are as follows:
    - a) Betting and Gaming Council (BGC) for betting shops, online gaming businesses and casinos, phone 0207 434 2111
    - b) British Amusement Catering Trade Association (BACTA) for machine arcades, phone 0207 730 6444
- 7.4.10** The Website addresses for GamCare, GAMSTOP and the Trade Associations can be found in the [Resources Centre](#).

### Signposting to Counselling and Support Services

- 7.4.11** During the self-exclusion interview and application process, the Manager or responsible person must ensure that the customer is directed to counselling and support services such as BeGambleAware and GamCare and provide the appropriate GamCare literature. This literature can be obtained direct from GamCare website (See [Resources Centre](#)) or by calling 020 7801 7000. It is suggested that a number of the GamCare leaflets available from this source are kept onsite to ensure that they are on hand.
- 7.4.12** Customers must also be given the relevant contact phone numbers below for key problem gambling help organisations. Help sheets for these organisations are in section 8 of this operators' handbook and website links are available the end of this section.
- a) GamCare and BeGambleAware  
Phone: 0808 802 0133 (National Gambling Helpline)
  - b) Gordon Moody Association  
Phone: 01384 241292
  - c) Gamblers Anonymous  
Phone: 08700 508880
  - d) The National Problem Gambling Clinic  
Phone: 020 7381 7722
  - e) National Debtline  
Phone: 0808 808 4000

### 7.5 Withdrawal of the hard copy Self-Exclusion and Reinstatement Forms

- 7.5.1** As of 31st March 2020, The Bingo Association will no longer be providing any hard copies of the self-exclusion application forms or reinstatement request forms to members. Instead, members must use the SmartEXCLUSION tablet, which has been provided to every member premises, for all Self-Exclusions and Reinstatements. For any queries, please contact The Bingo Association by phoning 01582 860921 or by email using the following contact address: [info@bingo-association.co.uk](mailto:info@bingo-association.co.uk).

### 7.6 Bingo Industry Self-Exclusion Scheme Database & website

The Bingo Association has produced the following guide '[Access to the Bingo Industry Self-Exclusion Database and Website](#)', which is available on request by emailing [info@bingo-association.co.uk](mailto:info@bingo-association.co.uk) and explains how to access the self-exclusion database, specifically for the local system that you have.

## 7.7 Reinstatement

- 7.7.1** A self-excluded person can decide that they wish to reinstate and request to be allowed to gamble again. The key things about this process are:
- A reinstatement request cannot be made within the period of self-exclusion.
  - The details of any such a request must be entered on to BISES via the SmartEXCLUSION tablet and digitally signed by the customer.
  - The request may either be made in person or by phone.
  - Customers should be asked if they have considered the implications of gambling again.
  - A 24 hour cooling-off period must elapse between the customer's application for reinstatement and being allowed to enter the premises for gambling.
  - Licensees are not required to carry out any assessment or make a judgment as to whether the previously self-excluded individual should be permitted to access gambling again.
- 7.7.2** Some operators will require that customer reinstatement following self-exclusion, can only be made at the request of that customer, either by telephone (by e-mail where this facility is available) or in person. If the request is made by phone, the customer should be asked to make an appointment with the Duty Manager in order to visit the premises to discuss reinstatement. The customer must be notified that there is a 24 hour cooling off period before they are permitted to gamble again. The details must then be uploaded to the BISES database as soon as possible.
- 7.7.3** The reinstatement request form can be completed on the SmartEXCLUSION tablet. The customer status will then be automatically updated on BISES.
- 7.7.4** The customer must actively opt-in to receive marketing materials; otherwise the operator must ensure that their name remains off the marketing database.
- 7.7.5** Where a membership system is used that connects directly to the BISES database (such as Maxim), the customer's details will be updated automatically and the restrictions will be removed from the membership record. Management and relevant staff must be informed of the changes.
- 7.7.6** **Removal of the Auto reinstatement process.**  
 Ordinary Code provision 3.5.2 7(d) states: *'at the end of the period chosen by the customer, the self-exclusion remains in place for a further 6 months, unless the customer takes positive action in order to gamble again'*.

Although the self-exclusion period ends 6 months after the customers elected self-exclusion period of between 6-12 months, The Bingo Association and its members have agreed that the current retail bingo self-exclusion process should remain, i.e., there is no auto-reinstatement: all self-exclusions remain active unless reinstated, and must remain searchable on BISES via the tablet, with the marketing permission maintained at 'no mailings'.

## 7.8 Self-Exclusion Audit Trail/Reporting

The number of customers who have self-excluded from your company's licensed bingo premises should be recorded and made available in 2 ways:

- to allow for inspection by the Local Licensing Authority or Gambling Commission.
- to be recorded on the company's Annual Regulatory Return

This information will be available on the self-exclusion reports for the company/premises designated within your login credentials. The Bingo Association has access to the national database and a report of all self-exclusions that have been entered on to the database.

## 7.9 Breaches

- 7.9.1** If a customer is prevented from entering a premises before they have participated in any gambling, an attempted breach will need to be recorded on the BISES system. If a member has entered the premises and participated in gambling either on machines or bingo of any kind, a breach will need to be recorded. For some operators, the attempted breach will be automatically generated on the BISES database. For others, a retrospective manual entry will be required.
- 7.9.2** If a customer enters the premises, (whether they take part in gambling or not), while their self-exclusion is active, they should be discreetly asked to leave immediately by the Duty Manager. If they have gambled/tried to gamble, all stake monies should be refunded and any winnings may be distributed to other players or given to charity at the discretion of the operator.
- 7.9.3** The incident should be recorded on the BISES database as an 'attempted breach' or 'breach' as appropriate and also on any company incident form that is required.
- 7.9.4** If necessary a letter should be sent to the member reminding them of their personal undertaking in their self-exclusion agreement and the earliest date that they can return to the bingo premises. Please consult your compliance department for the letter format.

- 7.9.5** Actual breaches may be notified by your Compliance Manager (where applicable) on a case by case basis to the Gambling Commission though must be included in the Annual Regulatory Return. The Bingo Association will also make periodic industry-wide reports to the Gambling Commission.
- 7.9.6** Staff training - You must be able to produce training records that demonstrate that customer interaction and self-exclusion training is actively taking place within your premises and incident reports are made, detailing actions taken in response to self-excluded customers being found on the premises.

### 7.10 User Guides

- 7.10.1** An interview script is provided in Appendix A (retail bingo premises) and Appendix B (High Street Bingo premises), to assist with your customer self-exclusion interview.
- 7.10.2** An information leaflet by the Bingo Association is provided in Appendix C to assist the customer's understanding of self-exclusion and the implications before they reach the application stage.
- 7.10.3** There is a User Guide to assist you with using the BISES system which is available on request by emailing: [info@bingo-association.co.uk](mailto:info@bingo-association.co.uk)
- 7.10.4** [NOTE: The guide may not be relevant to Mecca bingo club managers, as direct access to the website by clubs is not currently required, due to the central function that manages the system on their behalf.]
- 7.10.5** Two guidance sheets for the self-exclusion interview follow in Appendix A and B, Appendix C is a customer information leaflet and Appendix D explains the process of taking a self-exclusion customer photo. Item 5 is available on the Bingo Association website in the members' area.
- 1. Appendix A** – Self-exclusion interviews – Retail Bingo
  - 2. Appendix B** – Self-exclusion interviews – High Street Bingo
  - 3. Appendix C** – The Bingo Industry Self-Exclusion Scheme – Information Leaflet
  - 4. Appendix D** – Taking a self-exclusion customer Photograph
  - 5. Self-Exclusion Guide**

### 7.11 Website Links

(Please see the [Resources Centre](#)).

# Appendix A

## Self-Exclusion Interviews Retail Bingo

### Summary

#### 10 Steps to a successful Self-exclusion

- 1 Conduct a one to one interview in a discreet location.
- 2 Explain what self-exclusion is.
- 3 Explain the consequences of self-exclusion.
- 4 Ensure the customer understands that a photo is mandatory.
- 5 Ensure the customer understands that self-exclusion is for a minimum period of 6 months and a maximum of 12 months.
- 6 Ensure the customer knows that exclusion from traditional clubs is national and from high street premises is on a local basis.
- 7 Reassure the customer that their personal data is held on a secure private database and is confidential.
- 8 Ask the customer if they wish to self-exclude now.
- 9 If yes, complete the self-exclusion on the SmartEXCLUSION tablet.
- 10 Advise the customer that a copy of their self-exclusion will be emailed to them, along with the Terms & Conditions and give them a copy of the relevant GamCare/help leaflets.

#### The Self-Exclusion Guidance Notes - Retail Bingo

Under the terms of the Licensing Conditions and Codes of Practice (LCCP) a customer who asks to self-exclude should be interviewed in order that they understand what self-exclusion entails; the operator must provide, or make available, sufficient information about what the consequences of self-exclusion are.

Self-exclusion is a sensitive matter and should be dealt with by the club manager or someone else who is designated and suitably trained to undertake the self-exclusion interview. When a customer asks about self-excluding, they should be taken somewhere where this can be discussed in private.

If a customer prefers to self-exclude without entering the club, they can do so over the telephone or online. Customers can obtain guidance from their club or from the Bingo Association website at [www.bingo-association.co.uk](http://www.bingo-association.co.uk) where they will find a self-exclusion tab which has all the necessary contact information.

The script below will ensure that a customer understands what self-exclusion means so that they can make an informed decision about self-exclusion. Every self-exclusion request must be accompanied with an image of the customer. Make sure that the customer understands that this is essential in order to process their request.

#### Suggested interview script:

“Before you make the decision to self-exclude, I must explain to you what self-exclusion means and what the consequences of your self-exclusion are. Everything that I explain to you is contained in the self-exclusion request form that you will be asked to sign digitally should you choose to self-exclude. Please listen carefully. When I have finished I will ask if you are sure that you want self-exclusion.

Asking for self-exclusion means that you have decided that you need help with a gambling problem and that you are asking bingo operators to help you stop gambling;

It is your decision not to enter a licensed bingo premises and we agree to help you. We expect complete commitment to the agreement from you and you MUST provide a photograph in order to be self-excluded. If you refuse, unfortunately you cannot enter the self-exclusion scheme. We strongly advise you to take steps to get help; I can give you details of some agencies.

This bingo operator is a member of the national Bingo Industry Self-Exclusion Scheme (BISES) and your self-exclusion will be supported throughout Great Britain in all traditional retail bingo premises. Your personal details will be shared on the BISES database in order for all members of the Association to be able to help you. Your details will also be shared with local high street gambling premises that hold a bingo licence and which share the same two letter prefix as the postcode of this club. Your personal details will NOT be shared with any third party. Non-personal data may be used for statistical analysis of problem gambling and may be shared with the Gambling Commission.

Your photograph will be shared on the BISES database to assist with your identification and self-exclusion. Please note, this will remain confidential along with all your data provided.

This means that if you ask for self-exclusion you will not be able to play bingo at any of these premises [give examples, for instance: you won't be able to play at Mecca, Buzz, Castle, relevant Cashino premises for the period of your self-exclusion].

You may request to be self-excluded for a minimum of six months or for a maximum period of 12 months; you may extend your self-exclusion period by one or more periods of at least 6 months each when this period(s) reaches its end. You may also choose to reinstate at the end of your self-exclusion; you must request reinstatement and complete the relevant request. There is a 24 hour “cooling off” period before you will be able to gamble again.

The self-exclusion agreement means that you will sign an undertaking not to enter any licensed bingo premises for the requested period of self-exclusion and that you agree that you will not attempt to circumvent your self-exclusion. We offer our assistance to help you, but we cannot be held responsible if you succeed in circumventing your self-exclusion. Members of the Bingo industry self-exclusion scheme will take all reasonable steps to prevent you from entering a bingo licensed premises and gambling. If you are found to have gained access to a bingo licensed premises, you will be asked to leave. If you do breach your self-exclusion, any winnings that may arise from playing while self-excluded may be forfeited.

If you book to spend some time at a holiday park that offers bingo, **you must inform the reception/management of the park when you arrive** that you have self-excluded from bingo.

You will be given contact information so that you can contact counselling and support services

Do you understand what self-exclusion means? Do you want to proceed now? Do you want to consider this and contact us later if you want to proceed?

I have an online form using a SmartEXCLUSION tablet for you to complete which represents our agreement. Please read the details carefully before you sign it. Please ask me if you have any questions. Once the online form is complete and I have taken a photograph, your details will be uploaded on to the BISES database; it may take up to 7 days for all operators to update their systems. If you are a member of an online bingo site operated by this company, you can also request self-exclusion from that site. If you wish to do this, please tick the box on the online self-exclusion form.

Your details will be removed from the marketing database of the club that you self-excluded once your details have been submitted. Please be advised that it may take up to 7 days for other operators within the scheme to action this. Following the expiry of your self-exclusion period, you can only be added back to the marketing database if you specifically request it.

I will take away any membership cards that you have with you. If you have additional cards at home, please return them by post. If you have any credit held on a terminal, I will arrange for this money to be returned to you now. I have got some leaflets for you from GamCare with their contact details so that you can contact them for further help or counselling.

**Do you have any further questions?**

# Appendix B

## Self-Exclusion Interviews High Street Bingo Summary

### 10 Steps to a successful Self-exclusion

- 1 Conduct a one to one interview in a discreet location.
- 2 Explain what self-exclusion is.
- 3 Explain the consequences of self-exclusion.
- 4 Ensure the customer understands that capturing a photo is mandatory.
- 5 Ensure the customer understands that self-exclusion is for a minimum period of 6 months and a maximum of 12 months.
- 6 Ensure the customer knows that exclusion from high street premises is on a local basis and traditional retail bingo clubs is national.
- 7 Reassure the customer that their personal data is held on a secure private database and is confidential.
- 8 Ask the customer if they wish to self-exclude now.
- 9 If yes, complete the self-exclusion on the SmartEXCLUSION tablet, take the photo and upload it to the self-exclusion site.
- 10 Advise the customer that a copy of their self-exclusion will be emailed to them, along with the Terms & Conditions and give them a copy of the relevant GamCare/help leaflets.

### The Self-Exclusion Guidance Notes – High Street Bingo

Under the terms of the Licensing Conditions and Codes of Practice (LCCP) a customer who asks to self-exclude should be interviewed in order that they understand what self-exclusion entails; the operator must provide, or make available, sufficient information about what the consequences of self-exclusion are.

Self-exclusion is a sensitive matter and should be dealt with by the duty manager or someone else who is designated and suitably trained to undertake the self-exclusion interview. When a customer asks about self-excluding, they should be taken somewhere where this can be discussed in private.

If a customer prefers to self-exclude without entering the venue, they can do so over the telephone or online. Customers can obtain guidance from their venue or from the Bingo Association website at [www.bingo-association.co.uk](http://www.bingo-association.co.uk) where they will find a self-exclusion tab which has all the necessary contact information.

The script below will ensure that a customer understands what self-exclusion means so that they can make an informed decision about self-exclusion. Every self-exclusion request must be accompanied with an image of the customer. Make sure that the customer understands that this is essential in order to process their request.

#### Suggested interview script:

“Before you make the decision to self-exclude, I must explain to you what self-exclusion means and what the consequences of your self-exclusion are. Everything that I explain to you is contained in the self-exclusion request form that you will be asked to sign should you choose to self-exclude. Please listen carefully. When I have finished I will ask if you are sure that you want self-exclusion.

Asking for self-exclusion means that you have decided that you need help with a gambling problem and that you are asking bingo operators to help you stop gambling;

It is your decision not to enter a licensed bingo premises and we agree to help you. We expect complete commitment to the agreement from you and you MUST provide a photograph in order to be self-excluded. If you refuse, unfortunately you cannot enter the self-exclusion scheme. We strongly advise you to take steps to get help; I can give you details of some agencies.

This bingo operator is a member of the national Bingo Industry Self-Exclusion Scheme (Bises) and your self-exclusion will be supported throughout Great Britain in all traditional bingo premises and relevant local high street venues. Your personal details will be shared on the Bises database in order for all members of the Association to be able to help you. Your details will also be shared with local high street gambling premises that hold a bingo licence and which share the same two letter prefix as the postcode of this club. Your personal details will NOT be shared with any third party. Non-personal data may be used for statistical analysis of problem gambling and may be shared with the Gambling Commission.

Your photograph will be shared on the self-exclusion database to assist with your identification and self-exclusion. Please note, this will remain confidential along with all your data provided.

This means that if you ask for self-exclusion you will not be able to play bingo at any of these premises [give examples, for instance: you won't be able to play at Mecca, Buzz, Castle, relevant Cashino premises] for the period of your self-exclusion.

You may request to be self-excluded for six months or for a maximum period of 12 months; you may extend your self-exclusion period by one or more periods of 6 months each when this period(s) reaches its end. You may also choose to reinstate at the end of your self-exclusion; you must request reinstatement and complete the relevant request. There is a 24 hour “cooling off” period before you will be able to gamble again.

The self-exclusion agreement means that you will sign an undertaking not to enter any bingo licensed premises for the requested period of self-exclusion and that you agree that you will not attempt to circumvent your self-exclusion. We offer our assistance to help you, but we cannot be held responsible if you succeed in circumventing your self-exclusion. Members of the bingo industry self-exclusion scheme will take all reasonable steps to prevent you from entering a bingo licensed premises and gambling. If you are found to have gained access to a bingo licensed premises, you will be asked to leave. If you do breach your self-exclusion, any winnings that may arise from playing while self-excluded may be forfeited.

If you book to spend some time at a holiday park that offers bingo, **you must inform the reception/management of the park when you arrive** that you have self-excluded for bingo.

You will be given contact information so that you can contact counselling and support services.

Do you understand what self-exclusion means? Do you want to proceed now? Do you want to consider this and contact us later if you want to proceed?

I have an online form using a SmartEXCLUSION tablet for you to complete which represents our agreement. Please ensure you have given the correct information and understand the terms and conditions before you sign it.

Please ask me if you have any questions. During the process I will take a photograph and your details will be uploaded on to the BISES database; it may take up to 7 days for all operators to update their systems.

Your details will be removed from the marketing database of the club that you self-excluded once your details have been submitted. Please be advised that it may take up to 7 days for other operators within the scheme to action this. Following the expiry of your self-exclusion period, you can only be added back to the marketing database if you specifically request it.

If you have any credit held on a terminal, I will arrange for this money to be returned to you now.

I have got some leaflets for you from GamCare with their contact details so that you can contact them for further help or counselling.

**Do you have any further questions?**

# Appendix C

## The Bingo Industry Self-Exclusion Scheme Information Leaflet

### What is self-exclusion?

Self-exclusion is one of the ways that you can address any problems that you may be experiencing with your gambling. You can choose to exclude yourself from bingo and ask your bingo club operator to help you. Your club operator is a member of the national bingo industry self-exclusion scheme (BISES) which means that all members of this scheme will use their best endeavours to prevent you from entering their premises and gambling.

### How long will I be excluded for?

You can choose to self-exclude for a minimum of six months and a maximum of twelve months.

### Who is responsible for keeping me out of bingo clubs?

You are responsible for your actions and for your decision to request exclusion. By signing the self-exclusion request form, you undertake not to circumvent your agreement and try to enter a bingo club during your agreed self-exclusion period. However, bingo club operators will also do what they reasonably can to help you.

### The National Bingo Industry Self-Exclusion scheme (BISES)

The Bingo Association has established a scheme to permit its members to record the details of all individuals who have self-excluded on a secure private database. Having these details means that clubs can check swiped membership cards and new member applications against the records of those people who have self-excluded. Your personal data is protected and will not be shared beyond the bingo club operators.

### Can I just self-exclude from my local club?

No. Self-exclusion means that you are effectively excluded from all licensed bingo clubs in Great Britain and from certain other licensed bingo premises in the neighbourhood of your regular club.

### How can I apply?

You can ask the club duty manager about the scheme, who will interview you in a discreet location and give you a full explanation of what self-exclusion is, help you to complete the request form and take a digital image should you decide to ask to self-exclude. Your details will be uploaded to the self-exclusion database. You can also apply by telephone to your club, if you prefer. The telephone number of your club is available online, or you can request this information from The Bingo Association by submitting a form via the webpage on [www.bingo-association.co.uk](http://www.bingo-association.co.uk)

### What other help can I get?

You should consider excluding from all other forms of gambling in Great Britain. A list of other self-exclusion schemes is set out on The Bingo Association's website. There are also links to national agencies who can give you counselling and other personal support.

# Appendix D

## Taking a Self-Exclusion Customer Photograph

### DO

Choose a well-lit area to take the photo with no backlight.

1. Ask the customer to:
  - a. Remove any glasses or head coverings and push back any hair that obscures their face.
  - b. Face forward, eyes open, mouth closed and look at the camera, no smile is needed.
2. Take a close-up of the customers face, head and shoulders (passport style).

### Check that the photograph:

1. Is in focus.
2. Has no shadows.
3. Is bright enough to see the customer's facial features clearly.
4. Has no 'red-eye'.

### DO NOT use:

1. CCTV images.
2. Facebook or any other Social Media images.

### Please note:

1. A poor quality image may be rejected by the BA.
2. The image should be deleted locally, after it has been transferred on to the BA self-exclusion system.
3. To upload a photograph within Maxim, the photograph size needs to be less than 3MB.

**Any self-exclusions processed without a suitable passport-style photo will be removed from BISES.**

# 8 Problem Gambling and Information on How to Gamble Responsibly

Item		Page
8.1	Information on How to Gamble Responsibly and Help for Problem Gamblers	69
8.2	Company and Association Publications on Responsible Gambling	70
8.3	Help and Information on Responsible Gambling	70

Licensing Objective:

**Protecting children and other vulnerable persons, from being harmed or exploited by gambling**

## 8.1 Information on How to Gamble Responsibly and Help for Problem Gamblers

**8.1.1** All companies must be proactive in dealing with problem gambling. This is defined in the code provisions within this section.

**8.1.2** There are four code provisions regarding problem gambling and the availability of information and they oblige companies to:

- 1 Provide policies, procedures and training to target problem gambling
- 2 Commit funds to aid research, education and the treatment of problem gambling
- 3 Provide information on how to gamble responsibly and;
- 4 Provide details of sources of help for problem gamblers whether they are customers or employees.

**8.1.3** Three code provisions are **Social Responsibility Codes** and one is an **Ordinary Code** within the LCCP.

### **Social Responsibility provision 3.1.1 Combating problem gambling**

1. Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling including the specific policies and procedures required by the provisions of section 3 of this code.
2. Licensees must make an annual financial contribution to one or more organisation(s) which between them research into the prevention and treatment of gambling-related harm, develop harm prevention approaches and identify and fund treatment to those harmed by gambling.

Many companies meet the requirements of section 2 by contributing to The Responsible Gambling Trust (RGT) which promotes a range of research and initiatives that fulfil these obligations. This is covered in section A10.

**8.1.4** The second **Social Responsibility Code Provision** states:

### **Social Responsibility provision 3.3.1 Responsible gambling information**

1. Licensees must make information readily available to their customers on how to gamble responsibly and how to access information about, and help in respect of, problem gambling.
2. The information must cover:
  - a) any measures provided by the licensee to help individuals monitor or control their gambling, such as restricting the duration of a gambling session or the amount of money they can spend
  - b) timers or other forms of reminders or 'reality checks' where available
  - c) self-exclusion options
  - d) information about the availability of further help or advice.
2. The information must be directed to all customers whether or not licensees also make available material which is directed specifically at customers who may be 'problem gamblers'.

3. For gambling premises, information must be available in all areas where gambling facilities are provided and adjacent to ATMs. Information must be displayed prominently using methods appropriate to the size and layout of the premises. These methods may include the use of posters, the provision of information on gambling products, or the use of screens or other facilities in the gambling premises. Information must also be available in a form that may be taken away and may also be made available through the use of links to be accessed online or using smart technology. Licensees must take all reasonable steps to ensure that this information is also readily accessible in locations which enable the customer to obtain it discreetly.

**Sections 1, 2 and 3** in the code above are detailed below and in 3.2, although codes 2a and 2b usually refer to additional features on Electronic Bingo Terminals (EBTs) or Gaming Machines. Manufacturers are working in these areas (particularly on server based machines) to provide software to permit customers to limit their spend and time spent gambling.

**Section 4** is self-explanatory in that the advice is specific about size, position and availability of information on how to gamble responsibly. Good practice for the use of poster messages would be to replicate the size of other marketing frames that are used for promotions or jackpot information (where used). Many companies either supply their own themed responsible gambling material and key messages, or use materials available from external organisations such as GamCare.

Section 4 reflects the availability of new forms of technology through which to deliver and provide social responsibility messaging.

**8.1.5** The **Ordinary Code Provision** states:

#### **Ordinary code provision 3.3.2**

##### **Responsible gambling information – foreign languages**

1. Licensees who market their services in one or more foreign languages should make available in that, or those, foreign languages:
  - a) the information on how to gamble responsibly and access to help referred to above
  - b) the players' guides to any game, bet or lottery required to be made available to customers under provisions in this code
  - c) the summary of the contractual terms on which gambling is offered, which is required to be provided to customers as a condition of the licensee's operating licence.

**8.1.6** The last **Social Responsibility Code** states:

#### **Social responsibility code provision 7.1.2**

##### **Responsible gambling information for staff**

1. Licensees must take all reasonable steps to ensure that staff involved in the provision of facilities for gambling are made aware of advice on socially responsible gambling and of where to get confidential advice should their gambling become hard to control.

This covers responsible gambling information for staff. Companies are obliged to also provide their staff with this information.

## **8.2 Company and Association Publications on Responsible Gambling**

Some bingo companies prepare their own customer information for problem gambling and present this information in a more branded, user-friendly way for customers to read. Other material and information is available from the various Responsible Gambling organisations. Links to various organisations will be found within the [Resource Centre](#).

## **8.3 Help and Information on Responsible Gambling**

As stated at 3.2 links to a number of organisations that provide help and assistance to those that may be At Risk or have a potential problem with their gambling may be found within the [Resource Centre](#).

# 9 Age Verification

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9.3	Valid Cards and Bingo Club Best Practice	72
9.4	Test Purchasing	73
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Licensing Objective:

**Protecting children and other vulnerable persons, from being harmed or exploited by gambling**

## 9.1 Introduction

Gambling and the consumption of alcohol are permitted only for those over 18 years of age. In some bingo clubs there are different policies for dealing with customer age verification for gambling and for purchasing alcohol. The law in relation to gambling is specific in that:

Access to gambling by children and young persons is prohibited. This is detailed in both a Social Responsibility Code Provision and an Ordinary Code Provision as part of the LCCP. These provisions are quoted in 10.2 below.

## 9.2 Licensing Conditions and Code of Practice

The Social Responsibility Code Provision states:

### **Social responsibility code provision 3.2.5**

#### **Access to gambling by children and young persons**

- Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.
- This must include procedures for:
  - checking the age of apparently underage customers
  - refusing entry to any adult-only areas to anyone unable to produce an acceptable form of identification
  - taking action when there are unlawful attempts to enter the adult-only areas.
- Licensees must ensure that their policies and procedures take account of the structure and layout of their gambling premises.

- Licensees must not permit children or young people to gamble in the adults-only areas of premises to which they have access. If there is a 'no under-18s' premises policy, licensees must pay particular attention to the procedures they use at the entrance to the premises to check customers' ages
- Licensees must take all reasonable steps to ensure that all staff understand their responsibilities for preventing underage gambling. This must include appropriate training which must cover:
  - all relevant prohibitions against inviting children or young persons to gamble on age-restricted products or to enter age-restricted areas;
  - the legal requirements on returning stakes and not paying prizes to underage customers; and
  - procedures for challenging any adult who may be complicit in allowing a child or young person to gamble.
- Licensees must only accept identification which:
  - contains a photograph from which the individual can be identified
  - states the individual's date of birth
  - is valid
  - is legible and has no visible signs of tampering or reproduction.
- Licensees must conduct test purchasing or take part in collective test purchasing programmes, as a means of providing reasonable assurance that they have effective policies and procedures to prevent underage gambling, and must provide their test purchase results to the Commission.

The Ordinary Code Provision states:

#### Ordinary code provision 3.2.6

##### Access to gambling by children and young persons

1. The Commission considers acceptable forms of identification to include: any identification carrying the PASS logo (for example Citizencard or Validate); a driving licence (including a provisional licence) with photocard; or a passport.
2. Licensees should require a person who appears to relevant staff to be under the age of 21 to be asked to produce proof of age, either at the point of entry to the gambling area or as soon as it comes to the attention of staff that they wish to access gambling facilities.
3. Licensees should have procedures for dealing with cases where an adult knowingly or recklessly allows a child or young person to gamble. These procedures might include refusing to allow the adult to continue to gamble, removing them from the premises, and reporting the incident to the police or local authorities, or taking action where forged identification is produced.
4. Procedures should be put into effect for dealing with cases where a child or young person repeatedly attempts to gamble on their premises, including oral warnings, reporting the offence to the Gambling Commission and the police, and making available information on problem gambling to the child or young person concerned.
5. Where it is likely that customers' young or otherwise vulnerable children will be left unattended on or adjacent to their premises, licensees should consider reminding customers of their parental responsibilities and assess whether there is a need to develop procedures for minimising the risk to such children.
6. Licensees in fee categories A or B should consider how they monitor the effectiveness of their policies and procedures for preventing underage gambling (for example by taking part in a collective test purchasing programme) and should be able to explain to the Commission or licensing authority what approach they have adopted.
7. In providing training to staff on their responsibilities for preventing underage gambling, licensees should have, as a minimum, policies for induction training and refresher training.

### 9.3 Valid Cards and Bingo Club Best Practice:

The legislation detailed above translates into the following procedures for bingo clubs.

- 9.3.1** It is a condition of membership of the Bingo Association that any person who appears to be 25 or under will be required to show a valid ID to verify their age. The ID should:
- a) Contain a clear photograph of the applicant
  - b) Contain the individual's date of birth
  - c) Be a valid document
  - d) Be legible and have no signs of tampering or reproduction

**9.3.2** Acceptable ID is:

Any ID which contains a PASS logo such as:

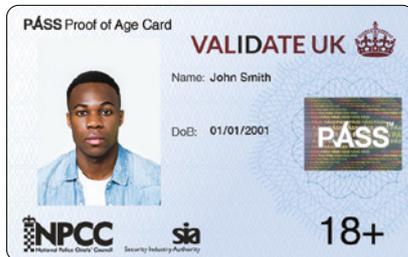


- a) Citizen Card or Validate
- b) Young Scot card
- c) Driving Licence
- d) Passport
- e) Firearms Certificate
- f) Military Identification Cards

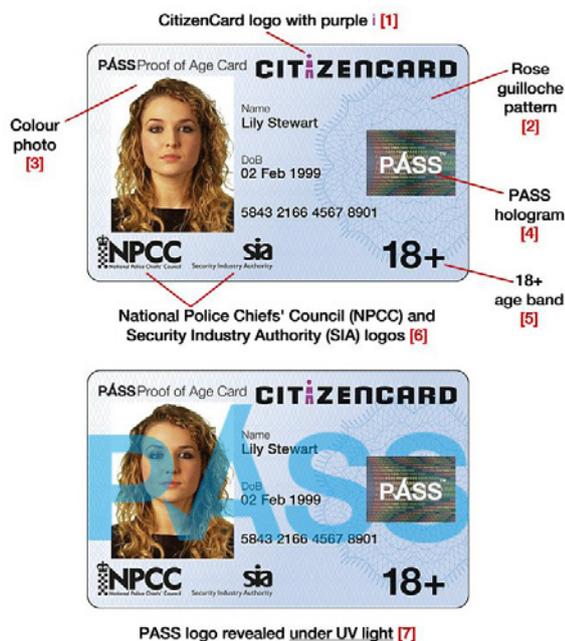
Not all forms of acceptable ID are proof that the holder is 18+. Please ensure that documents c) to f) above should also be checked to verify the holder's age.



- 9.3.3 Validate UK aims to ensure that age restricted goods and services are only sold to those old enough to purchase them; it also helps those who may look younger than they are to prove their age.



- 9.3.4 A Genuine or Fake Citizen Card?  
The descriptions below will help you identify a valid or invalid Citizen Card



- 9.3.5 If the person cannot provide proof of age documentation then entry to the gambling premises must be refused.
- 9.3.6 A record of all customers that are in breach of the minimum age for gambling must be kept.
- 9.3.7 Details of the proof of age documents shown should be recorded (normally on the membership system where available) but this **does not include serial numbers or account numbers**, for security purposes and data protection.
- 9.3.8 There should be adequate notices on display indicating that no one under 18 will be permitted to gamble (mandatory licence condition in Scotland requires that the notice has to be a minimum of A4 size and visible to the customers when entering the premises). It is good practice to display notices stating that all customers who appear to be 25 or under will be challenged.

- 9.3.9 Suitably trained staff, barriers or controls should be in place to prevent the entry of underage persons.

- 9.3.10 If a customer has attempted to enter the premises with a person under the age of 18 in order to gamble, the adult should be barred. The underage person should receive a warning and given any appropriate responsible gambling leaflets. A person commits a criminal offence if he/she invites, causes, or permits a child or young person to gamble [S.46 of the Gambling Act 2005]. The current maximum penalty on indictment is 51 weeks imprisonment or a fine not exceeding £5,000, or both.

- 9.3.11 A record of the incident should be made and retained on site for your records and be available for inspections by the Local Authority or Gambling Commission.

- 9.3.12 If an under 18 has obtained entry for the purpose of gambling and a member of staff becomes aware, the following action must be taken:

- The child or young person should be prevented from gambling further and removed from the premises following any action required in sections b and c below.
- Any money paid for admission, fee or stake, including machines should be returned as soon as reasonably practical.
- No prize or winnings may be given to a child or young person. If, however the person has received the prize money before it was discovered that they were under 18, section 83.3b of the Gambling Act 2005 states that money already paid out cannot be claimed back. Again, a record of the incident should be recorded by using the company specific form.

- 9.3.13 If a young person repeatedly attempts to gamble on the premises or when a verbal warning has been issued, an operator must immediately report the matter to the Gambling Commission, the police and licensing authority and where appropriate, the education welfare department.

## 9.4 Test Purchasing

- 9.4.1 The LCCP states that 'Licensees must have and put into effect policies and procedures designed to prevent underage gambling, and monitor the effectiveness of these.' The following section details how The Bingo Association works with its members, to provide an annual test purchasing exercise to support the monitoring of their underage gambling policies. By committing to this and subsequent sharing of the results with The Gambling Commission, Association members can demonstrate a high degree of self-regulation.

Note: Where test purchasing arranged by The Bingo Association is not being used, operators will need to be able to give evidence to the Commission and licensing authorities the means by which they are monitoring the effectiveness of their policies and procedures in this area.

- 9.4.2** The Bingo Association contract with a reputable external company to provide Age Verification Services
- 9.4.3** The chosen external company will use testers all aged 18 or 19, who will attempt to join or enter a club. It will be the club responsibility to challenge that test customer at the membership point. If there is no control at the admission point then the member must be challenged before they enter the gaming area. If the customer ID is not checked and verified during entry, the club will fail.
- 9.4.4** Testing will also be completed by test customers who already have a membership card. Where this is the case it is essential that procedures are in place as detailed in 10.4.5.
- 9.4.5** The age verification testing emphasis will be on challenges for those who appeared to be 25 and under. Customers should be challenged on their appearance, not only on whether they had a membership card.
- 9.4.6** Some of the sample questions that tester is asked are:
- a) How many customers were on the site at the time of your visit?
  - b) How many staff were on duty in the site at the time of your visit?
  - c) On entry, were you greeted by a member of staff?
  - d) When approaching the membership desk, were you asked if you were already a member?
  - e) At the membership desk, were you asked for ID?
  - f) If you were asked for ID, was it checked thoroughly?
  - g) Did the staff member make eye contact with you?
  - h) If eye contact was made, when was it FIRST made?
  - i) Was the staff member wearing a Think/Challenge 25' badge?
  - j) What was the name of the staff member (from the name badge)?
  - k) What was the gender of the staff member?
  - l) What was the approximate age of the staff member?
  - m) Please accurately describe the staff member (include hair colour and style, build, height and any distinguishing features).

- 9.4.7** Test purchasing and mystery shopping using underage testers can lawfully be used and may be carried out by the local Licensing Authority and the Gambling Commission. The Commission also continues to strongly encourage licensing authorities to use the powers conferred on them by the Gambling Act 2005, where there is evidence of weaknesses in underage gambling controls. Licensing authorities can, after a review of a premises licence, consider attaching conditions to that licence; for example, a condition that obliges the operator to commission third party age verification testing until their policies and procedures are shown to be effective; or the introduction of specific controls that must be provided at the gambling premises to reduce the risk of underage gambling, such as electronic door locking or controlled access to gaming machines.

## 9.5 Alcohol Licensing

- 9.5.1** There are different schemes relating to age restricted products which require an age challenge in respect of the perceived age of a customer, usually 'Think 21' in England and Wales or 'Think 25' in Scotland. In Scotland there is an alcohol licensing condition that prescribes that the apparent age at which a customer is challenged is 25 (see 10.6). Your company will have a policy on this.

## 9.6 Age Verification Policy for the sale and supply of alcohol (England and Wales)

- 9.6.1** The premises licence holder or club premises certificate holder must ensure that an age verification policy applies to the premises in relation to the sale or supply of alcohol.
- 9.6.2** This must, as a minimum, require individuals who appear to the responsible person to be under the age of 18 to produce on request (before being served alcohol) identification bearing their photograph, date of birth, and a holographic mark. Examples of acceptable ID include photo card driving licences, passports or proof of age cards bearing the PASS hologram, Military identification cards, although other forms of ID which meet the criteria laid out above are also acceptable. The date of birth must be checked on these documents.
- 9.6.3** The premises licence holder or club premises certificate holder must ensure that staff (in particular staff who are involved in the supply/sale of alcohol) are made aware of the existence and content of the age verification policy applied by the premises.
- 9.6.4** This condition does not exclude best practice schemes such as Think/Challenge 25 which require individuals who appear to be under an age which is greater than 18 to provide ID.

- 9.6.5** As a condition of membership all Bingo companies that are members of the Bingo Association operate a 'Think/Challenge 25' policy for gambling and the selling of alcohol which is sufficient to meet the licensing requirements.

### **9.7 Think/Challenge 25 (Scotland)**

- 9.7.1** In October 2011, the Licensing (Scotland) Act 2005 was amended by the introduction of a new mandatory condition for all premises occasional licences. This provides that licensees must have an age verification policy in place in relation to the sale of alcohol on the premises.
- 9.7.2** The law in Scotland sets a policy to demand proof of age where it appears to the person selling the alcohol that the customer may be under the age of 25 years.
- 9.7.3** As a result of this change in the law, customers in any premises in Scotland licensed for the sale of alcohol, including pubs, clubs, restaurants, supermarkets and convenience stores may be asked to produce identification where they appear under the age of 25 in order to prove that they are over the age of eighteen and can lawfully purchase alcohol.

### **9.8 Employment of Under 18s**

- 9.8.1** The Gambling Commission provide an Ordinary Code Provision 3.6.2 that deals with the Employment of under 18's.
- 9.8.2** Operators should provide a policy statement or procedure acknowledging their adherence to the above provision.
- 9.8.3** Given the limited positions available that do not include licensed areas (including the bar) and potential issues surrounding the employment of under 18s, most employers choose not to employ them.
- 9.8.4** Great care should be taken to authenticate proof of age documentation of new members of staff where there is reason to doubt the authenticity of the date of birth supplied.

# 10 Responsible Gambling Trust (RGT) Donations

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Licensing Objective:

**Protecting children and other vulnerable persons, from being harmed or exploited by gambling**

## 10.1 Introduction

Combating problem gambling is a Social Responsibility Code Provision within the LCCP and the following action and commitments are required from Licensees:

### Social Responsibility provision 3.1.1

#### Combating problem gambling

1. Licensees must have and put into effect policies and procedures intended to promote socially responsible gambling including the specific policies and procedures required by the provisions of section 3 of this code.
2. Licensees must make an annual financial contribution to one or more organisation(s) which between them research into the prevention and treatment of gambling-related harm, develop harm prevention approaches and identify and fund treatment to those harmed by gambling.

## 10.2 The Responsible Gambling Trust (RGT)

- 10.2.1** As an independent national charity, **The Responsible Gambling Trust** raises a minimum of £10 million each year from voluntary donations made by the gambling industry and other businesses that derive some of their income from the gambling industry. Donations fund research, education, prevention and treatment services as prioritised in a national strategy, The National Strategy to Reduce Gambling Harms, formulated and advised by **The Responsible Gambling Strategy Board (RGSB) and endorsed by the Gambling Commission.**
- 10.2.2** The Responsible Gambling Trust is committed to minimising gambling-related harm by funding effective education and prevention strategies and ensuring that those individuals

that do develop problems receive fast and effective treatment and support.

- 10.2.3** The RGT is responsible for fundraising and commissioning activity to deliver the RGSB's strategy advice, subject to feedback from activity, evidence evaluated by the RGT and the funds available. The RGT publishes a funding plan to articulate how it intends to spend/distribute funds in May of each year.
- 10.2.4** Partnership - The RGT develops its spending plans in collaboration with the RGSB and the Gambling Commission. These arrangements are underpinned by an assurance and governance framework agreed between the three parties that are predicated on the following principles:
- a) Responsible gambling means promoting responsibility in gambling and not gambling itself;
  - b) All parties will work together openly and in active partnership;
  - c) All parties will share an overriding commitment to transparency and engagement with stakeholders – and it is this transparency and engagement that will form the key underpinning of widespread trust and credibility in the arrangements.

## 10.3 Donations and Fund Raising

- 10.3.1** The Responsible Gambling Trust asks all businesses, whether or not licensed by the Gambling Commission, to consider donating a minimum of **0.1% of gross gambling yield**. However, for small domestic retailers they suggest a minimum donation of **£250 per retail unit**.
- 10.3.2** By donating to the Responsible Gambling Trust:
- a) Licensed operators will be fulfilling the requirement in the Gambling Commission's LCCP code provision (3.1 which relates to contributing to all three aspects that deal with problem gambling, namely research, education and treatment.

- b) Operators will be directly supporting help for problem gamblers in Britain through the grants that the Responsible Gambling Trust gives to treatment providers such as GamCare, Gordon Moody Association, YGAM and the National Problem Gambling Clinic.
- c) Operators will be funding education and harm prevention projects that encourage and promote responsibility in gambling including Gamble Aware
- d) Operators will also be funding independent research that will help the Responsible Gambling Trust to objectively inform public policy development in relation to responsible gambling

**10.3.3** The Trust requests that all businesses that derive income from gambling, whether as an operator or provider of services or products to operators, make a donation and help the charity to achieve its fundraising targets.

**10.3.4** The Trust receives no public funding. In order to fund a wide range of education, treatment and research work, and relies on donations from the gambling industry.

**10.3.5** When an operator makes a donation to the Responsible Gambling Trust, a donor certificate is received from RGT and donor logo is made available so that operators can demonstrate to their customers that they are committed to promoting and supporting responsible gambling. The Trust also sends regular updates on how the funds raised are being distributed.

## 10.4 The Gambling Commission

**10.4.1** The Commission has an interest in the overall amounts of funds raised, and the level of commitment to research, education and treatment demonstrated by individual operators. Aspects of this may be considered by the Commission during any social responsibility review of an operator.

## 10.5 Website Links

Responsible Gambling Trust

[www.responsiblegamblingtrust.org.uk/](http://www.responsiblegamblingtrust.org.uk/)

Responsible Gambling Strategy Board

[www.rgsb.org.uk/](http://www.rgsb.org.uk/)

GamCare

[www.gamcare.org.uk/](http://www.gamcare.org.uk/)

Customs and Excise

[www.hmrc.gov.uk/businesses/giving/companies.htm](http://www.hmrc.gov.uk/businesses/giving/companies.htm)

RGT Funding Plan 2014-15

[www.responsiblegamblingtrust.org.uk/user\\_uploads/funding%20plan%202014-15.pdf](http://www.responsiblegamblingtrust.org.uk/user_uploads/funding%20plan%202014-15.pdf)

# 11 Anti-Money Laundering

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Licensing Objective:

**Preventing gambling from being associated with crime and disorder.**

## 11.1 Introduction

**11.1.1** Operators have a responsibility to uphold the three licensing objectives set out in the Gambling Act 2005 (the Act). The first of those licensing objectives is to prevent gambling being a source of crime or disorder, being associated with crime and disorder, or being used to support crime.

**11.1.2** All gambling operators have a responsibility to keep financial crime out of gambling. The Proceeds of Crime Act 2002 (POCA) places a legal obligation on gambling operators to be alert to attempts by customers to gamble money acquired unlawfully, either to obtain legitimate or 'clean' money in return (and, in doing so, attempting to disguise the criminal source of the funds) or simply using criminal proceeds to fund gambling. Both modes of operation are described as money laundering.

Operators should report instances of money laundering or attempts by customers to launder money to the National Crime Agency (the NCA) and, where appropriate consent is requested, wait for such consent to deal with a transaction or an arrangement involving the customer, or wait until a set period has elapsed before proceeding.

**11.1.3** The Gambling Commission sets out an Ordinary Code Provision at 2.1.2 which highlights the risks for gambling companies in relation to money laundering and reads:

**11.1.4** A second Ordinary code provision at 3.8.2 covers money lending between customers.

**11.1.5** The Gambling Commission have published an advice document and a quick guide for gambling operators: 'Duties and responsibilities under the Proceeds of Crime

Act 2002 - Advice to operators (excluding casino operators); Third edition; November 2016'. This document relates to the original Proceeds of Crime Act 2002. The links to this document and the Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017 are available at the [Resource Centre](#).

## 11.2 Definition

**11.2.1** Money laundering is a process by which the proceeds of crime are converted into assets which appear to have legitimate origin (clean money/laundered money), so that they can be retained permanently as legitimate funds or recycled into further criminal enterprises. This means that potentially any employee could contravene the Proceeds of Crime Act 2002 if they were to be aware of, or suspect the existence of criminal property and continue to be involved in a matter which relates to that property without reporting their concerns.

**11.2.2** Money Laundering is also the process of hiding illegal sources of money. The Proceeds of Crime Act 2002 (POCA); Part 7 provides for various money laundering offences. A person commits an offence if he or she:

- conceals, disguises, converts or transfers criminal property or removes it from England and Wales or Scotland or Northern Ireland
- enters in to or becomes concerned in an arrangement which he or she knows or suspects facilitates the acquisition, retention, use or control of criminal property
- acquires, uses or has possession of criminal property

**11.2.3** Money Laundering includes:

- conspiracies (agreements between people to break the law)
- attempts to commit these offences

- c) counselling (advising someone to break the law)
- d) aiding or abetting (helping), and
- e) procuring (getting goods or service by illegal means).

These are serious offences that carry a maximum **14 year** sentence and or an unlimited fine.

- 11.2.4** Money laundering offences can be committed by operators and their employees if they have knowledge of or a suspicion that gambling stakes are the proceeds of criminal activity.

### 11.3 Proceeds of Crime Act 2002

Part 8 of POCA provides the definitions for confiscation, civil recovery, detained cash, money laundering and exploitation proceeds investigations. It also provides for the investigative powers to conduct these investigations, including the powers to obtain production orders, search and seizure warrants, disclosure orders, customer information orders and account monitoring orders. Only an appropriate officer (for example, a police officer) may make applications for these investigative tools to a court. Applications for orders in civil recovery, detained cash, and exploitation proceeds investigations must be made to the High Court. All other applications may be made to the Crown Court. Powers of entry are provided under search and seizure warrants and under production orders in limited circumstances.

### 11.4 Risk Based Approach

- 11.4.1** Operators need to identify and assess the risk of money laundering to their business.
- 11.4.2** A risk-based approach involves a number of discrete steps to assess the most proportionate way to manage and mitigate the risks faced by the operator. These steps should include:
- a) identifying the money laundering risks that are relevant to the operator
  - b) designing and implementing policies and procedures to manage and mitigate the assessed risks
  - c) monitoring and improving the effective operation of these controls
  - d) recording what has been done, and why.
- 11.4.3** In all but one area of the business the risk level was seen to be low or very low. The area where this had moved up to a medium risk was Ticket In Ticket Out (TITO) gaming machines and Automatic Ticket Redemption (ATR) which are machines that exchange TITO tickets for cash. There is also some risk in change machines with note acceptors where staff are trained to look out for dyed notes which would be marked as a consequence of robbery.
- 11.4.4** Suspicious activity may take the form of large amounts of cash being deposited, but then

withdrawn through a TITO machine after no or low levels of play. This would be done in order to get a legitimate ticket from the gaming machine for redemption through the ATR.

- 11.4.5** Indicators of problem gambling activity could be a customer making large deposits and continuing to gamble over a large period of time without breaks until all, or most of the funds are spent.
- 11.4.6** In these two cases above, the player behaviour could indicate either money laundering or problem gambling.

### 11.5 The Process for Reporting Potential Money Laundering Activity.

- 11.5.1** The company should appoint a Designated Money Laundering Officer (MLO) also known as a nominated officer.
- 11.5.2** Staff should be trained on the requirements of the regulations and will need to report any suspicious cash transactions over a pre-determined amount to the Duty Manager.
- 11.5.3** The Duty Manager will assess the situation, involve their line manager and compliance officer (if not the MLO), complete an incident report and then report it to the MLO.
- 11.5.4** The MLO will then decide whether to pass on the information to the **National Crime Agency (NCA)** and will be responsible for the internal disclosure.
- 11.5.5** When this has been done the local management cannot be prosecuted for the principal offences under POCA, as the decision whether or not to report to NCA is the sole responsibility of the nominated officer.
- 11.5.6 Suspicious Activity Reports (SARs)**  
- Disclosures under POCA of known or suspected money laundering activity must be made in the prescribed manner and form. In this regard, the operator or operator's nominated officer (where one has been appointed) must disclose to the NCA any transaction or activity that, as a result of undertaking an evaluation, the nominated office knows or suspects may be linked to money laundering. The prescribed form for the making of a disclosure to the NCA is known as a SAR. Such reports must be made as soon as is reasonably practicable after the evaluation information comes to the operator or nominated officer. NCA's preferred method for operators to submit their SARs is the **NCA Suspicious Activity Report Form**.
- 11.5.7** Operators should also supply the Gambling Commission with the URN (unique reference number) given to the SAR by the NCA, as the Commission has access to the United Kingdom Financial Intelligence Unit (UKFI) database.
- 11.5.8** Operators should ensure systems are in place to cover all part-time or casual employees.

## 11.6 Training

**11.6.1** Operators should train their staff on the POCA legislation, identifying the signs of money laundering and how to report on and record any known or suspected money-laundering activity.

**11.6.2** Where a nominated officer has been appointed, they should be actively involved in formulating and managing the delivery of the training, taking particular care to ensure that systems are in place to cover all part-time or casual employees.

## 11.7 Operating Policies and Procedures

**11.7.1** The operating policies and procedures for monitoring money laundering cash transactions may include policies in relation to:

- a) Large amounts of cash banked in machines but withdrawn without play including gaming machine TITO (ticket in ticket out) transactions.
- b) Large deposits and play patterns on electronic bingo terminals (EBTs) including large amounts of cash left on the system.
- c) Customers bringing large amounts of coins into the club or high denominations of notes i.e. £50 notes
- d) Significant exchange of one set of bank notes for other bank notes
- e) A customer gambling large amounts and finding it acceptable to lose.
- f) Customers requesting receipts for winnings
- g) Customers attempting to sell goods in the clubs
- h) Transactions over €2000 (about £1,600)

## 11.8 Duties Under The Proceeds of Crime Act 2002

POCA imposes duties on all operators to:

- a) disclose instances where operators know or suspect that another person is engaged in money laundering
- b) and make disclosures in the prescribed form and manner
- c) and obtain appropriate consent to do a prohibited act, where appropriate.

### • Disclosure

If a person carries out any action falling under the principal offences (see C6.4.3), then failure to make a disclosure to the NCA prior to carrying out the action can result in a criminal offence which can be committed by any employee of the operator. The employee does not commit any of these offences if a proper disclosure is made and, where applicable, appropriate consent is obtained from the NCA. Consent is referred to by the NCA as 'requesting a defence' from the NCA under POCA.

- Operators should have a system clearly setting out the requirements for making a disclosure. This system could include:
  - a) the circumstances in which a disclosure is likely to be required
  - b) how and when information is to be provided to the person responsible for making reports to the NCA
  - c) resources which can be used to resolve difficult issues regarding a disclosure
  - d) how and when a disclosure is to be made to the NCA
  - e) how employees can manage a customer when a disclosure has been made and consent is awaited
  - f) the need to be alert to circumstances which could lead to charges of prejudicing an investigation.
- General Managers should involve their line management and compliance department, where they believe a disclosure is required. In most organisations there will be a 'nominated officer' and he will be responsible for the 'internal disclosure'. When this has been done the local management cannot be prosecuted for the principal offences under POCA, as the decision whether to report or not to report to NCA and request appropriate consent is the sole responsibility of the nominated officer.
- Operators with chains of outlets may have an employee who holds a Personal Management Licence issued by the Commission, who would be suitable to appoint as the nominated officer for that chain. In the case of small or solo operators, a person of reasonable standing in the business can act as the nominated officer.
- Where the operator does not formally appoint a nominated officer, it is still advisable for a manager to take particular responsibility for complying with the operator's obligations under POCA.
- The nominated officer should receive all disclosures from employees and review them with a view to making a decision on whether to make a disclosure. Where necessary, the nominated officer must make the required disclosure to the NCA as soon as practicable after the information has come to him or her.
- It is important to note, however, that the position of a nominated officer brings with it responsibilities and associated offences, if he or she fails to take the required action, even though the operator may be outside the regulated sector.
- The roles of a nominated officer are detailed in the Duties and responsibilities under the Proceeds of Crime Act 2002 advice to operators (excluding casino operators) Fourth edition October 2017 (see link in 6.12).
- **Suspicious activity reports (SARs)** - Disclosures under POCA of known or suspected money

laundering activity must be made in the prescribed manner and form. In this regard, the operator or operator's nominated officer (where one has been appointed) must disclose to the NCA any transaction or activity that, after his or her evaluation, he or she knows or suspects may be linked to money laundering. The prescribed form for the making of a disclosure to the NCA is a SAR. Such reports must be made as soon as is reasonably practicable after the information comes to the operator or nominated officer. NCA's preferred method for operators to submit their SARs is through the NCA SRA online system.

#### **Licence Condition 15.2.1**

##### **Reporting key events and other reportable events**

A key event is an event that could have a significant impact on the nature or structure of a licensee's business. Licensees must notify the Commission, or ensure the Commission is notified, in such form or manner as the Commission may from time to time specify, of the occurrence of any of the following key events as soon as reasonably practicable and in any event within five working days of the licensee becoming aware of the event's occurrence.

##### **(Extract from licence condition; item 24)**

24. The making of a disclosure pursuant to section 330, 331, 332 or 338 of the Proceeds of Crime Act 2002 or section 19, 20, 21, 21ZA, 21ZB or 21A of the Terrorism Act 2000 (a suspicious activity report): the licensee should inform the Commission of the unique reference number issued by the United Kingdom Financial Intelligence Unit of the National Crime Agency in respect of each disclosure and for the purposes of this key event the five working day period referred to above runs from the licensee's receipt of the unique reference number.

# 12 Data Protection, Data Capture and Privacy Policy

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Licensing Objective:

**Preventing gambling from being associated with crime and disorder.**

## 12.1 Introduction

- 12.1.1 This section looks at various aspects of Data Protection and areas within the Protection of Freedoms Act (POFA) that impact on the bingo premises environment.
- 12.1.2 The section is not exhaustive within these areas, but there are several additional references where a more comprehensive level of information can be found.
- 12.1.3 One key document to read is **The Guide to Data Protection** produced by the **Information Commissioner’s Office (ICO)** which can be viewed along with other reference guides by using the links at the end of this section.

## 12.2 Data Protection Act

- 12.2.1 General Data Protection Regulations (“**GDPR**”) and established a framework of rights and duties which are designed to safeguard personal data. This framework

balances the legitimate needs of organisations to collect and use personal data for business and other purposes against the right of individuals to expect their personal details to be kept private. The legislation itself is complex and can be interpreted in different ways; however, it is underpinned by a set of common-sense principles. If you make sure you handle personal data in line with the spirit of these principles, then you will go a long way towards ensuring that you comply with the letter of the law.

- 12.2.2 The Act applies to a particular activity – processing personal data – rather than to particular people, or organisations. So, if you “process personal data”, then you must comply with the Act and, in particular, you must handle the personal data in accordance with the data protection principles. Broadly, however, if you collect or hold information about an identifiable living individual, or if you use, disclose, retain or destroy that information, you are likely to be processing personal data. The scope of the Data Protection Act is therefore very wide as it applies to just about everything you might do with individuals’ personal details.

12.2.3 Schedule 1 to the Data Protection Act lists the data protection principles in the following terms.

### 12.3 The Data Protection Principles

(a) *Personal data shall be processed lawfully, fairly and in a transparent manner in relation to individuals ('lawfulness, fairness and transparency').*

In practice, this is self-evident: organisations need to make sure their data collection practices don't break the law and that they are not hiding anything from data subjects. To remain lawful, you need to understand the law and the rules for data collection. To remain transparent with data subjects, you should state in your privacy policy the type of data you collect and the reason you are collecting it.

(b) *Personal data shall be collected for specified, explicit and legitimate purposes and not further processed in a manner that is incompatible with those purposes; further processing for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes shall not be considered to be incompatible with the initial purposes ('purpose limitation').*

In practice, organisations should collect personal data only for a specific purpose, clearly state what that purpose is, and collect data only for as long as necessary to complete that purpose. Processing for archiving purposes in the public interest or for scientific, historical or statistical purposes is given more freedom.

(c) *Personal data shall be adequate, relevant and limited to what is necessary in relation to the purposes for which they are processed ('data minimisation').*

This means that organisations must process only the personal data that they need to achieve its legitimate purposes. Doing so has two major benefits: in the event of a data breach, the unauthorised individual will have access to only a limited amount of data, and data minimisation makes it easier to keep data accurate and up to date.

(d) *Personal data shall be accurate and, where necessary, kept up to date; every reasonable step must be taken to ensure that personal data that are inaccurate, having regard to the purposes for which they are processed, are erased or rectified without delay ('accuracy').*

The accuracy of personal data is integral to data protection. The law requires that "every reasonable step must be taken" to erase or rectify data that is inaccurate or incomplete. Individuals have the right to request that inaccurate or incomplete data be erased or rectified within 30 days.

(e) *Personal data shall be kept in a form which permits identification of data subjects for no longer than is necessary for the purposes for which the personal data are processed; personal data may be stored for longer periods insofar as the personal data will be processed solely for archiving purposes in the public interest, scientific or historical research purposes or statistical purposes subject to implementation of the appropriate technical and organisational measures required by the GDPR in order to safeguard the rights and freedoms of individuals ('storage limitation').*

In practice, it means organisations need to retain personal data for only as long as necessary for legitimate purposes. For some businesses, this will be as long as the individual remains a customer, though the data may be kept thereafter for as long as the business has an ongoing legal reason or potential legal risk in relation to that data.

(f) *Personal data shall be processed in a manner that ensures appropriate security of the personal data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures ('integrity and confidentiality').*

Personal data must be processed in a manner that ensures appropriate security of the data, including protection against unauthorised or unlawful processing and against accidental loss, destruction or damage, using appropriate technical or organisational measures. The law does not detail any required measures but generally it is important to follow industry standards and stay up to date with practices and tools.

### 12.4 Questions Relating to Data Protection

#### Do I need to notify the Information Commissioner?

- 12.4.1 If your organisation processes personal data on a substantial scale, you usually have to notify the Information Commissioner about this. Failure to notify is a criminal offence.
- 12.4.2 Notification is how an organisation informs the Information Commissioner about its processing of personal data. The Information Commissioner is required to maintain a register and they use these details to make an entry in the register describing the processing. The register is available to the public for inspection on their website <http://ico.org.uk/>.
- 12.4.3 The main purpose of notification and the public register is transparency and openness. It is a basic principle of data protection that the public should know (or be able to find out) who is processing personal data, plus other details about the processing (such as why it is being carried out).

- 12.4.4** Notification serves the interests of individuals by helping them understand how organisations process personal data.
- 12.4.5** However, it is not intended (nor practical) that the register should contain very detailed information about an organisation's processing. The aim is to keep the content general, with enough detail to give an overall picture of the processing. You only need to give more detail to satisfy specific statutory requirements or if there is particular sensitivity.
- 12.4.6** The Act provides an exemption from notification for some organisations. The exemption is available for:
- a) organisations that process personal data only for:
    - i. staff administration (including payroll);
    - ii. advertising, marketing and public relations (in connection with their own business activity); and
    - iii. accounts and records;
  - b) some not-for-profit organisations;
  - c) organisations that process personal data only for maintaining a public register;
  - d) organisations that do not process personal information on computer; and
  - e) individuals who process personal data only for domestic purposes.

#### **Do I have to reply to a subject access request?**

- 12.4.7** Yes, unless an exemption applies. One of the main rights which the Act gives to individuals is the right of access to their personal data. An individual may send you a "subject access request" requiring you to tell them whether you are processing their personal data and, if so, to provide them with a copy and with certain other information.
- 12.4.8** In most cases, you must respond to a valid subject access request within 30 calendar days of receiving it. However, you do not have to grant subject access in respect of personal data to which an exemption applies. An exemption might apply because of the special circumstances in which you are processing or because of the nature of the data.

#### **What should I do if an individual complains about what I am doing with their personal data?**

- 12.4.9** You should carefully consider such a complaint. It is good practice to provide a reasoned response to all complaints and, depending what the complaint is about, the Data Protection Act may require you to do so. The Act may also require you to stop, or change, what you are doing with an individual's personal data following a complaint. In particular, you might have to:

- a) correct or delete information about an individual which is inaccurate;
- b) stop processing their personal data for direct marketing; or
- c) stop processing their data completely or in a particular way (depending upon the circumstances).

#### **What does "fair processing" mean?**

- 12.4.10** The first data protection principle requires you to process personal data lawfully and fairly. Ensuring fairness in everything you do with people's personal details is, in the Information Commissions Office (ICO) view, central to complying with your duties under the Data Protection Act. In practice, it means that you must:
- a) have legitimate reasons for collecting and using the personal data;
  - b) not use the data in ways that have unjustified adverse effects on the individuals concerned;
  - c) be open and honest about how you intend to use the data, and give individuals appropriate privacy notices when collecting their personal data;
  - d) handle people's personal data only in ways they would reasonably expect; and
  - e) make sure you do not do anything unlawful with the data.
- 12.4.11** Fairness generally requires you to be transparent – clear and open with individuals about how their information will be used. Transparency is always important, but especially so in situations where individuals have a choice about whether they wish to enter into a relationship with you. Assessing whether information is being processed fairly depends partly on how it is obtained. In particular, if anyone is deceived or misled when the information is obtained, then this is unlikely to be fair.

#### **Can I use personal data for a new purpose or disclose it to a third party?**

- 12.4.12** It depends. You should explain why you want to use an individual's personal data at the outset, based on your intentions at the time you collect it. If over time you devise new ways of using that information, perhaps because of changes in technology, you will likely be able to use their personal data for the new purpose if it is fair to do so.
- 12.4.13** As you develop the goods and services you offer, you should think about whether your customers are likely to reasonably expect you to use their personal data to offer them these products. If you are unsure about this, you should explain your intentions and, at the very least, give your existing customers

an easy way to opt out. If you intend to make a significant change to what you do with personal data, you will usually need to get your customers' consent.

- 12.4.14** Individuals should generally be able to choose whether or not their personal data is disclosed to another organisation, unless one of the Act's specific exemptions applies (such as where the disclosure is necessary to carry out a contract with the individual). If you did not make your intention to disclose information to a third party absolutely clear at the outset, at a time when the individual could choose not to proceed, then you will usually need to get the individual's consent before making such disclosures.

#### **Must I encrypt all the information I store on computer?**

- 12.4.15** Not necessarily. The Data Protection Act does not require you to encrypt personal data. However, it does require you to have appropriate security measures in place to guard against unauthorised use or disclosure of the personal data you hold, or its accidental loss or destruction. Encryption might be a part of your information security arrangements – for example, in respect of confidential personal data stored on laptops or portable storage devices.

On the other hand, you might not need to encrypt data which always remains on your premises, provided you have sufficient other controls on who can access it and for what purpose. Even where you do encrypt personal data, you will probably need to take additional steps to comply with the Act's information security requirements.

#### **What should I do if I lose personal data?**

- 12.4.16** If, despite the security measures you take to protect the personal data you hold, a breach of security occurs, it is important to deal with the breach effectively. The breach may arise from a theft, a deliberate attack on your systems, the unauthorised use of personal data by a member of staff, accidental loss, or equipment failure. However the breach occurs, you must respond to and manage the incident appropriately. You will need a strategy for dealing with the breach, including:
- a) a recovery plan, including damage limitation;
  - b) assessing the risks associated with the breach;
  - c) informing the appropriate people and organisations that the breach has occurred; and
  - d) reviewing your response and updating your information security.

## **12.5 The Role of the Information Commissioner's Office**

- 12.5.1** The Information Commissioner is the UK's independent authority who upholds information rights in the public interest, promoting openness by public bodies and data privacy for individuals. The Information Commissioner has responsibilities in respect of freedom of information as well as data protection.

## **12.6 What Does the ICO do?**

- 12.6.1** The Data Protection Act makes the Information Commissioner responsible for:
- a) promoting good practice in handling personal data, and giving advice and guidance on data protection;
  - b) keeping a register of organisations that are required to notify him about their information-processing activities;
  - c) helping to resolve disputes by deciding whether it is likely or unlikely that an organisation has complied with the Act when processing personal data;
  - d) taking action to enforce compliance with the Act where appropriate; and
  - e) bringing prosecutions for offences committed under the Act (except in Scotland, where the Procurator Fiscal brings prosecutions).

## **12.7 What is an Enforcement Notice?**

- 12.7.1** If the ICO consider it appropriate to do so, they may serve an enforcement notice if the Information Commissioner is satisfied that an organisation has failed (or is failing) to comply with any of the data protection principles. In deciding whether to do this, they have to consider whether the failure to comply has caused, or is likely to cause, damage or distress to anyone.

## **12.8 Does the ICO Have Powers of Audit and Inspection?**

- 12.8.1** The ICO have the power to conduct an assessment or "audit" of an organisation's processing of personal data in order to establish whether that processing follows good practice. Following an audit they will inform the organisation of our conclusions.

## **12.9 Can the ICO Impose Penalties for breaching the Act?**

- 12.9.1** The Information Commissioner has a statutory power to impose a financial penalty on an organisation if they are satisfied that:
- a) there has been a serious breach of one or more of the data protection principles by the organisation; and
  - b) the breach was likely to cause substantial damage or distress.

**12.9.2** The power to impose a financial penalty only applies if:

- a) the breach was deliberate; or
- b) the organisation knew (or should have known) that there was a risk of a breach which was likely to cause substantial damage or distress, but failed to take reasonable steps to prevent it.

**12.9.3** The Information Commissioner will take account of the circumstances of each case when he decides the amount of any financial penalty. The maximum penalty under the GDPR is €20 million or 4% of annual global turnover. For more on financial penalties, see the “Information Commissioner’s guidance about the issue of monetary penalties” on their website.

### 12.10 Samples from Bingo Companies

**12.10.1** Bingo Companies should state their data capture and processing terms within a suitable Privacy Policy, which must be separate to (and agreed separately from) their commercial Terms and Conditions. The Privacy Policy should include how the company will manage the customer’s personal data and the level of privacy a customer can expect. Samples of various provisions for these policies are set out below.

**12.10.2 Buzz Group Ltd - Privacy Policy**

(Please see [Resources Centre](#))

**12.10.3 Park Resorts Policy and Procedures Data Capture policy**

(Please see [Resources Centre](#))

### 12.11 Protection of Freedoms Act and Using CCTV

**12.11.1** When using, or intending to use surveillance systems including CCTV and the storing of information, organisations will need to consider their obligations in relation to:

- a) Freedom of Information Act 2000 (FOIA)
- b) Protection of Freedom Act (POFA)
- c) The Human Rights Act 1998 (HRA)
- d) Data Protection Act 199

And ideally be familiar with:

- e) The ‘Surveillance Camera Code of Practice’
- f) ‘In the Picture: A data Protection Code of Practice for Surveillance Cameras and Personal Information’ a guidance document from the ICO.
- g) The Employment practices code (ICO)
- h) Data Protection - The Employment Practices Code supplementary guidance (ICO)
- i) CCTV Strategy for Scotland (The Scottish Government)

j) Privacy Notices Code of Practice (ICO)

k) Data Sharing Code of Practice (ICO)

Key areas relevant to the reference documents above are detailed within this section and a list of the websites and the links to the relevant documents are included at the end of this section.

### Protection of Freedom Act (“POFA”)

**12.11.2** Unlike the Data Protection Act, the POFA applies only to England and Wales and therefore is not applicable to the rest of the UK. The Scottish Government has produced its own CCTV Strategy for Scotland (See Resources Centre):

**12.11.3** The POFA in particular has an important role in regulating surveillance systems, creating the role of the Surveillance Camera Commissioner, which the Information Commissioner has a memorandum of understanding with to ensure effective cooperation. The Surveillance Camera Commissioner is charged with promoting good practice regarding surveillance cameras and to encourage compliance with the POFA code.

**12.11.4** The POFA code is also an important document to refer to when your issue is not a data protection one. It provides advice and guidance on issues such as operational requirements, technical standards and the effectiveness of the systems available. The 12 guiding principles are the key component of the POFA code and these are referenced throughout the ICO code.

### 12.12 The 12 Guiding Principles of the Surveillance Camera Code of Practice

#### The Development or use of Surveillance Camera Systems

1. Use of a surveillance camera system must always be for a specified purpose which is in pursuit of a legitimate aim and necessary to meet an identified pressing need.
2. The use of a surveillance camera system must take into account its effect on individuals and their privacy, with regular reviews to ensure its use remains justified.
3. There must be as much transparency in the use of a surveillance camera system as possible, including a published contact point for access to information and complaints.
4. There must be clear responsibility and accountability for all surveillance camera system activities including images and information collected, held and used.

### The use or processing of images or other information obtained by virtue of such systems

5. Clear rules, policies and procedures must be in place before a surveillance camera system is used, and these must be communicated to all who need to comply with them.
6. No more images and information should be stored than that which is strictly required for the stated purpose of a surveillance camera system, and such images and information should be deleted once their purposes have been discharged.
7. Access to retained images and information should be restricted and there must be clearly defined rules on who can gain access and for what purpose such access is granted; the disclosure of images and information should only take place when it is necessary for such a purpose or for law enforcement purposes.
8. Surveillance camera system operators should consider any approved operational, technical and competency standards relevant to a system and its purpose and work to meet and maintain those standards.
9. Surveillance camera system images and information should be subject to appropriate security measures to safeguard against unauthorised access and use.
10. There should be effective review and audit mechanisms to ensure legal requirements, policies and standards are complied with in practice, and regular reports should be published.
11. When the use of a surveillance camera system is in pursuit of a legitimate aim, and there is a pressing need for its use, it should then be used in the most effective way to support public safety and law enforcement with the aim of processing images and information of evidential value.
12. Any information used to support a surveillance camera system which compares against a reference database for matching purposes should be accurate and kept up to date.

### 12.13 The Employment Practices Code Supplementary Guidance

A link to this document is shown at the end of this section.

#### 12.13.1 Guidance for the Employment Practices Code falls in to 4 areas:

- a) Recruitment and Selection
- b) Employment Records
- c) Monitoring at Work
- d) Information About Workers Health

Item 'c' is more relevant to the operational side whereas items a, b and d are more personnel related.

**Monitoring at Work** is then separated in to 5 areas:

- a) Emails

- b) Internet access
- c) Video and Audio Monitoring
- d) Covert Monitoring
- e) Key Points and Actions

Three of these areas which are **highlighted** are particularly relevant in a bingo premises.

#### 12.13.2 Video and Audio monitoring

An impact assessment of video and/or audio monitoring should be completed and the following should be considered.

- a) Can video and audio monitoring be targeted at areas of particular risk, for example where there is a risk to safety or security?
- b) Can monitoring be confined to areas where workers' expectations of privacy will in any case be low, for example areas to which the public have access?
- c) Can video and audio capability be treated separately?
- d) Will the employer be in a position to meet its obligations to provide subject access to and, to the extent that it might be necessary, remove information identifying third parties from audio and video recordings?

#### 12.13.3 Covert Monitoring

- a) Covert monitoring should not normally be considered. It will be rare for covert monitoring of workers to be justified. It should therefore only be used in exceptional circumstances
- b) Ensure that any covert monitoring is strictly targeted at obtaining evidence within a set timeframe and that the covert monitoring does not continue after the investigation is complete.
- c) Deploy covert monitoring only as part of a specific investigation and cease once the investigation has been completed.
- d) Do not use covert audio or video monitoring in areas which workers would genuinely and reasonably expect to be private.
  - i. If embarking on covert monitoring with audio or video equipment, ensure that this is not used in places such as toilets or private offices.
  - ii. There may be exceptions to this in cases of suspicion of serious crime but there should be an intention to involve the police.
- e) Ensure that information obtained through covert monitoring is used only for the prevention or detection of criminal activity or equivalent malpractice. Disregard and, where feasible, delete other information

collected in the course of monitoring unless it reveals information that no employer could reasonably be expected to ignore.

#### 12.13.4 Key Points and Actions

- a) In a covert monitoring exercise, limit the number of people involved in the investigation.
- b) Prior to the investigation, set up clear rules limiting the disclosure and access to information obtained

### 12.14 Ensuring Effective Administration

The use of CCTV comes with the legal responsibility and effective administration.

- 12.14.1 Establishing a clear basis for the processing of any personal information is essential, and the handling of information relating to individuals collected from surveillance systems is no different. It is important that you establish who has responsibility for the control of this information, for example, deciding what is to be recorded, how the information should be used and to whom it may be disclosed. If you are the organisation that makes these decisions, then you are the data controller and you are legally responsible for compliance with the DPA.
- 12.14.2 You will also need clear procedures to determine how you use the system in practice.
- 12.14.3 Have you identified clearly defined and specific purposes for the use of information, and have these been communicated to those who operate the system?
- 12.14.4 Are there clearly documented procedures, based on the code, for how information should be handled in practice? This could include guidance on disclosures and how to keep a record of these. Have these been given to the appropriate people?
- 12.14.5 Has responsibility for ensuring that procedures are followed been allocated to an appropriate named individual? They should ensure that standards are set, procedures are put in place to meet these standards, and that the system complies with this code and legal obligations, such as an individual's right of access.
- 12.14.6 Are proactive checks or audits carried out on a regular basis to ensure that procedures are being complied with? This can be done either by you as the system operator, or a third party.
- 12.14.7 You should regularly review whether the use of surveillance systems continues to be justified. It is necessary to renew your notification with the ICO annually, so this would be an appropriate time to consider the ongoing use of such systems.

### 12.15 Checklist for Users of Limited CCTV Systems Monitoring Small Retail and Business Premises

A useful checklist to run through if you are installing CCTV is included in **Appendix A**.

### 12.16 Website Links (See *Resource Centre*)

- a) In the picture: A data protection code of practice for surveillance cameras and personal information.
- b) The Guide to Data Protection
- c) The Employment Practices Code
- d) The Employment Practices Code supplementary guidance
- e) Privacy Notices
- f) Data Sharing Code of Practice
- g) Surveillance Camera Code of Practice.

# Appendix A

**Checklist for users of limited CCTV systems monitoring small retail and business premises**

This CCTV system and the images produced by it are controlled by ..... who is responsible for how the system is used and for notifying the Information Commissioner about the CCTV system and its purpose (which is a legal requirement of the Data Protection Act 1998)<sup>1</sup>.

We (.....) have considered the need for using CCTV and have decided it is required for the prevention and detection of crime and for protecting the safety of customers. It will not be used for any other purposes. We conduct an annual review of our use of CCTV.

	Checked (Date)	By	Date of next review
Notification has been submitted to the Information Commissioner and the next renewal date recorded.			
There is a named individual who is responsible for the operation of the system.			

# 13 Complaints and Disputes

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## 13.1 Code Provision

Social Responsibility code provision 6.1.1 within the LCCP details the licensee's responsibilities concerning complaints and disputes.

## 13.2 Gambling Complaints and Disputes Overview

**13.2.1** Formulating and implementing policies and training on how to deal with complaints and disputes helps operators achieve the Licensing Objective of "Ensuring that gambling is conducted in a fair and open way".

**13.2.2** A complaint from a customer is normally made due to dissatisfaction with service, conduct, facilities or gambling issues. This section deals specifically with complaints relating to the outcome of a complainant's gambling transaction. Operators must have a process in place for handling such complaints whether they have been communicated in person, e-mailed, by phone, or in writing.

**13.2.3** What differentiates a Complaint from a Dispute is that complaints are handled, resolution sought and a conclusion is reached internally, when they are initially made. If no resolution can be reached at this first stage (usually involving senior staff or the Duty Manager), the complaint becomes a dispute and there must be an internal company procedure of one or more stages, involving senior management and/or compliance officers. When the internal process is exhausted and resolution has not been reached, the dispute is escalated further and must be referred to an external arbitrator or Alternative Dispute Resolution (ADR) entity.

**13.2.4** In the code above, the definition is as follows:  
In this code a complaint means a complaint about any aspect of the licensee's conduct of the licensed activities, and a dispute is any complaint which:

- a) relates to the outcome of the complainant's gambling transaction; and

b) is not resolved at the first stage of the licensee's complaints procedure.

**13.2.5** Typical complaints in a bingo premises range from trivial (when no formal action is required) such as coins not registering, to more serious matters such as late or missed claims, prize money queries and gaming machine malfunctions.

**13.2.6** A suitable form should be available to record the type of complaint, detailing when it was made, the circumstances of the complaint and who was involved. Any evidence if required (such as photographs, print-outs and CCTV footage) should be kept for reference during a dispute process and the outcome or any decision made should be recorded.

## 13.3 Gambling Commission

**13.3.1** Complaints or Disputes that are reported to the Gambling Commission are restricted to gambling activities and not commercial activities relating to the Bar, catering or décor as they are areas generally outside the Licensing Objectives and the Gambling Commission remit.

**13.3.2** Complaints that are resolved internally do not need to be reported to the Gambling Commission (unless it is a reportable event); it is only when complaints are not resolved at the initial club stage of the procedure and the complaint becomes a dispute, that records must be kept for the Gambling Commission. These records must then be reported through the Annual Regulatory Return, irrespective of the outcome. Your company policy and procedures will define which records are to be kept at each stage and for how long.

## 13.4 ADR Reportable Events

Licence Condition 15.2.2 (Other reportable events) sets out the responsibility of the licensee to inform the Gambling Commission in regard to the outcome of any dispute that is referred to an ADR entity.

1. 'Licensees must also notify the Commission in such form or manner as the Commission may from time to time specify, or ensure that the Commission is so notified, as soon as reasonably practicable, of the occurrence of the following events:
  - a) the conclusion of a dispute referred to an ADR entity and in such case providing the Commission with a copy of the decision or note of the outcome'

In respect of the referral of disputes to an ADR entity, the licensee's attention is drawn to social responsibility code provision 6 (this relates to code provision 6.1.1 which is shown at the beginning of this section).

### 13.5 Dispute Procedures

The Bingo Association's Alternative Dispute Resolution procedure is undertaken by IBAS.

### 13.6 Current Club Procedures and Terms and Conditions

- 13.6.1 A copy of the Club/Company complaints procedure should be on the staff notice board and available as a leaflet to customers. The policy should illustrate the various stages of the customer complaint process, time-scales, confidentiality and contact details.
- 13.6.2 Management and staff should be trained in company policies and procedures about how to deal with a complaint.
- 13.6.3 Customers making a complaint should be advised of the confidential nature of the dispute investigation process.
- 13.6.4 It is best practice to let the customer know what recordings and data will be retained in order to aid any investigation of a dispute and also the sharing with the customer, all information used by the operator in coming to a decision.

# 14 Staff Training

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## 14.1 Introduction

Staff training provides employees with a level of expertise to enable them to perform their duties confidently and efficiently and is essential to protect the operating, personal and premises licences that are required to operate a licensed bingo operation. These licences depend on understanding and upholding the Licensing Objectives set out in the Gambling Act 2005 and the Licensing Conditions and Codes of Practice (LCCP) issued by the Gambling Commission. The LCCP has 28 Code provisions (13 Social Responsibility Codes and 15 Ordinary Codes). Staff do not need to know them all, but the key areas that they need to be instructed on are detailed in this section. Particular attention should be given to the LCCP and other subjects as detailed below.

- a) The Licensing Objectives
- b) The Gambling Commission
- c) The right of access to premises
- d) Age verification policies and procedures
- e) Problem gambling recognition, interaction and self-exclusion procedures
- f) The complaint and dispute process
- g) Anti-Money Laundering
- h) Money lending between customers
- i) Employment of children and young people
- j) Free alcoholic drinks
- k) The completion of logs and records for the relevant sections above and their training log.

## 14.2 The Licensing Objectives

The Licensing Objectives are the key to introducing the Gambling Act and its concepts to staff through training, as these are the foundations on which gambling legislation and regulation are built.

### The Licensing Objectives are:

1. Preventing gambling from being a source of crime or disorder, being associated with crime or disorder or being used to support crime
2. Ensuring that gambling is conducted in a fair and open way
3. Protecting children and other vulnerable persons from being harmed or exploited by gambling.

## 14.3 The Gambling Commission

Staff should understand what the powers of the Gambling Commission are and how the Commission enforces the Licensing Objectives through the Licensing Conditions and Codes of Practice.

## 14.4 The Right of Access to the Premises

The Act creates powers of entry and inspection for the Gambling Commission who regulate gambling in Great Britain.

**Licence condition 14.1.1 - Access to premises**

Licensees must have and put into effect policies and procedures (**including staff training programmes**) designed to ensure that their staff co-operate with the Commission's enforcement officers in the proper performance of their compliance functions and are made aware of those officers' rights of entry to premises contained in Part 15 of the Act.

Other Inspectorates that have right of entry to the premises are:

- a) The local Licensing Authority
- b) The Police
- d) Fire authority/Fire Safety Officer
- e) Environmental Health Officer
- f) Trading Standards Officer

**14.5 Age Verification Policies and Procedures**

Staff should be aware of the social responsibility and ordinary code provisions 3.2.5 and 3.2.6, concerning Access to gambling by children and young persons.

As set out in these code provisions:

- a) Training and procedures must be in place to prevent anyone under the age of 18 from gambling, and records must be kept of any attempts made by anyone under the age of 18 to gamble. In addition to this, companies must monitor the effectiveness of these procedures.
- b) Staff should understand their responsibilities for preventing underage gambling, returning stakes and not paying prizes to underage customers and particularly for challenging any adult who may be complicit in allowing a child or young person to gamble.
- c) Staff must check the proof of age documents for anyone who appears to be 25.
- d) Staff must refuse entry to any adult-only areas to anyone unable to produce an acceptable form of identification proving their age.
- e) Staff or Management must take action when there are unlawful attempts to enter the adult-only areas.
- f) There must be evidence of staff training.
- g) The Bingo Association carries out annual Age Verification exercises of its entire operational membership. The age verification testing emphasis will be on challenges for those who appeared to be 25 and under. Customers should be challenged on their appearance, not only on whether they had a membership card.
- h) Staff should be aware that they will be observed on the following criteria:
  - i. On entry, were you greeted by a member of staff?
  - ii. When approaching the membership desk, were you asked if you were already a member?
  - iii. At the membership desk, were you asked for ID?

- iv. If you were asked for ID, was it checked thoroughly?
- v. Did the staff member make eye contact with you?
- vi. If eye contact was made, when was it FIRST made?
- vii. Was the staff member wearing a 'Think 25' badge?
- viii. What was the name of the staff member (from the name badge)?
- ix. What was the gender of the staff member?
- x. What was the approximate age of the staff member?
- xi. Please accurately describe the staff member (include hair colour and style, build, height and any distinguishing features)

**14.6 Problem Gambling Recognition, Interaction and Self-Exclusion Procedures**

There are 3 elements within this area for staff training

- 1) Customer Interaction/intervention
- 2) Customer Self-exclusion
- 3) Responsible gambling information for staff
  - a) **Customer Interaction:** Management and staff should be trained on how to recognise and deal with customers exhibiting signs of problem gambling. Everyone should be clear on the procedures that must be followed when problem gambling is evident. When the appropriate interaction or intervention is made, there must be a summary record of the event and any action taken. Staff should be aware of the range of problem gambling information which is available to customers and how to deal with customer enquiries. Training should include conflict management situations when dealing with customers, given the emotional nature of the subject.
 

The social responsibility code provision relating to this area is Customer Interaction 3.4.1

In May 2015 an additional ordinary code provision 3.4.2 for Customer Interaction was added to the code of practice to ensure operators shared best practise.
  - b) **Customer Self-exclusion:** Part of the Customer Interaction process provides customers with advice on how to take a break from gambling by instigating a self-exclusion agreement. The social responsibility code provision 3.5.1 sets out what must be done and the company must provide the training to facilitate this.
  - c) **Responsible gambling information for staff**

Licensees have a responsibility to their own staff to make sure that they are also aware of problem gambling and where they can find help. This is detailed in the social responsibility code provision 7.1.2.

### 14.7 The Complaint and Dispute Process

Staff should know the stages for the customer complaint procedure. All complaints are initially handled internally through the internal complaints procedure. When this is exhausted (i.e. not resolved), the licensee will provide information about its customer complaints procedure, including ADR, to the customer.

### 14.8 Anti-Money Laundering

**14.8.1** Operators should train their staff on the POCA (Proceeds of Crime Act) legislation, how to identify the signs of money laundering and how to record and report on any known or suspected money-laundering activity.

**14.8.2** Staff should be trained on the requirements of the regulations and will need to report any suspicious cash transactions over a defined amount as set out in the licensee's policy to the Duty Manager.

**14.8.3** The licensee should appoint a Designated Money Laundering Officer (MLO) also known as a nominated officer. Where a nominated officer has been appointed, they should be actively involved in devising and managing the delivery of the training, taking particular care to ensure that systems are in place to cover all part-time or casual employees.

### 14.9 Money Lending Between Customers

Staff should also be trained to be vigilant about significant money lending between customers, as this can be away of laundering money. This does not refer to lending money to a friend or relative as a favour.

Money lending between customers is covered by the ordinary code provision 3.8.2.

### 14.10 Employment of Children and Young People

The ordinary code provision 3.6.2 is self-explanatory concerning the limitations of work that can be done within the bingo premises of an employee who is under 18 years old. Staff need to receive this briefing if they are, or work with people that are, under 18.

### 14.11 Alcoholic Drinks

Staff should understand the social responsibility code provision 5.1.3 with regard to free alcoholic drinks.

### 14.12 Other Gaming Training Areas

**14.12.1 Cash Control Procedures** - Staff should receive training on debit card transactions and be aware the credit card transactions are not allowed.

**14.12.2 Prize Bingo** – Staff should be aware of the limits on stakes and prizes

**14.12.3 Company Terms and Conditions** - Staff should have the knowledge of what is included in the terms and conditions and where a customer can view a copy.

### 14.13 Other Non-Gaming Training Areas

Although the following training areas do not relate to gambling, they are necessary to maintain a crime-free environment and as such, are key to the licensing objective.

**14.13.1 Cash Handling** - There will be a process for the uplift or banking of site cash which applies to certain staff. Other procedures will be in place for cash handling within the bingo premises.

**14.13.2** Procedures in regard to **security of premises and safety of staff**. This will include the use of fire chains for example or door control.

**14.13.3** Bingo premises opening and closing procedures

**14.13.4** Robbery and hold-up procedure and guidance.

**14.13.5** Any zero-tolerance policy for customer or other staff behaviour

### 14.14 Other Training Areas

It would be impractical to cover all training areas in this section as the subject matter will include HR and departmental training. Some key areas however that are normally part of the training regime are:

**14.14.1** Emergency procedures such as fire evacuation or dealing with suspect packages and First Aid Training.

**14.14.2** Food Safety

**14.14.3** Bar Licensing - weights and measures, 'Think 25' etc.

**14.14.4** COSHH procedures.

**14.14.5** Additional training for management and supervisory grades for areas covered in this section and other areas such as Marketing CAP and BCAP codes.

### 14.15 The Completion of Training Logs and Records

Normally staff members will have an individual training log to record their training on site. This helps to prove that the company is providing training in the key licensing areas.

In addition to this log other details must also be recorded such as:

- a) Attempted entry by under 18s
- b) Customer problem gambling interventions
- c) Self-exclusion details (via the Smart Tablet)
- d) Members returning from self-exclusion
- e) Attempts to gamble while self-excluded
- f) Suspected money laundering activity
- g) Incidents involving the Police that are gambling related.

# 15 Protection of Customer Funds

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## 15.1 Introduction

- 15.1.1** The Licence Conditions and Codes of Practice have included guidelines on the 'Protection of Customer Funds' specifically in the areas of 'segregation of funds' (for remote operators) and 'disclosure to customers' (for all operators) since 2014.
- 15.1.2** The Gambling Commission introduced licensing conditions designed to make customers aware of the level of protection applied to their funds that are held by operators. The changes to the customer Terms and Conditions apply to both remote and non-remote bingo. The 'segregation of funds' is only mandatory for the remote bingo sector and is voluntary for the non-remote bingo sector. The Commission states that these conditions were introduced as on occasion gambling operators have run into financial difficulties and subsequently have trouble repaying customers their money.
- 15.1.3** The Commission seeks to stop **remote** gambling operators from 'co-mingling' customer and company funds and state: (**licence condition 4.1.1**) 'Licensees who hold customer funds must ensure that these are held in a separate client bank account or accounts'. This does not restrict **non-remote** operators who will still be permitted to merge funds.
- 15.1.4** **Remote** operators licensed by the Commission must keep customer funds in a separate account/s, but there is no guarantee that this will ensure that a customer will get all of their money back if the company becomes insolvent, as it is dependent on the level of protection given to those accounts.
- 15.1.5** **All operators** who hold customer funds must set out clearly in their terms and conditions whether customer funds are protected in the event of insolvency, the level of such protection and the method by which this is achieved. This will help a customer decide whether they want to gamble with the operator and how much money they might want to leave on account.

## 15.1.6 Customer funds disclosure to customers – clarification for non-remote operators.

The Gambling Commission issued advice for non-remote operators which states:

'We set out advice about implementing licence conditions relating to the protection of customer funds (licence conditions 4.1.1 and 4.2.1) in our advice note for operators in November 2014.'

Further to some queries we have received about the information which must be made available to customers by non-remote operators about customer funds, we have updated the advice note to make it clear that:

- Operators are required to disclose information to customers about the level of protection only if the operator holds customer funds to the credit of a customer for future gambling (such as in an individual account for the customer). **If you do not hold customer funds, no disclosure to customers is required at all.**
- Non-remote** operators are not required to segregate customer funds, although some operators may choose to do so. Remote operators are required to segregate customer funds as a minimum.
- Non-remote** operators who do not segregate customer funds can simply include a statement such as 'Customer funds are not protected in the event of insolvency'. It is not necessary to refer to the customer funds ratings system in this scenario. See updated paragraphs 3.5 and 3.7 of the advice note (a link is available in the [Resource Centre](#)).
- Operators who hold ancillary remote bingo or ancillary remote casino licences are not required to provide separate information about customer funds for these products. If you are a non-remote operator who holds customer funds, and you also offer ancillary remote products (e.g. linked EBTs within your club), a general

statement that customer funds are not protected is sufficient.

- e) However, operators who offer a single wallet to customers across both their remote and nonremote products must take care to ensure that any statements they provide to customers meet the requirements for disclosure to customers. If you offer a single wallet to customers, it is likely that you would segregate all customer funds and explain to customers that you meet the 'basic' level of protection according to the Gambling Commission's ratings system. See updated paragraph 3.10 of the advice note.

- 15.1.7 Under the Licensing Conditions and Codes of Practice Part 1 (General Conditions) the Gambling Commission provides the licence condition 4.2.1 which states:

**Licence condition 4.2.1 - Disclosure to customers All operating licences** (except gaming machine technical, gambling software, ancillary remote bingo, ancillary remote casino licences).

1. Licensees who hold customer funds must set out clearly in the terms and conditions under which they provide facilities for gambling information about whether customer funds are protected in the event of insolvency, the level of such protection and the method by which this is achieved.
2. Such information must be according to such rating system and in such form the Commission may from time to time specify. It must be provided in writing to each customer, in a manner which requires the customer to acknowledge receipt of the information and does not permit the customer to utilise the funds for gambling until they have done so, both on the first occasion on which the customer deposits funds and on the occasion of any subsequent deposit which is the first since a change in the licensee's terms in relation to protection of such funds.
3. In this condition 'customer funds' means the aggregate value of funds held to the credit of customers including, without limitation:
  - a) cleared funds deposited with the licensee by customers to provide stakes in, or to meet participation fees in respect of, future gambling,
  - b) winnings or prizes which the customer has chosen to leave on deposit with the licensee or for which the licensee has yet to account to the customer, and

- c) any crystallised but as yet unpaid loyalty or other bonuses, in each case irrespective of whether the licensee is a party to the gambling contract.

- 15.1.8 Licence condition 4.2.1 applies to both remote and non-remote operators who hold customer funds. It contains at paragraph 1 the requirement that information must be set out in operator terms and conditions about whether customer funds are protected in the event of insolvency, the level of such protection and the method by which this is achieved.
- 15.1.9 At paragraph 2 of the same condition, it specifies that:
- a) information must be available on the first occasion on which customers deposit funds (and on each occasion when the arrangements for the protection of customer funds change)
  - b) the customer must be required to acknowledge this information about customer funds before being permitted to utilise the funds for gambling.
- 15.1.10 Paragraph 2 also specifies that such information (the information in both terms and conditions and prior to deposit) must be set according to any rating system specified by the Commission and in such form the Commission may from time to time specify. If no ratings system is used the requirement to make information available in terms and conditions and at deposit stage still applies
- 15.1.11 Customer funds are defined in paragraph 3 of the licensing condition 4.2.1. but essentially this means an operator who allows customers to deposit money into an account and then keeps those funds until the customers are ready to gamble or withdraw the money. Winnings may also be added to this account.
- 15.1.12 Similarly, any bonuses which the customer has earned, and which are not subject to any further terms before the customer can redeem the bonus would also be considered customer funds.
- 15.1.13 There will be exceptions and situations where some credits are not considered customer funds such as a gaming machine area which uses tickets which may be held by the customer and 'cashed in' at a future date.

## 15.2 Terms and Conditions

- 15.2.1 The customer funds ratings system must be applied by gambling operators who hold customer funds in segregated accounts. In this case you must assess your arrangements for those funds, identify the category which applies to you and include the relevant

category in information you supply to customers in your terms and conditions. Where you do not segregate funds, as stated earlier, you may declare in your terms and conditions that ‘Customer funds are not protected in the event of insolvency’. The details of the extent to which customer funds are protected must be made available in the operator’s terms and conditions.

- 15.2.2** This information must also be made available at the point of depositing money with a gambling operator, in a manner which requires the customer to acknowledge receipt of the information and which does not permit the customer to utilise the funds for gambling until they have done so. Operators must ensure that this information is made available at the point of deposit.
- 15.2.3** The information would normally be displayed within company terms and conditions at the entrance, or foyer areas and on equipment where customer funds are held in an account (such as EBTs).

Medium	Quistclose or equivalent	Customer funds are kept in accounts separate from business accounts; and arrangements have been made to ensure assets in the customer accounts are distributed to customers in the event of insolvency.  The arrangements falling in the medium category include Quistclose accounts and insurance arrangements.
High	Independent trust account	Customer funds are held in a trust account which is verified and subject to controls by an independent trustee.

### 15.3 The Customer Funds Rating System

- 15.3.1** The ratings system and the categories which must be applied are set out in the box in 16.3.4.
- 15.3.2** The ratings category must be used and explained to customers if the operator holds customer funds, and a link must be provided (where the information is online) to the Gambling Commission’s webpage which explains the rating system.
- 15.3.3** Operators may draft statements to explain the rating system to customers in a manner which meets the particular circumstances of the business. The Gambling Commission has not (at this stage) specified the exact wording which must be used.
- 15.3.4** The four categories for the rating system are as follows:

Not protected	No segregation	Customer funds are not segregated from other assets held by the company ( <b>this is permitted for non-remote and ancillary remote operators only</b> ).
Basic	Segregation of customer funds	Customer funds are kept in accounts separate from business accounts but they would form part of the assets of the business in the event of insolvency.  These accounts may include bank accounts, investment accounts and other accounts.

### 15.4 Example Statements for Operators

The Gambling Commission has set out the following example statements that might be used in terms and conditions for each of the ratings categories. They expect that experience over time will help operators and the Commission identify the statements which best explain the system to consumers; and that best practice or standard wording may emerge over time as a result.

#### 15.4.1 Rating: Not Protected

**(non-remote and ancillary remote operators only)** Customer funds are not protected in insolvency.

#### 15.4.2 Rating: Basic Segregation

We are required by our licence to inform customers about what happens to funds which we hold for them and the extent to which funds are protected in the event of insolvency

We hold customer funds separate from company funds in [a mixture of bank accounts/ investment accounts/ in reserve funds which we hold with our payment processors]. These funds are not protected in the event of insolvency. This meets the Gambling Commission’s requirements for the segregation of customer funds at the level: basic segregation

#### 15.4.3 Rating: Medium Protection

We are required by our licence to inform customers about what happens to funds which we hold on account for you, and the extent to which funds are protected in the event of insolvency.

We hold customer funds separate from company funds in [a client account]. This means that steps have been taken to protect

customer funds but that there is no absolute guarantee that all funds will be repaid. This meets the Gambling Commission's requirements for the segregation of customer funds at the level: medium protection.

#### 15.4.4 Rating: High Protection

We are required by our licence to inform customers about what happens to funds which we hold on account for you, and the extent to which funds are protected in the event of insolvency. We hold customer funds separate from company funds in [an independent trust account, details to be included]. This means that steps have been taken to ensure that customer funds are repaid to customers in the event of insolvency. This meets the Gambling Commission's requirements for the segregation of customer funds at the level: high protection.

15.4.5 Operators may supply or make available additional information to customers if they wish to highlight other aspects of financial management which they consider relevant. These aspects may include information on, for example, audited accounts, successful track record, public listing, and Group Company support. However, these aspects do not affect the overall rating to be disclosed to customers; they are instead additional facts which may be explained to customers.

15.4.6 Operators may choose to produce shorter references to customer fund protection at the point of deposit, for example because of limited space. However, the ratings category must be included and a link to either the Gambling Commission's webpage on customer funds ratings provided or a link to the relevant section of the operator's terms and conditions on customer funds (from which the link to the Commission's website will also be available).

15.4.7 Operators may be asked to demonstrate their assessment to the Commission at any point. **Failure to demonstrate that the level displayed to the customer is accurate within the rating system would constitute a licence breach, and may bring enforcement action.**

### 15.5 Fees and Charges

15.5.1 Operators may deduct fees or other charges from customer accounts, so long as the fees or charges are in line with the operator's terms and conditions and are fair and open to the consumer. Fees and charges deducted in this way are not considered to be customer funds once they have been deducted. For example, some operators apply fees to accounts that are dormant according to the operator's terms and conditions (such as after

a period of 12 months of inactivity). Fees and charges on dormant accounts can bring a customer's balance to zero.

15.5.2 An operator must apply any fees and charges and show the deductions in the customer's account - in other words, an operator may not give the impression to the consumer that the funds are still available to them unless the funds remain in the operator's segregated customer accounts.

### 15.6 Dormant Accounts

15.6.1 Operators who are becoming newly licensed by the Commission under the Gambling (Licensing and Advertising) Act 2014 may hold dormant accounts. In this situation, funds from accounts which were dormant at 1 November 2014 (according to the operator's definition of dormant accounts in their terms and conditions) are not considered customer funds and do not need to be included in the requirement to segregate customer funds.

15.6.2 Accounts which were opened prior to 1 November 2014 and which become dormant (according to the operator's terms and conditions) are considered to be customer funds, until the relevant charges have been applied and deducted from customer accounts.

### 15.7 Reporting of Customer Accounts

15.7.1 The Commission will collect information from remote gambling operators who hold customer funds in a regular reporting mechanism. In the meantime, non - remote operators are expected to keep appropriate records of customer funds reconciliations and may be asked to provide information to the Commission on request.

15.7.2 The Commission has introduced a new licence condition (15.2.1 – Reporting key events / financial events 15 and 16) which relate to the provision of information. This applies to all operating licences, except ancillary remote licences.

# Section B

## Operational

# 1 Main Stage Ticket Bingo Game

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## 1.1 Definition of a Bingo Game

The Gambling Act 2005 does not have a statutory definition but describes 'bingo' to mean 'any version of the game, irrespective of by what name it is described'.

Main Stage bingo is usually the primary game (or games) played in any bingo session, involving physical (paper) and/or virtual (electronic) tickets which are typically purchased before the bingo session starts.

The Gambling Commission considers there are three fundamental principles of bingo. These principles are:

- Bingo must be played as an equal chance game
- Bingo must involve a degree of participation; and
- Bingo games must have a clearly defined end point.

### 1.1.1 Bingo must be played as an equal chance game

In order for a game to be classed as 'bingo' it must meet the Gambling Act's definition (in section 8) of 'equal chance gaming' (as opposed to casino gaming). Thus, it:

- must not involve playing or staking against a bank; and
- must be a game in which the chances are equally favourable to all participants in the sense that each ticket or chance has the same probability of success as any other.

The Commission has no objection to players in bingo being able to select some, or indeed all, of their numbers provided there is a mechanism to ensure that each player nevertheless has a unique set of numbers and the game therefore remains equal chance. The Commission also considers that fixed odds bingo games are acceptable provided they are structured to ensure there is no banker's interest.

### 1.1.2 Bingo must involve a degree of participation

To distinguish a bingo game from a straight lottery, a player must be required to participate in order to be successful. Participation could, and traditionally does, take the form of human interaction with the game, i.e.: players actively marking their cards and/or claiming to have won. Alternatively, as is often the case in modern bingo formats, especially when played on-line, by means of bingo machines or hand-held devices, technology can be used to act as the participant's agent in playing out the game which the player has initiated. In this way participation can be made up of a combination of activity taking place both within the mechanic of the game and by the player's own actions.

Bingo games where the winning numbers are pre-selected are acceptable, provided that those numbers are subsequently called or displayed.

### 1.1.3 Bingo must have a clearly defined end point

A fundamental element of a game of bingo, as with any game, is that it needs to end at a predetermined designated point or time. This end point needs to be appropriate, realistic and clearly communicated to players. The period within which a player is able to claim a prize should be factored into the timeframe of the game; determining who has won is part of the game.

### 1.1.4 Key Characteristics of Bingo

The Gambling Commission has published a document entitled 'Key characteristics of bingo', which had particular relevance to the characteristics of bingo and how it is played on bingo machines. An excerpt from that document is detailed below:

- Players' payments must be divided between stakes and participation fees, although they

may consist entirely of stake or entirely of participation fee.

- b) The way that division is made must be transparent to the player and in particular there must be a notice displayed showing participation fees in a way that makes it readily accessible to players. Any stakes must be returned to players, either in the particular game or in a subsequent one.
- c) Each game must be played to a single set of numbers, or symbols; drawing a second set starts a new game.
- d) Any game formats must clearly be presented as offering the player the opportunity to participate in a game of bingo. This includes numbers (or symbols) being marked off and the game having the appearance of a game of bingo (rather than a gaming machine).
- e) Any 'added prize money' stated to be available in a game, once offered (and unless the offer is specifically limited in time), must remain available until won in that or subsequent games i.e.: by way of rollover; the operator cannot rescind on the advertised prize. Prizes clearly advertised as being offered only for a limited period can be claimed back if they are not won. All prizes offered in each game must be transparent to the player.
- f) Games may operate with a single player, provided there is a meaningful opportunity for other players to participate in the same game.
- g) The game must comply with the requirements of the Gambling Act 2005 and must be capable of audit, where appropriate, to demonstrate legal compliance. Such audit data will demonstrate for example how players' payments are split between stakes and participation fees and that all stakes are returned to the players, either in that game or subsequent games.

## 1.2 Bingo Tickets

The requirements for bingo tickets are as follows:

- a) Every ticket used in a game of bingo must consist of a unique set of letters, numbers or symbols. This applies whether the tickets in play are physical (paper), virtual (electronic), a mix of the two, or any other representations of bingo tickets and applies whether the game takes place in one or at multiple venues.
- b) Each ticket in play (whether paper, electronic or other) must have a unique reference number or code associated with it, which can be used for ticket verification purposes.

## 1.3 The Bingo and Casino Equipment Technical Requirements July 2008

This is issued by the Gambling Commission and sets out specific requirements relevant to the playing of Main Stage Ticket Bingo (ticket and electronic virtual tickets). This document was effective from 31st August 2008 and still applies. A [link](#) to the most recent version is attached at the end of this section.

## 1.4 Prize Information Board

The prize information board together with any associated boards (if needed) must display the information listed below at all times during the game session (scrolling displays are permitted); and the vast majority of players must have a clear and unobstructed view of the board(s) during play, unless they can clearly view the same information, in real time, by other means.

Information to be displayed for main stage games:

- a) opening and closing number of tickets. Paper and virtual (electronic) tickets must be displayed separately. There must be provision to display both sets of numbers from any split series permutations.
- b) total number of tickets in the game (whether paper, virtual or otherwise)
- c) total number of tickets not in the game, e.g. spoiled or unsold
- d) total prize fund (this may be subdivided into its constituent parts if required)
- e) details of allocation of prizes, e.g. one line, two lines, full house, value, etc.
- f) information to allow players to identify the ticket in play, e.g. book colour, page. If equipment produced before 31 August 2008 does not have the capability to display this information, the player must be given the information by other means (e.g. orally).
- g) all previously called numbers within the game
- h) last number called

## 1.5 Checking a Claim

- 1.5.1 During claim checking, a representation of the ticket being checked, including its relevant serial or permutation numbers must be shown, together with its status (valid, not valid or already checked).
- 1.5.2 Details of winning claims must be displayed so that the information is available to all players simultaneously.
- 1.5.3 Where a manual check of a ticket or an EBT is required due to equipment failure, it will be necessary to check the ticket in full view of an independent customer in order to verify the claim. Where numbers are not legible (and customers are required to provide this within the club rules) the claim may be refused.

### 1.6 Bingo Ticket Sales Records

Keep the following sales records for each session:

- a) all opening and closing serial numbers, including those of main bingo books, virtual and ancillary bingo books
- b) costs of each bingo ticket or book and total amount staked
- c) participation fee charges and totals per book
- d) allocation of stake money in prizes for each game, together with a record of any prize (cash or otherwise) donated by the proprietor
- e) sales records should be kept for a minimum of 6 months or as prescribed by your company's procedure.

### 1.7 Unsold Tickets

Have damaged or unsold tickets available for production to members and available for inspection by officials of the Gambling Commission and HM Revenue and Customs at a later date if required. Good practice is that these should be retained on site for a minimum of 14 days or as dictated by your company procedure.

### 1.8 Can I Destroy Unused Bingo Cards?

Yes, providing you keep a record that provides an adequate audit trail. You can also give unwanted cards to charities, hospitals, etc. again providing you keep full details in your records for HM Revenue & Customs officers to check, as appropriate. Care should be taken that any slogan or advertising is within ASA codes of practice. A company name only on the tickets would normally be acceptable.

### 1.9 Perm Size

Operators should take great care to ensure that their perm size is sufficient to prevent the possibility of selling duplicate tickets to customers playing the same game. If, however, due to circumstances beyond the reasonable control of the operator, a situation arises whereby duplicate tickets win a game of bingo, then it is suggested that the prize money should be divided equally among the claimants as in the situation where there are traditional multiple winners (as opposed to duplicating the prize). Operators should have a very clear policy on how to avoid this situation, including written procedures to ensure that bingo ticket perm size is large enough to prevent duplicate tickets being in play during the same game and to ensure that bingo tickets are issued and sold in strict sequential order. **The operator's Terms & Conditions should state the procedures to be that will be followed by the operator in the event of this situation arising.**

### 1.10 Duplicate Tickets Additional Guidance

The Bingo Association has discussed with the Gambling Commission the rules of play that relate to duplicate tickets. The Gambling Commission had no issue with a change of game rules to allow the sharing of a prize in the event that the holders of duplicate tickets had won a prize. Any prize won on those tickets would be shared equally between all such holders. This would be subject to the condition that duplicate tickets were present during the game due to a mistake and that they had not been deliberately placed there. This discussion took place following the introduction of the Gambling Act 2005 and the effect of changes which removed prize limits and allowed the creation of rollover games. Under earlier game rules, this could have meant operators paying out multiples of the full prize if there had been duplicate tickets present in a game.

If you want to rely on this change of rule, you are advised to ensure that you have changed your rules of play that are displayed to all players. Example wording could be:

"If more than one player claims a prize, it will be divided equally between all the winners. In the event of the prize consisting in whole or part of a non-monetary prize this shall be carried forward to another separate game or be the subject of a play-off or be substituted by a cash or a non-monetary alternative at the manager's discretion. In the event of a mechanical malfunction, however caused, or of duplication or incorrect game tickets being issued, either paper or electronic, resulting in multiple or duplicate claims, all claimants will share the declared prize equally."

### 1.11 HMRC

HM Revenue and Customs require that all bingo records, documents and accounts (including purchase invoices relating to prizes) must be kept for at least two years. For VAT or corporate/taxation purposes these records may need to be kept for a longer time. They should be kept at your main business address. See Bingo Duty Notice 457 (latest edition) issued by HM Revenue and Customs. For the assistance of the Gambling Commission, proprietors should, if possible, maintain copies of bingo records in each club for at least six months and up to two years.

## 2 Linked Ticket Bingo

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### 2.1 Introduction

The term “Linked Ticket Bingo” refers to games of bingo played simultaneously in two or more licensed premises whereby:

- a) The participating clubs are linked by means of an audio (or audio/visual) link.
- b) All the players taking part in those games are present in one or another of the participating premises at the time the games are played.
- c) The numbers are drawn and called in one or other of the participating clubs while the game is being played and the calling is heard by all the players.
- d) A winning claim is indicated to all the players before the next number is called.

### 2.2 Control Premises

The premises from which the numbers are called (“the control premises”) shall announce or display the following to each participating premises before each game begins:

- a) the total number of tickets sold in all the participating premises
- b) the stake contribution per ticket allocated to the link game prize
- c) the total stake money and its allocation to each game (if immediately available)
- d) any additional information as the house rules shall define

Where stake contribution and prize money for each game is not available before the game, this should be announced during, or as close to the start of the game as possible.

### 2.3 Participating Premises

**2.3.1** Each participating premises shall display the following information regarding its own ticket sales:

- a) the opening and closing serial numbers of the tickets issued
- b) the total number of tickets damaged or unsold
- c) the total number of tickets sold
- d) the prizes allocated to the link game and any house game associated with it

**2.3.2** Each number called must be displayed on the indicator board in each participating premises.

**2.3.3** There must be an efficient two-way audio connection between all the participating premises so that when a claim is made the game may be stopped immediately and a decision on the claim made known to all the players before the next number is called.

**2.3.4** It is good practice to have a caller and another responsible person on stage during the playing of the game to ensure any audible claim by a player is identified and reacted to on a timely basis.

**2.3.5** Operators should take great care to ensure that their perm size is sufficient to prevent the possibility of selling duplicate tickets to customers playing the same game. Additionally, each operator must ensure they have a unique perm set of tickets for their club.

### 2.4 Link Group

**2.4.1** Any link group shall, prior to conducting games of Linked Ticket bingo, establish a common set of rules under which the games shall be played in respect of the following:

- a) The checking or caller validation of winning claims must be heard in all participating premises. The following should be announced and/or displayed when a winning claim is submitted for checking:
  - i. number of claimants and in what club
  - ii. number of winning ticket(s) and display of valid ticket / permutation details
  - iii. last number called (the ‘check’ number)

**2.4.2** Prize monies should be paid within 10 days but prize winners should be informed after the game of the amount they will receive. It should be made clear that this is ‘subject to scrutiny’ (in case of adjusted prize money, due to communications failure leading to clubs failing to start or complete the link game).

**2.4.3** Each ticket participating in the link game must make the same financial contribution to the advertised prize(s). Any club participating in the game must ensure that where packages

that include free link tickets are used, that all other clubs participating in the link game have an identical offer. This offer should be available on both ticket sales and electronic devices.

- c) Note: Any link prizes already won before a breakdown will stand and the remaining link prizes (and, as the case may be, local house prizes) will be re-apportioned after the breakdown.

## 2.5 Game Records

In respect of each linked game in which it participates, a control club or operator should have access to relevant information to allow the game to be scrutinised upon request. This information should be held for a minimum of six months. It is suggested that the following information is relevant:

- a) the names of the participating clubs
- b) for each participating club, the opening and closing ticket numbers, the total tickets sold, the total tickets damaged or unsold and the aggregate total of tickets sold
- c) the total stake money and its allocation to each game
- d) a record of all numbers called (either held electronically or recorded on a form); this requirement applies to the control club only
- e) the details of local prize winners and in respect of other winners, the names of the clubs in which they played

## 2.6 Breakdown

In the event of a breakdown in communications before or during a link game, the following procedures should apply:

### 2.6.1 Before the game starts

In the case of a breakdown of the link in one or more, but not in all of the participating premises before the game, the link game may continue among those able to participate, the link prizes being re-calculated accordingly. The club(s) unable to play the link game must each play an in-house game for the stake money contributed in their own club and any APM as required (at the operator's discretion).

### 2.6.2 During the game

- a) **Affecting all clubs** – all numbers already called shall stand and each club should carry on individually playing a house game for the stake money contributed in that club (less stake money already contributed to validated games, such as a line & 2 line game or previous pages) and any APM, if applied/ appropriate).
- b) **Affecting some but not all clubs** – all numbers already called shall stand and those clubs able to continue the link game should do so, with the link prizes re-calculated to reflect the reduced numbers; those clubs unable to continue with the link should continue playing a house game for the stake money contributed in that club.

# 3 Random Number Generator (RNG)

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## 3.1 Background

**3.1.1** The Gambling Act 2005 ('the Act') gives the Gambling Commission ('the Commission'), as part of its statutory role, the power to attach conditions to operating licences about equipment used in connection with gambling activities (section 85). In addition, the Commission has the power to set technical standards for remote gambling systems (including software) (section 89). Appropriate conditions have been attached to non-remote and ancillary remote bingo operating licences.

**3.1.2** These technical requirements will regulate bingo equipment in two different situations: (a) equipment that is used on premises in Great Britain to provide bingo games to the public and (b) equipment used to provide such games in gambling premises by means of a remote communication system, where the provider is regulated by the Act. These requirements cover a variety of equipment including bingo tickets. They do not cover gaming machines.

## 3.2 Random Number Generation

**3.2.1** Random number generation (and game results) must be 'acceptably random'.

**3.2.2** 'Acceptably random' means that it is possible to demonstrate with a high degree of confidence that the output of the random number generator (RNG) is random, through, for example, statistical analysis using generally accepted tests and methods of analysis.

**3.2.3** Random number generators should be capable of demonstrating the following qualities:

- a) the output from the RNG is uniformly distributed over the entire output range;
- b) the output is unpredictable, i.e. it is computationally infeasible to predict what the next number will be, given complete knowledge of the algorithm or hardware generating the sequence, and all previously generated numbers;

- c) random number generation does not reproduce the same output stream (cycle), and that two instances of a random number generator do not produce the same stream as each other;
- d) any forms of seeding (the process of initialising the random number generation process) and re-seeding used do not introduce predictability;
- e) any scaling applied to the random output complies with a) to d) above.

## 3.3 Mechanically Based RNG Games

Mechanically based RNG games of bingo are games that use physical events, not observable or controllable by the user, to seed a mathematical algorithm that generates the outcome of the game and must conform to the following rules:

- a) they must meet the requirements of Section B3.2.3;
- b) the mechanical pieces must be constructed of materials that prevent decomposition of any component over its lifetime (for example, a ball must not disintegrate);
- c) the properties of physical items used to generate the random outcome must not be altered.

## 3.4 Mechanical Ball Mixing Method

A mechanical device that uses air flow for mixing and randomly withdrawing balls to determine the letters, numbers or symbols to be used in a game of bingo must operate in the following manner:

- a) it must follow the rules for mechanically based RNG games;
- b) it must allow participants full view of the mixing action of the balls;
- c) it must not be possible to change the random placement of the balls at the exit receptacle of the device, except when the device is shut off.

### 3.5 Scaling Algorithms

If a random number with a range shorter than that provided by the RNG is required for some purpose within the gaming device, the method of re-scaling, (i.e. converting the number to the lower range), is to be designed in such a way that all numbers within the lower range are equally probable.

### 3.6 Randomisation with Varying Class Size

Where a game is played using a finite set of randomised outcomes, e.g. a set of bingo balls; each outcome within the set must initially be equally probable as set out in Section B3.2 to B3.5 above. However, it is accepted that as the finite set reduces in number, the outcome will become more predictable as the game progresses.

### 3.7 Remote Gambling and Software Technical Standards June 2017

**3.7.1** This document sets out the remote gambling and software technical standards detailed in sections RTS1 to RTS 14. Only sections RTS 3,4,5,7 and 10 refer to non-remote gaming. Please note that a test certificate is required for a RNG which can be obtained from the manufacturer.

# 4 The Use of Electronic Bingo Terminals (EBTs)

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## 4.1 Introduction

- 4.1.1** This section applies to the use of EBTs in Bingo clubs, whether portable units or fixed installations, when used as an alternative to using paper bingo tickets in the playing of main stage bingo (including link games and games of multiple bingo) or an alternative to using fixed installations in the playing of games of Mechanised Cash Bingo (“MCB”).
- 4.1.2** Only EBT systems that comply with the Gambling Commission’s Bingo and Casino Equipment Technical Requirements July 2008 may be used in Bingo Clubs. A copy of this is available on the Gambling Commission website (extracts are shown within this section).

## 4.2 Charges

- 4.2.1** In circumstances where the player can choose to play using either an EBT, paper tickets or a fixed MCB position, if a charge is made by the operator for the hire of an EBT, a notice must be displayed at the point of hire which clearly sets out the cost of hire and the circumstances under which the charge is payable.
- 4.2.2** If an alternative paper ticket or fixed MCB position is not available to the player, any charge made by the operator for the hire of an EBT must be shown as a Charge on the Charges to Play notice.

## 4.3 Electronic Perm

- 4.3.1** Wherever EBTs are in use, a section of the perm for every bingo game shall be allocated for the exclusive use of EBTs. This section of the perm must never be printed or used for the MCB boards.

- 4.3.2** The number of permutations within the EBT perm must be sufficient to ensure that there are no repeated permutations in any session.

- 4.3.3** The ticket permutations loaded on to EBTs must be compatible with any paper ticket/physical MCB combinations used in the same games.

- 4.3.4** Operators should take great care to ensure that their perm size is sufficient to prevent the possibility of selling duplicate tickets to customers playing the same game. If, however, due to circumstances beyond the reasonable control of the operator and due to an error, a situation arises whereby duplicate tickets win a game of bingo, then it is suggested that the prize money should be divided equally among the claimants as in the situation where there are multiple winners. Game rules should also reflect this policy. Operators should have a very clear policy on how to avoid this situation, including written procedures to ensure that bingo ticket perm size is large enough to prevent duplicate tickets being in play during the same game and to ensure that bingo tickets are issued and sold in strict sequential order. The operator’s Terms and Conditions should state the procedures to be followed by the operator in the event of this situation arising.

## 4.4 Customer Information

Players using EBTs must be informed, if appropriate, by a notice of the point of sale that:

- 4.4.1** Buying 6 tickets in any one main stage bingo game does not necessarily ensure that all 90 numbers are covered and some tickets may have duplicates.

#### 4.5 EBT Failure

- 4.5.1** In the event of an EBT failure, either the player will be entitled to a full refund of the cost in respect of the game being played at the time of the failure and all remaining unplayed tickets loaded on to the failed EBT, plus any unused MCB credit and credited winning; or
- 4.5.2** If practicable in the circumstances, the game may be stopped and the ticket details transferred from the failed EBT to a replacement EBT and the game may then be re-commenced.
- 4.5.3** If an EBT unit failure were to occur close to the point where that player would have won, or if a subsequent check were to show that the player would have won the game but for the failure, the operator may choose to award an ex-gratia payment to the player.

#### 4.6 Records

Records of unsold electronic main stage bingo tickets must be retained on the same basis as paper tickets for inspection by officials of the Gambling Commission and HM Revenue and Customs at a later date, if required. Such records should be retained for a minimum of 28 days.

#### 4.7 Customer Use of EBTs

- 4.7.1** Players must be prohibited from using portable EBT systems outside the licensed gaming area.
- 4.7.2** Players must have a degree of participation in the bingo game and the equipment (touch the screen, press a button etc.) in order to register the called number, any previously called numbers on the EBT and/or claiming to have won. Fully automated marking or claiming must not be possible.
- 4.7.3** The EBT cannot alert the player to a close or actual winning combination unless the player has previously accepted the numbers involved in the winning combination.

#### 4.8 Wireless EBTs

The installation must adhere to the following technical points:

- 4.8.1** There must be no dead spots, i.e. areas within the club where customers are allowed to play bingo on EBTs, that the EBT cannot receive the radio signal. (If 'dead spots' exist within the licensed area, there must be notices and procedures in place to prevent play in these areas).
- 4.8.2** There must be adequate wireless coverage so that the failure of a single transmitter does not significantly reduce the players' ability to play.
- 4.8.3** If there is a network failure, all devices must alert the caller and player to the failure as soon as possible. It is permissible for the device to continue with any game if the network connection is restored, provided that the player is not disadvantaged in any way. A manual alternative method of play is permissible where there is no disadvantage to the player and there is adequate time to do so. Catch up facilities may be used

where the game that was in play when the network failure occurred has not been completed. The caller must immediately announce to the EBT players that they must manually enter numbers until the signal is restored. The EBTs must alert the player to the loss of signal and allow play to continue in manual mode.

#### 4.9 The Bingo and Casino Equipment Technical Requirements (July 2008)

##### 4.9.1 Service interruption and resumption

Operators must take all reasonable steps to ensure that their policies for dealing with service interruptions are fair and do not systematically disadvantage customers.

##### 4.9.2 Determination of winners

- a)** Any determinant used in the game of bingo and distributed by any form of network must be transmitted simultaneously to all player devices designed to receive such information within that game. The receiving devices must be able to present the appropriate information such that no player is disadvantaged by the introduction of any delay.
- b)** This requirement does not apply to different venues involved in 'non simultaneous linked bingo games', providing that all players within a single venue receive their determinants simultaneously.

##### 4.9.3 Cashless play

- a)** Where a gaming device has the facility to accept a stake or participation fee from, and make payment of a prize to, the same medium of cashless payment, for example a smartcard ('the medium'), then the requirements of this section must be complied with.
- b)** For the avoidance of doubt, neither ticket in and out (TITO) systems nor tokens are required to comply with this section. For the purposes of this section a 'token' is an object with a fixed monetary value (whether or not exchangeable for cash) that may be used for the purpose of paying a stake or participation fee or crediting a gaming device.
- c)** The following will also apply:
- i.** A secure player account database must be held within the system.
  - ii.** The system must allow the player to retrieve their funds at any reasonable time when the venue is open.
  - iii.** A facility must be available on the premises which will show the player their current monetary balance held on the medium without the requirement to transfer funds or a game having to be played. Such a facility must not offer any inducements to the player to commit money for play or further play.

- iv. A gaming device must have the facility to enable it to be rendered incapable of accepting funds from the medium at any time when the account holder has entered a self-exclusion agreement in respect of the premises where the device is sited. Activation and de-activation of such facility must require action by the site operator.
- v. The players must have the facility to track and/or limit the amount of money they are able to deposit onto the medium over a given period of time. The limit that the individual chooses to impose may only be set or modified once in any 24 hour period.

#### 4.10 Ancillary Remote Licence

If you play any game supplied by the National Bingo Game, links or use EBTs you will need an Ancillary Remote Licence.

You may only apply for and be granted an ancillary remote licence, if you are an existing holder of the appropriate non-remote licence. This licence can be held by the holder of a non-remote bingo operating licence and licenses the holder to provide facilities for the playing of bingo, the National Bingo Game, linked games and games on MCB equipment by means of remote communication equipment to people who are situated within licensed bingo premises.

# 5 Gaming Machines

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## 5.1 Definition of a Gaming Machine

The Gambling Act 2005 draws the definition of a gaming machine very widely, and deliberately so. It is intended to ensure that any equipment used to gamble is classified as a gaming machine unless it is covered by one of the exceptions specified in the Act. Thus, Section 235(1) defines a gaming machine as:

“a machine which is designed or adapted for use by individuals to gamble (whether or not it can be used for other purposes)”.

- 5.1.1** Section 235(2) then specifies certain types of equipment or machine which are excluded from the general definition of a gaming machine
- One of these specific exclusions is equipment designed or adapted for the playing of bingo also known as bingo machines, video bingo terminals, VBTs etc., provided it is used in accordance with a condition imposed by the Gambling Commission relating to the specifications for such equipment.
  - Thus, equipment used by players to play any form of bingo in a licensed bingo club is not classed as a gaming machine and is therefore not subject to any of the rules governing the use and operation of gaming machines, although it is, of course, subject to any rules governing the use of bingo equipment.

- 5.1.2** Another specific exclusion is that a dual-use or domestic computer is not a gaming machine by reason only of the fact that it can be used to participate in remote gambling. Thus, Regulations have been produced to define a “domestic computer” and a “dual-use computer” with the intention of exempting internet-capable terminals and home computer equipment, which are not dedicated or specifically configured for gambling activities, from the definition of a gaming machine.

- 5.1.3** The Gambling Commission has issued ‘**Gaming Machine Technical Standards**’ which are regularly reviewed. This standard sets out the minimum standards expected by the Gambling Commission. A link to the most recent version will be found in the [Resource Centre](#).

## 5.2 Categories of Gaming Machines

- 5.2.1** Regulations made under the authority of Section 236 of the Gambling Act define the four main classes of gaming machine, known as Categories A, B, C and D, and the five sub-divisions of Category B, known as sub-categories B1, B2, B3, B3A and B4. These regulations also specify into which type of premises these various sub-categories may be installed.
- Category **A** gaming machines are defined as any machines which are not in Category B, C or D. There are no limits on the levels of stake or prize for these machines, and they

are not permitted in any premises licensed for gaming.

- b) Category **B1** gaming machines may be installed only in casinos.
- c) Category **B2** gaming machines may be installed only in casinos and licensed betting shops.
- d) Category **B3** gaming machines may be installed in casinos, licensed betting shops, licensed bingo clubs and adult gaming centres.
- e) Category **B3A** gaming machines are defined as machines which enable a player to participate only in a lottery. These machines are allowed only in a members' club or miner's welfare institute and must form part of the overall machine entitlement for the type of premises.
- f) Category **B4** gaming machines may be installed in casinos, licensed betting shops, licensed bingo clubs, adult gaming centres and members clubs
- g) Category **C** gaming machines may be installed in casinos, licensed bingo clubs, adult gaming centres and family entertainment centres.
- h) Category **D** gaming machines may be installed in casinos, licensed bingo clubs, adult gaming centres and family entertainment centres.

**5.2.2** Stakes and prizes are subject to review by the Secretary of State. The stake and prize limits are set out in the '**Monetary Limits**' document, which is available on the Gambling Commission website.

### 5.3 Entitlement to Gaming Machines

- 5.3.1** Apart from some specific exceptions, none of which are relevant to licensed bingo premises, a gaming machine can only be made available for use by players on the authority of an Operating Licence in conjunction with the relevant gambling premises licence.
- 5.3.2** The type and number of gaming machines that can be made available for use in gambling premises depends on the nature of the premises. Section 172 (7) of the Act, as modified by Regulations made under Section 236, sets out the gaming machine entitlement according to the type of Premises Licence.
- 5.3.3** The entitlement granted by a Bingo Premises Licence is as follows:
  - a) up to 20% of the total machine estate can be category B3 machines; and
  - b) any number of Category C gaming machines; and
  - c) any number of Category D gaming machines

### 5.4 Grandfathering Rights

**5.4.1** Any AGC or bingo premises whose licence was granted before **The Gambling Act 2005 (Gaming Machines in Adult Gaming Centres and Bingo Premises) Order 2011** (see 5.20) which came in to force on 13th July 2011 is permitted to either:

- a) offer a number of category B gaming machines not exceeding 20% of the total number of gaming machines available for use on the premises or;
- b) retain their existing entitlement of category B gaming machines that is four for AGC premises and eight for bingo premises

These rights are not time limited

**5.4.2** Where a licence has been issued on or after 13th July 2011 the number of machines permitted is as described in section B5.4.1.a and B5.4.1.b until 1st April 2014. **From 1st April 2014 the premises must comply with the 20% entitlement only.**

**5.4.3** Although no more than 20% of the total gaming machine estate may be drawn from Categories B3 and B4 may be made available for use, more than the permitted number of machines may be physically located on a premises. This is provided that the operator has a robust system in place that ensures that no more than the permitted number are 'available for use' at any one time. The Gambling Commission has issued '**advice regarding when a machine is considered available for use**' broadly speaking this is if a person is 'able to play it'. An example of an appropriate system for control of this situation could be where the power supply for these machines is controlled by the operator and is inaccessible to a player, so that an operator has effective control over the use of these machines.

### 5.5 Gaming Machines on EBTs

If an EBT offers gaming machine content in addition to bingo content it is considered a gaming machine for the purpose of primary gambling activity (if it is available for use) and would count towards the number of gaming machines. Correspondingly, that terminal would not count towards the offering of bingo for primary gambling activity purposes. Any EBTs that do not offer gaming machine content would not count towards the number of gaming machines.

### 5.6 Primary Gambling Activity

- 5.6.1** The Gambling Commission's Licence Conditions and Codes of Practice (LCCP) contains conditions and codes concerning primary gambling activity.
  - a) For bingo premises licences granted on or after 13th July 2011 where bingo is exclusively offered by electronic means, this will mean from 1st April 2014 in order to operate eight category B machines and operator must operate 32 other gaming machines.

- b) Gaming machines may be made available for use in licensed bingo premises only where there are also substantive facilities for non-remote bingo, provided in reliance on this licence, available in the premises.
- c) Skill with Prizes (SWP) do not contribute to the number of gaming machines
- d) Category, B3, B4, C and D combined count towards the 20% entitlement
- e) The number of category B machines is rounded down for the purpose of the 20% calculation. For example an operator with 39 machines (including Category B machines) would only be able to offer 7 category B machines. An operator with 40 machines could offer 8 category B machines.

### 5.7 Conditions for Use of Gaming Machines

The conditions governing the use of gaming machines are set out in Regulations made under Section 240 of the Act. These Regulations cover a range of issues and are very complicated, reflecting the complexity of establishing a comprehensive framework of regulation for gaming machines that satisfies the licensing objectives of the Act whilst recognising the practical difficulties of the industry in meeting new technical standards. These Regulations are set out in **The Gaming Machine (Circumstances of Use) Regulations 2007** and links are available at the end of this section.

### 5.8 Machine Display

Machines should be sourced from a licensed manufacturer who will give guidance about the display of information on a machine.

The following information must be displayed on a gaming machine at all times so as to be readily visible to a player:

- a) The contact details of a helpline to assist those who are having, or may be affected by, gambling-related problems.
- b) A statement that the gaming machine is not to be used by a person under 18 years of age; but note that this notice is not required on a Category D machine.
- c) The rate of percentage payout of the machine, or a notice indicating where such information can be found that is readily accessible by a player; this notice also need not be displayed on Category D gaming machines where there is no mechanism for recording the aggregate stakes and prizes, but instead there should be a notice stating that the machine provides facilities for gambling.
- d) The information contained in the above notices may take the form of any combination of letters, numbers or symbols.
- e) A notice specifying the category or sub-category of the gaming machine must be affixed to the machine. This notice need not be readily visible to a player but it must be located in a position where it can be seen by a person inspecting the machine.

### 5.9 Methods of Payment

- 5.9.1 Payments to play gaming machines may be made by the insertion into the machines of money or money's worth (e.g. tokens, smartcards or tickets).
- 5.9.2 It is illegal for gaming machines to accept payment by credit card or debit card.
- 5.9.3 It is also illegal for a proprietor to allow a player to use a credit card to purchase non-cash methods of payment to play a gaming machine.
- 5.9.4 A gaming machine must not be made available for play if the charge for playing a game is not a whole number of pence. This also applies in situations where the maximum stake can be divided into a number of "lines" for a single use of the machine; the stake for each "line" must be a whole number of pence.

### 5.10 Payment Limits

- 5.10.1 There are a number of rules about the amounts that can be paid in a single action in relation to the use of a gaming machine. These rules are complex and dictate the payment limits, depending on the type of payment, the category of the gaming machine and its date of manufacture.
- 5.10.2 There are three payment concepts, namely:
  - a) The Deposited Amount, which is the maximum amount that can be inserted into the gaming machine in a single action.
  - b) The Committed Amount, which is the maximum amount that can be committed at any one time to play the gaming machine; once committed, the amount cannot be recovered by the player and must be used to play the machine; if the machine already holds a Deposited Amount to the credit of the player, the Committed Amount is taken from that credit; and
  - c) The Stake, which is the amount required to play the gaming machine once.

Details relating to these will be provided by your licensed machine supplier.

### 5.11 Autoplay

- 5.11.1 The autoplay function enables players who have a pot of money deposited on the machine to play a series of games automatically without having to press the "Play" button to begin each individual game.
- 5.11.2 Autoplay functions are not permitted on gaming machines that have a single deposit meter (i.e. there is no facility for creating or recording committed funds).

### 5.12 Nature of Prizes

- 5.12.1 Only Category D machines are allowed to offer non-money prizes. All other gaming machine categories must offer money prizes only.

**5.12.2** Note that tokens, Smartcards, TITO tickets and similar objects, which have no other purpose than acting as a cash substitute, are treated as money prizes for these purposes.

**5.12.3** For Category D gaming machines, the non-money prizes in the form of goods or services must not be of a kind which it is illegal to sell or supply to a person under 18 years of age.

### 5.13 Residues

**5.13.1** In certain situations it is conceivable that a small residue of the Deposited money is left on the gaming machine and cannot be recovered by the player because the machine is physically unable to deliver the correct denomination of coin.

**5.13.2** In such situations, the residue may be left on the machine for use by the next player, provided that:

- a) the amount involved is less than £1; and
- b) it cannot be recovered because the machine cannot deliver the correct denomination of coin to the exact amount of the residue, nor can it pay the amount by any other means.

### 5.14 Delivery of Prizes

The general rules for the delivery of prizes are that:

- a) The gaming machine must provide the winner with information about the prize that has been won (if a money prize) or must provide the winner with the means for collecting that prize (if a non-money prize).
- b) Information about the type of non-money prize won must be displayed on the machine or in the premises.
- c) The winner must have the opportunity to collect the whole amount of the prize (if a money prize).
- d) Where the prize is not held by the machine, it must be available for collection by the winner at the premises where the machine is situated and at a time when gaming machines are available for play.
- e) In the case of a money prize not collected by the winner, the machine must not automatically make it available for use as a stake.

### 5.15 Delivery of Money Prizes

**5.15.1** In the case of single meter machines, where the stake is taken from the Deposited Amount, a winning money prize may not be added to the Deposited Amount until the winner has been given the opportunity to collect the full amount of that prize if:

- a) in respect of a Category B3 machine, it exceeds £50;
- b) in respect of a Category B4 or C machine, it exceeds £10; or
- c) in respect of a Category D machine, it is of any amount.

**5.15.2** In the case of a gaming machine operating the Autoplay facility, a money prize must not be available to pay a further stake unless the winner takes action to allow that to happen.

### 5.16 Manufacture, Supply and Maintenance of Gaming Machines

**5.16.1** Section 243 of the Act makes it an offence to manufacture, supply, install, adapt, maintain or repair a gaming machine without the appropriate Operating Licence.

**5.16.2** But, the supply of a gaming machine as scrap (without any element of salvage) or as part of a sale of property in which the machine has been used does not constitute an offence.

### 5.17 Gaming Machine Testing Strategy

The Gambling Commission has published guidelines setting out the strategy for testing game titles manufactured after 1st September 2007. These games must be tested against all sections of the applicable standard and relevant regulatory requirements in force at the time of testing, by a Commission approved third party test house.

### 5.18 Legacy Machines

The Gambling Commission has produced a document entitled '**Machine Standards Category B3, B4, C and D (Legacy Machines) June 2007**' which sets out the circumstances in which these machines may continue to be used. A link is available at the [Resource Centre](#).

## 6 Monetary Limits

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### 6.1 Stake & Prize Limits Gaming Machines

Stake and Prize Limits are in place for all Machine Games as well as for Prize Gaming. There are no stake and prize limits for games of Bingo.

Where stake and prize limits are prescribed by regulation, they are set out below. **The bold values and categories are permitted in bingo clubs.**

Machine category	Maximum stake (from January 2014)	Maximum prize (from January 2014)
A	Unlimited	Unlimited
B1	£5	£10,000 (with the option of a maximum £20,000 linked progressive jackpot on a single premises basis only)
B2	£2 (varied April 2019)	£500
<b>B3</b>	<b>£2</b>	<b>£500</b>
B3A	£2	£500
<b>B4</b>	<b>£2</b>	<b>£400</b>
<b>C</b>	<b>£1</b>	<b>£100</b>
<b>D non-money prize (other than crane grab machine)</b>	<b>30p</b>	<b>£8</b>
<b>D non-money prize (crane grab machine)</b>	<b>£1</b>	<b>£50</b>
<b>D money prize</b>	<b>10p</b>	<b>£5</b>
<b>D combined money and non-money prize (other than coin pusher or penny falls machines)</b>	<b>10p</b>	<b>£8 (of which no more than £5 may be a money prize)</b>
<b>D combined money and non-money prize (coin pusher or penny falls machine)</b>	<b>20p</b>	<b>£20 (of which no more than £10 may be a money prize)</b>

### 6.2 Added Prize Money

An operator has unrestricted discretion to add money from his own resources to the prize fund in any game of bingo. There is no limit by way of frequency or value and the added money may take the form of cash or goods.

### 6.3 Link Limits

There are no limits to stake and prize when playing link games, neither is there a limit on the number of clubs which can take part in linked games. Well known forms of linked games are run or managed by the National Game and Meeron.

#### 6.4 Prize Bingo

There are 2 levels of cash prize which is dependent on whether under 18s are present or not.

<b>If NO under 18s present</b>	Participation fee for any one chance to win a prize in a game that constitutes prize gaming £1	£100 max cash prize where NO under 18s are present	Maximum aggregate amount or value of prizes both cash and non cash £500 in any game	Maximum aggregate total of par fees to participate in any one game £500
<b>Under 18s present</b>	Participation fee for any one chance to win a prize in a game that constitutes prize gaming £1	£70 max cash prize where under 18s are present	Maximum aggregate amount or value of prizes both cash and non cash £500 in any game	Maximum aggregate total of par fees to participate in any one game £500

# 7 Mechanised Cash Bingo (MCB)

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## 7.1 Introduction

These guidelines apply to the form of bingo known as Mechanised Cash Bingo (MCB) which is also known as Party Xtra, Cashline or an interval bingo game. Normally this is a 75 or 80 number game (this game format has also been used on Main Stage paper tickets). Games may be played on or at fixed installations (including fixed installations with hand-held playing boards) using electronic, paper (usually on special games only) and mechanical apparatus, or is played on Electronic Bingo Terminals (EBTs), whether fixed installations or portable tablets. Mechanised Cash Bingo can be played for monetary or non-monetary prizes. These Bingo Association Guidelines represent best practice.

## 7.2 Information to be Displayed

**The Bingo and Casino Equipment Technical Requirements** issued by the Gambling Commission (see 7.10) contain a number of display and other requirements for the playing of MCB. Information to be displayed for interval games is:

- a) game number
- b) game type (e.g. prize, cash)
- c) cost per game (unless this is indicated orally to players)
- d) number of boards in play for linked games and number of players in play for non-linked games
- e) prize (cash prizes only; non cash prizes to be announced by other means), and
- f) last number called
- g) During claim checking, a representation of the ticket being checked, including its relevant serial or permutation numbers must be shown, together with its status (valid, not valid or already checked.)
- h) Details of winning claims must be displayed so that the information is available to all players simultaneously.

## 7.3 Specific Error Conditions and Alert Requirements (from the Gambling Commission's Bingo and Casino Technical Requirements July 2008)

- 7.3.1** Devices must detect, display and alert the operator to the types of error conditions and significant events. If the error or event affects the game-play in any way, the device should 'lock up' and allow no further game-play until the error or event is cleared either automatically or by operator intervention:
- a) events/errors related to payment to play, e.g. coins, notes
  - b) events/errors related to operation of the device, e.g. battery failure, programme error
  - c) events/errors related to security
  - d) events/errors related to payouts
- 7.3.2** Equipment used for the playing of interval bingo games but which by reason of its design cannot meet the above requirement must indicate to the player whether they are entered into the game.

## 7.4 Charges and Limits

- 7.4.1** A charge for playing Mechanised Cash Bingo shall be displayed to customers at the main book selling point, as part of the notice detailing the 'charges to play' for all other games.
- 7.4.2** The Bingo Association currently recommend an informal monetary limit with regard to games of MCB which is set at a level of £20 per person per game. This limit may be subject to change.
- 7.4.3** The prize in any game may be one or any combination of the following:
- a) A cash prize which shall be the actual amount given in cash;
  - b) A non-cash prize which will be calculated at the invoice value (including VAT) of the item; and

- c) Shopping/gift vouchers which will bear a cash value clearly marked on the front.

## 7.5 Customer Responsibility

In all games of MCB, as with paper bingo, it is the player's responsibility to mark (for a paper version), cover (on MCB) or otherwise physically monitor (on EBTs), the numbers called and the onus shall remain on the winning player to stop the game and make a claim.

## 7.6 Proprietors' Responsibilities

Proprietors must ensure:

- 7.6.1 That at each playing position, there is a clearly visible, visual indicator activated as confirmation of payment for each game.
- 7.6.2 Participants in MCB play only on equipment (or on specially printed tickets with extended MCB permutations) as specified in 7.1 and the sale of chances is made only on these formats.
- 7.6.3 The prize(s) and the circumstances under which the prize(s) may be won in each game must be published before the game is completed.
- 7.6.4 Rules of play for MCB must be displayed in the licensed premises. The rules must be clear that prepayment and the activation of the visual indicator (where appropriate) at the player's position are prerequisites for a winning claim.
- 7.6.5 The start and finish of each series of games and any change to a game other than MCB must be clearly announced.
- 7.6.6 Where the equipment includes a facility for players to make advance payment for more than one game, operators must ensure that any credit due to a player may be recovered by that player from the operator at the end of any game of MCB.
- 7.6.7 Records of the number of games played, players' participation fees and prizes won must be kept. For high value prizes above the company's set cash limit, winning customer(s) details (name/membership number) and all information must be retained on the bingo club premises for a minimum of six months (or as company rules dictate).

## 7.7 Testing

- 7.7.1 The requirement for a daily test of MCB equipment is considered unnecessary where the operator can show that the equipment installed incorporates the facility to automatically initiate an "end to end" test from each play position whenever a coin is inserted for play, and also satisfies the other requirements in the ways of ensuring that the MCB equipment is functioning correctly. The only system element at each play position which is not tested by the end to end test is the mechanical claim button (where fitted), which should be subject to a manual test not less than once per week.

An end to end test is an automatic test initiated by the insertion of a coin at any play position

which causes an electronic message to be sent from the local player control board to the central controller to indicate that credit has been detected. This in turn initiates a return message from the central controller to the play position to light the valid stake indicator. Thus all system components – from coin mechanism to central controller to stake indicator light, are tested each time a coin is inserted.

- 7.7.2 It is recommended that a full coin pad check be performed on the MCB unit at least once per operating month/period to provide evidence of the reliability of the MCB equipment. Records of this check should be retained for a minimum period of six months.

Note: operators should decide how often they test their equipment based on the size of their club, the number of units and how often they are played. Some larger operators undertake this test twice monthly.

- 7.7.3 For equipment which does not satisfy the criteria set out in paragraph 7.7.1 – 7.7.2 above, operators must:

- a) Check the operation and accuracy of the MCB equipment, either by physically cross-checking at least once per session or by means of a slot by slot test (including the 'claim button') before the commencement of the first session of the day.
- b) Display on the notice board the board numbers of all MCB playing positions.
- c) Evidence of the foregoing tests must be retained on the premises for a period of four months.

## 7.8 Cashless Play (i.e. use of EBTs)

- 7.8.1 MCB is now often incorporated in to EBTs. Where this is the case the 'cashless play' guidelines apply as detailed in the **Bingo and Casino Equipment Technical Requirements July 2008 which can be found on the Gambling Commission website.**
- 7.8.2 Equipment used for the playing of interval bingo games, but which by reason of its design may have events or errors related to the operation of the device (e.g. battery failure, programme error), must indicate to the player whether they are entered into the game. In addition these devices must give a warning when the battery life of the device reaches a low level.
- 7.8.3 An audit log of sufficient time stamping of significant events must be maintained in order to be able to resolve any player disputes arising as a result of timing issues. It must be possible to display the audit log on the site operator's premises.

### 7.9 Ways of Ensuring that the MCB Equipment is Functioning Correctly:

**7.9.1** Operators should comply with section B7.6. if the equipment does not satisfy the following checklist of seven points (B7.9.2 to B7.9.8):

**7.9.2** *Does the equipment employ a bi-directional 'end to end' communications protocol between local player controller boards and the central controller equipment?*

It is important that a coin being detected at the player position cannot illuminate the valid stake indicator unless communication with the central controller can be guaranteed. This may lead to a situation where a fault condition may allow a player to believe they are playing a game when, in fact, they are not.

**7.9.3** *Are there any circumstances where the player valid stake indicator could illuminate without the central controller being aware of it?*

This is important for the same reasons as stated above in 7.9.2.

**7.9.4** *Is it possible for any player position to take part in a game of MCB without the central controller being aware of this?*

MCB equipment usually allows 'programming' of player positions to allow for the expansion of positions, etc. It is important that only those positions which are programmed are allowed into a game of MCB, and that those left unprogrammed are barred from playing.

**7.9.5** *Does the central controller ensure that all money staked is electronically accounted for and that such control equipment will ensure safe records are kept in the event of mains failure or equipment malfunction?*

This is to prevent fraudulent use of the equipment, masked by apparent equipment failure.

**7.9.6** *Does the central controller ensure adequate audit trails are kept electronically and are available in printed form for all money staked, prizes paid, par fees, tax, number of games played, number of players per game and that such electronic audit records are stored safely?*

This is required for basic audit trails.

**7.9.7** *If a coin mechanism is jammed in a closed position is this reported to the operator immediately?*

This provides the operator with a means of quickly dealing with the problem.

**7.9.8** *Is the player valid stake indicator of a very high reliability type?*

This is important to ensure that non-illumination of the valid stake indicator is due to non-insertion of stake, or a faulty micro switch, and NOT due to an indicator failure.

# 8 Linked Mechanised Cash Bingo

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## 8.1 Introduction

This adds detail to the guidelines for Mechanised Cash Bingo (MCB) in the Operator's Handbook, to the extent that it covers games of MCB played across a number of premises linked for the purpose. The guidelines for MCB shall apply to linked games of MCB as they apply to normal games of MCB, unless varied by this section.

**8.4.2** Each participating club shall display the information regarding the total number of participating boards in the game and the prizes.

**8.4.3** The current number must be shown on the appropriate indicator board in each participating premises.

## 8.2 Gambling Commission Requirements

Any determinant used in the game of bingo and distributed by any form of network must be transmitted simultaneously to all player devices designed to receive such information within that game. The receiving devices must be able to present the appropriate information such that no player is disadvantaged by the introduction of any delay.

## 8.5 MCB Linked Perm

Operators should take great care to ensure that their board set (perm) is unique and is compatible with the other participating premises so that no two boards are the same in any one game in respect of the type of game being played (line/house etc.). If, however, due to circumstances beyond the reasonable control of the operator or due to a mistake, a situation arises whereby duplicate boards win a game of bingo, then it is suggested that the prize money should be divided equally among the claimants as in the situation where there are multiple winners. Game rules must make this clear. Operators should have a very clear policy on how to avoid this situation, including written procedures to ensure that each board set is unique in order to prevent duplicate boards being in play during the same game. The operator's Terms and Conditions should state the procedures to be followed by the operator in the event of this situation arising.

## 8.3 Information for Clubs

In respect of each linked game in which it participates, a control club or operator should have access to relevant information in respect of each linked game:

- a) Names of participating clubs;
- b) The total number of boards in play in all of the participating clubs;
- c) Total stake money and its allocation to each game;
- d) A record of all numbers called. This requirement applies to the club in which the numbers are drawn; and
- e) At each club for all games played details of prize-winners are recorded together with the names of the clubs in which they claimed.

This information should be kept for 6 months or in accordance with company instructions

## 8.6 Playing the Game

**8.6.1** The equipment must be operated in accordance with manufacturer's recommended guidelines and, in any event, at a call speed that allows both verbal and electronic claims to be fully communicated across the link equipment before the next number is called.

**8.6.2** Any link group shall, prior to conducting games of Linked MCB, establish a common set of rules under which the games shall be played in respect of the sub-paragraphs below:

## 8.4 Display Information

**8.4.1** A charge for playing Mechanised Cash Bingo shall be displayed to customers at the main book selling point, as part of the notice detailing the charges for all other games.

- a) The checking of winning claims must be heard in all participating premises. The following should be announced and/or displayed when a winning claim is submitted for checking:

- i. number of claimants;
  - ii. winning board(s) and their locations; and
  - iii. last number called (the 'check' number)
- b) Each participating board/EBT in the link game must make the same financial contribution to the prize(s).

**8.6.3** The caller, having satisfied himself that there are no further claims, should announce the number of winners for the game concerned. The link group's rules of play should define the point in the caller's presentation after which no further claims will be accepted.

**8.6.4** Prize monies should be paid on the day but, in exceptional circumstances, within a reasonable amount of time and no later than 10 days thereafter. Prize winners should be informed of the amount they will receive on the day of the game.

### 8.7 Breakdowns

It should be noted that even taking into account up-to-date methods of control and other safeguards the risk of breakdown will increase with the number of premises participating. The following procedures are recommended:

**8.7.1** In the case of a breakdown of the link in one or more, but not in all of the participating premises before or during the game, the link game may continue among those able to participate, the link prizes being re-calculated accordingly. The club(s) cut out of the link must each play an in-house game for the stake money contributed in their own club and all numbers already called, if any, shall stand.

**8.7.2** Any link prizes already won before a breakdown will stand and the remaining link prizes will be re-apportioned after the breakdown.

### 8.8 Ancillary Remote Licence

If you play the National Bingo Game, links or use EBTs you will need an Ancillary Remote Licence.

You may only apply for and be granted an ancillary remote licence, if you are an existing holder of the appropriate non-remote licence. This licence can be held by the holder of a non-remote bingo operating licence and licenses the holder to provide facilities for the playing of bingo, the National Bingo game, linked games and games on MCB equipment by means of remote communication equipment to people who are situated in licensed bingo premises.

# 9 Prize Gaming

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## 9.1 Bingo Clubs - Meaning of 'Prize Gaming'

- 9.1.1** Under a bingo operating licence, any form of bingo may be offered. This means prize bingo and cash bingo, as developed under the Gaming Act 1968, are both permitted by the bingo operating licence. However, section 21 of the 1968 Act conferred certain entitlements to offer gaming for prizes upon premises licensed under Part II of that Act, which are not covered entirely by the terms of the bingo operating licence.
- 9.1.2** Section 291 (Gambling Act 2005) permits holders of a bingo premises licence (and necessarily a bingo operating licence) to offer prize gaming, provided the gaming complies with any conditions attached to the relevant bingo operating licence. Such conditions may be added as general conditions by the Commission or imposed by the Secretary of State. In particular, the conditions may restrict the types of games offered under this authorisation. Conditions imposed by the Secretary of State may also relate to any of the matters set out in section 91(1) of the Gambling Act 2005 e.g. impose limits on the size of payments made by players to participate in the gaming, or on the size of prizes.

## 9.2 Definition of Conditions

In this sub-section "prescribed" means prescribed by regulations made by the Secretary of State.

Prize Gaming, which includes any type of gaming in addition to prize bingo, may take place in licensed bingo clubs subject to the following conditions:

- 9.2.1** Neither the nature nor the size of the prize is determined by reference to:
- the number of persons playing or
  - the amount paid for or raised by the gaming
- 9.2.2** The spend per person per chance to play does not exceed the prescribed amount.
- 9.2.3** The aggregate amount taken by way of the sale of chances in any one game does not exceed the prescribed amount.
- 9.2.4** No cash prizes in excess of the prescribed amount(s) are offered or given; but note that there is a higher prescribed amount for premises that do not admit persons under 18 years of age than for premises that do.

- 9.2.5** The aggregate value of the prizes (cash and non-cash) for any one game does not exceed the prescribed amount.

## 9.3 Additional Information

- 9.3.1** The various prescribed amounts may be varied by Order from time to time [see the Monetary Limits in section B6 of the Handbook]. These limits are also set out in s.5 of the Operator's Licence granted by the Gambling Commission and the Gambling Act (Operating Licence Conditions) (Amendment) Regulations 2010.
- 9.3.2** Despite the restriction imposed by condition 9.3.1 above, there is a formula by which the prize in a game of Prize Bingo can be calculated by reference to the number of players and the amount staked in the game before the one being played. Thus, the prize in game 2 can be calculated by reference to the number of players and the amount staked in game 1; game 3 is calculated on game 2 and so on. This formula has been discussed with, and accepted by, the Gambling Commission.

## 9.4 Operating Licence Conditions

Bingo operators have more onerous conditions attached to their ability to offer prize gaming, due to the fact that broadly the same limits for prize gaming which apply to all other sectors of the gambling industry are, for bingo, set out in the mandatory conditions attached to every bingo operating licence. The penalty for breaching a mandatory condition of an operating licence is ultimately the loss of the operating licence.

The current prescribed amounts for Prize Bingo are:

- £1 participation fee for any one chance to win a prize in a game that constitutes prize gaming
- £100 cash prize per chance where no under 18s are present
- Where under 18s are present maximum cash prize reduces to £70
- Maximum aggregate amount or value of prizes both cash and non-cash £500 in any one game
- Maximum aggregate total of par fees to participate in any one game is £500

# 10 Bingo Variant

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## 10.1 Introduction

**10.1.1** Numerous variations on the traditional game of bingo exist. It is the responsibility of the operator to establish the legality of the game being played. This legality can be established through operator experience/knowledge and/or by seeking reputable legal opinion that supports any new bingo variant format.

**10.1.2** The section (B10.2) below sets out the “Bingo Variant” guidelines agreed by the Bingo Association and the Gambling Commission and which should inform and assist in the creation of new variant games.

## 10.2 Bingo Association and Gambling Commission Agreement on Bingo Variant

A bingo variant (“Bingo Variant”) is aimed at enabling bingo operators to run a version of the game of bingo, the prizes for which can be claimed during a wider time window than main session bingo games, prize bingo or mechanised cash bingo. The rules below were agreed between the Bingo Association and the Gambling Commission in 2011 (document no. 4302795\_6)

**10.2.1** The games will be called in the normal manner by a caller who may be located away from the stage in a dedicated area. As not all players will necessarily be able to hear the caller the numbers called will be displayed for a minimum and maximum period, such period to end at a fixed time after the end of the calling of the numbers.

**10.2.2** Players will participate by physically marking their bingo cards (or terminals) to ascertain if they have the required winning combination. It is not necessary for a player to stop the calling by making a claim. At the operator’s option the calling will continue until either a predetermined number of calls has been made (whether or not by then a player holds a card (terminal) with a winning combination) or until a point at which the caller knows that there is at least one player holding a card (terminal) with a winning combination. At whichever point is chosen, the caller ends that game himself and begins calling the next game. Numbers called in each game will, however, still be displayed for the period provided for in paragraph 10.2 above.

**10.2.3** Players who believe that they marked sufficient numbers to win a prize must claim such prize by having their bingo card (terminal) checked in a prescribed manner. Such claims for prizes can be

made at any time either during the calling of the numbers or up to the prescribed maximum period after a game ceases.

**10.2.4** There will be two categories of prizes for the Bingo Variant game:

- a) One category will be determined by the operator and displayed prior to the sale of tickets.
- b) In the other category the prize will (so as to avoid the Bingo Variant being prize gaming under 5288 Gambling Act 2005) be £X multiplied by the number of tickets sold for that game. The amount of £X, for each game will be determined by the operator. That there will be this variable prize will also be displayed prior to the sale of tickets.

**10.2.5** All players will play for the opportunity to win a prize from both categories. Whatever the outcome the operator will fund the prize(s) and retain all stakes paid by the players. Under the arrangements for calling set out in paragraph 10.2.2 above, there could be more than one player holding a card (terminal) with a winning combination who would win either or both of a prize (i) from both categories or (ii) only from category (a) or there may be no winner at all.

**10.2.6** More than one club may participate so that the operator(s) can offer prizes reflecting the increased scale. Again, such prizes would be determined by the operator(s) in accordance with the arrangements set out in paragraph 10.2.5.

**10.2.7** The Bingo Variant game could be played simultaneously with other games so that players can choose to participate in both (as they will have sufficient time to claim any prize without the need to make a claim) so long as they can mark their card(s) in each.

## 10.3 Gambling Commission – What Constitutes Bingo?

**10.3.1** The Gambling Commission issued a ‘What constitutes bingo?’ advice note’ in January 2014 which will either complement, supersede or have a further impact on Bingo Variant games. A link to this advice note will be found in the [Resource Centre](#). As detailed at the beginning of this section, you should consult your Compliance Manager or take legal advice before introducing any Bingo Variant Games.

# 11 Stake Retention

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## 11.1 Background for Stake Retention

- 11.1.1** Stake Retention to create jackpots or rollover prizes has been legal for bingo clubs since the introduction of the Gambling Act 2005 in September 2007. Stake Retention is simply retaining stake money to be used as prizes in future sessions. Retained stake is returned as a jackpot, bonus or an enhanced game prize at a later date and cannot be taken as par fee or as any other retrospective charge.
- 11.1.2** Any stake monies paid by customers and used for future prizes must be clearly identified as such on the Charges To Play Notice, with the contents of the retained stake pot being separately accounted for and a full audit trail of all its in-coming and out-going transactions maintained.

## 11.2 Rollover Prize

A Rollover prize is a monetary prize which grows by the addition of retained stake monies on each occasion that the jackpot game is played until the jackpot is won. This amount can be enhanced further by the use of company Added Prize Money (APM). There may be more than one jackpot in a specific game and these jackpots will have identifying names.

## 11.3 Section 91 Bingo Operating Licence

It states in (2) (f)...a bingo licence may not be subject to...

- preventing or limiting an arrangement whereby the fact that a prize is not won or claimed in one game of bingo increases the value of the prizes available in another game of bingo.*
- preventing a condition being attached to a Bingo Operating Licence which prohibits or limits the roll-over of prizes between bingo games. Neither the Secretary of State nor the Gambling Commission may attach a condition relating to the roll-over of prizes.*

This permits the provision of retained stake and its use for rollover jackpots which may not be prohibited or limited by the conditions of the Bingo Licence.

## 11.4 Transaction Records

- 11.4.1** Part 5, Section 91 of the 2005 Gambling Act permits an arrangement whereby a prize not won or claimed in one game of bingo increases the value of the prizes available in another game of bingo.

**11.4.2** While no particular restrictions currently apply to the use or administration of Retained Stake, it would be prudent to maintain an accurate and comprehensive record of all transactions both in and out of the collected stake pool.

**11.4.3** If you use stake retention in particular games, it is important to ensure that your records are comprehensive and reflect the amounts held per game.

**11.4.4** In keeping records for the playing of this type of game, it is important to ensure that your procedures comply with the 'Licence Conditions and Codes of Practice' licence condition 4.2.1 'Protection of Customer Funds – Disclosure to Customers which states:

- Licensees who hold customer funds must set out clearly in the terms and conditions under which they provide facilities for gambling information about whether customer funds are protected in the event of insolvency, the level of such protection and the method by which this is achieved.
- In this condition 'customer funds' means the aggregate value of funds held to the credit of customers including, without limitation.*
- cleared funds deposited with the licensee by customers to provide stakes in, or to meet participation fees in respect of, future gambling.*

**11.4.5** Section 5 Cash Handling in the LCCP - Licence condition 5.1.1 states...

- Licensees, as part of their internal controls and financial accounting systems, must have and put into effect policies and procedures concerning the handling of cash, and cash equivalents (i.e. bankers drafts, cheques and debit cards), designed to minimise the risk of crimes such as money laundering, to avoid the giving of illicit credit and to provide assurance that gambling activities are being conducted fairly.*
- The proportion or how much stake is being retained and on what game, must be shown on the 'Charges to Play notice.
- Providing that there is a clear audit trail of income and winnings for each ticket identified as having retained stake, the accumulated stakes can be recorded per ticket, or as a club 'pot', as detailed in your company policy.

# 12 Cash Transactions

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## 12.1 Gambling Act 2005

**12.1.1** It is unlawful for a proprietor or any employee to give or arrange credit for gambling purposes, either to finance future gaming or to pay prior gambling losses. It is acceptable, however, to give cash (or tokens, e.g. bingo books) in exchange for a cheque or debit card transaction. Certain formalities must be observed and these are set out below.

**12.1.2** Automated Teller Machines (“ATMs”) may be located in licensed bingo clubs and can undertake debit card transactions subject to the formalities set out below. ATMs must not be located in close proximity to the gambling or the gaming machines. They must be so located as to require players to break from the gambling in order to use them.

## 12.2 Gambling Act 2005 Part 5 Section 81: Credit and Inducements

**12.2.1** This section concerns restrictions on the offering of credit and inducements by operating licence holders. Subsection (1) provides that a condition may be attached by the Commission to an operating licence relating to:

- the giving of credit in relation to the licensed gambling activities;
- making offers or inducements designed to induce participation in the licensed gambling activities; or
- being party to arrangements for inducing, permitting or assisting a person to gamble.

**12.2.2** In addition to this general condition-making power, subsection (2) provides that holders of non-remote bingo operating licences may not themselves give any form of credit to people using their facilities. Nor may they arrange, permit or knowingly facilitate credit in connection with their gambling facilities. This means that credit cards cannot be used to pay for gambling offered by casino or bingo operators.

**12.2.3** Subsection (3) allows cash-withdrawal machines (ATMs) accepting debit cards to be used by bingo operators, provided that:

- the nature and location of the machines complies with any relevant licence conditions; and
- the provider of the machine and the gambling operator are unconnected, and no payment is made or received in connection with the machine.

**12.2.3.1** Section 255 (4) defines “credit” to include any form of financial accommodation and the acceptance of payment of a fee, charge, or stake in anything other than cash, cheque or debit card payment is considered credit.

## 12.3 Payment Services

In the 31st October 2016 LCCP release, licence condition (5.1.1) was modified in regard to payment services (see below). The modification highlighted the implementation, review and effectiveness of the appropriate premises policies and procedures and now included digital currencies.

### Licence condition 5.1.1

#### Cash and cash equivalents

- Licensees, as part of their internal controls and financial accounting systems, must implement appropriate policies and procedures concerning the usage of cash and cash equivalents (e.g. bankers drafts, cheques and debit cards and digital currencies) by customers, designed to minimise the risk of crimes such as money laundering, to avoid the giving of illicit credit to customers and to provide assurance that gambling activities are being conducted in a manner which promotes the licensing objectives.
- Licensees must ensure that such policies and procedures are implemented effectively, kept under review, and revised appropriately to ensure that they remain effective, and take into account any applicable learning or guidelines published by the Gambling Commission from time to time.

## 12.4 Debit Card Transactions

- 12.4.1** Nothing in the Act obliges proprietors to offer a debit card facility to members. Whether to provide this service or not remains a matter of company policy.
- 12.4.2** To prevent crime, the operator should ensure that customers wishing to pay by debit card must have:
- a) a valid and current debit card which has not been tampered with;
  - b) a relevant club membership card, if a membership system is in operation; or
  - c) some form of identification containing a photograph of the customer.
- 12.4.3** The debit card payment should be authorised by the service provider (e.g. Maestro or Visa). Should a debit card transaction be refused by the bank, the proprietor should not allow the cardholder to write a cheque backed by the card during the same gaming day.

- 12.5.7** A transaction statement should be provided to the customer on request at the time of the transaction.

## 12.6 The Use of Credit Cards

- 12.6.1** From April 14th 2020 it is illegal for Operators to allow a consumer to use a credit card for gambling purposes. This ban applies to ALL remote and non-remote gambling products, with the exception of non-remote lotteries.

## 12.5 ATMs (Automated Teller Machines) Transactions

This Code applies to Automated Teller Machines ('ATMs'), that is automated cash dispensing machines, sited on licensed bingo premises. ATMs must be so positioned within licensed bingo premises that a customer has to physically leave the bingo game or gaming machine in order to use them.

- 12.5.1** Cash dispensed in an ATM transaction must not exceed the cardholder's daily limit of cash withdrawals authorised by the card issuing institution. For security reasons, it is advisable that the ATM should be set to prevent more than £1,000 being withdrawn in any single transaction.
- 12.5.2** It is permissible to charge the customer a fee for providing the debit card facility. Gambling Act 2005 S.81 (3)
- 12.5.3** Should it become apparent that a customer has been refused an ATM transaction; the proprietor should not accept in exchange for cash a cheque from the same person during the same gaming day.
- 12.5.4** A notice must be displayed in a prominent position on or near the face of an ATM giving the phone number of a help line for those experiencing difficulty with controlling their gambling.
- 12.5.5** The Gambling Commission has agreed that a casino or bingo club may use its own funds to stock an ATM that accepts debit cards only.
- 12.5.6** A standard transaction slip should be available from the ATM at the time of use. The transaction data should be stored by the relevant service provider at the time the transaction takes place. Confirmation of the amount of the day's transactions should be given automatically the following day by each service provider for the purpose of reconciliation. The actual transfer of funds must occur no later than two banking days after the transaction date.

# 13 Charges to Play Notice

- 13.1** The Mandatory Conditions attached to a Bingo premises licence state that: any admission charges, the charges for playing bingo games and the rules of play must be displayed in a prominent position on the premises.
- 13.2** For transparency, the charge to play, including any participation fee (charge) should be prominently displayed at the main book selling point, contained as part of the notice detailing the charges levied for all games.
- 13.3** The maximum charge can be up to 100% of the price to play, but a figure should be entered that a bingo participation fee (charge) would not exceed. Where all charges are shown as 100% of cost per ticket, this would not promote a realistic level of transparency.
- 13.4** For example, the Notice might read:
- a)** 100% on link games (paper) as there are quite a few of one off games through the year
  - b)** 50% on all in club games
  - c)** 60% on new National Bingo Games (in case any retained stake is returned) and
  - d)** 60% on all MCB (called 'Cash Card'. 'Cash Card Plus' are link games)
- 13.5** **Details required on the notice are:**
- a)** name of ticket or game
  - b)** what tickets are included, if part of an all-in for example, or feature/jackpot
  - c)** how many tickets you get for the price (single or within a book)
  - d)** price of ticket or book
  - e)** maximum participation fee/charge taken
  - f)** details of any retained stake
  - g)** MCB game fee for each stake level played
  - h)** Linked MCB game fee for each stake level
  - i)** 'Bonus Button' fee
  - j)** date that notice is effective from, or date that the notice was withdrawn from
  - k)** 2 signatures from the management team
- 13.6** Operators are recommended to check and review their respective Charges to Play Notice in every premises on a regular basis in order to ensure that they are up to date and compliant.

# 14 Bingo Terms and Conditions and Rules of Play

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14.3	National Game Rules of Play	127

## 14.1 Introduction

- 14.1.1** With the notable exception of The National Bingo Game, there is no standard set of rules under which the game of bingo is played
- 14.1.2** There are 2 social responsibility codes which dictate that the company terms must not be unfair and that the rules about gambling are displayed, including each variant of bingo and prize bingo.
- 14.1.3** The LCCP provides a licensing condition (7.1.1) for 'Compliance with terms' which is detailed below.

### Licence condition 7.1.1

#### Compliance with terms (consumer rights)

#### All operating licences except gaming machine technical and gambling software licenses

1. Licensees must satisfy themselves that none of the terms on which gambling is offered are unfair terms within the meaning of the Consumer Rights Act 2015 and must comply with those terms.
2. An accurate summary of the contractual terms on which gambling is offered must be made available to customers and set out in plain and intelligible language.
3. Customers must be notified of material changes to terms before they come into effect.

- 14.1.4** The game (in all its variations and their respective rules) has evolved over the years to the point where, despite the absence of any formal industry standard, the way in which the 90 number game is played is basically the same throughout Great Britain. All bingo operators have essentially the same core rules of play, although variations on items of detail do occur.
- 14.1.5** Specific Rules of Play cover additional games such as 75/80 number formats, retained stake and bingo variant games which are now being included in main session games.
- 14.1.6** All rules should be prominently displayed in the foyer or at Ticket Sales to ensure that players are aware of the rules of the club before they enter the club.

- 14.1.7** Each bingo employee should therefore be conversant with the bingo games and the rules applicable to those games as operated in the premises in which they are employed.

## 14.2 Terms and Conditions/Rules

Operators are recommended to check and review their respective Bingo Terms and Conditions & Rules of Play in every premises on a regular basis in order to ensure that they are up to date and compliant.

We have set out below a guide as to what information you may wish to include within your respective Terms and Conditions/Rules.

## 14.3 National Game Rules of Play

- 14.3.1** A copy of the National Game Rules of Play is available via the link within the [Resource Centre](#).

	Section Headings	Details to consider
	<b>Terms and Conditions</b>	
<b>A</b>	<b>Owners details and address</b>	Trading company details and registered office address.
<b>B</b>	<b>Licensing Objectives</b>	Gambling Commission guidelines in relation to keeping gaming fair and crime free and protecting the young and vulnerable.
<b>C</b>	<b>Terms and Conditions</b>	How customers are bound by Terms and Conditions, what they cover and include (rules of play and any policies). The company reserves the right to amend them and it should be stated when they are effective from.
<b>D</b>	<b>Governing Law and Jurisdiction</b>	How the law covers the premises and the operating company.
<b>E</b>	<b>Over 18 policy</b>	Requirement for an 'Under 25' challenge, must be over 18 to gamble, details of any non-gambling event that children may be allowed to attend, loss of winnings if found to be gambling under 18, risk of prosecution if playing or aiding play.
<b>F</b>	<b>Entry and conduct within the club and the right to refuse admission</b>	Where a person is believed to be under age or simply 'without a reason'; entry can be refused. Customer food and drink on premises (bought externally), customer sale of goods, smoking policy, drug use, dress code, money lending and cheating, can all qualify for refusal to entry. This section may also include Health and Safety considerations or the spoiling other customer's enjoyment.
<b>G</b>	<b>Membership, loyalty cards and Privacy Policy</b>	Conditions attached, identification documents required to join, loyalty card ownership rights, customer account procedures (including mistakes on credit / debit transactions, security of PIN, withdrawals and freezing of accounts). What the company's Privacy Policy is. The protection of customer data and who it will be used by.
<b>H</b>	<b>Gambling</b>	Days and times, admission charges, retained stake, Hours and Charges, no other gambling allowed, warning about gambling losses. Right to cancel or abandon games.
<b>I</b>	<b>Liability</b>	Detailing what the company will not take responsibility for, in terms of loss of personal property, damage, injury, failure of equipment, incorrect printing/use of tickets and the right to withhold prizes while investigating and rectifying a dispute or situation. Company may not be liable for an inaccurate prize money display, calling and calculation errors but will aim to fairly correct any event arising. Liability disclaimers also extend to the conduct of other customers, and customer inability to access the club for any reason. There will be of course the rights of the customer for company negligence.
<b>J</b>	<b>Dispute procedures</b>	Local and external complaint/dispute procedure including Alternative Dispute Resolution (ADR).
<b>K</b>	<b>Photographs/Video/CCTV</b>	Warning that video or photography may take place within the club and the premises are monitored by CCTV. Customers may not use video or cameras without permission.
<b>L</b>	<b>Events that may affect prize money and guarantees</b>	Circumstances when prize money may be reduced or removed for events that impact on admission levels.
<b>M</b>	<b>Cash handling</b>	Checking and retention of bank notes where fraud is suspected, payment methods of large amounts of cash, customer identification before large payments are made, money laundering implications, refusal to pay where collusion or cheating is suspected. The use of Ticket in/Ticket out technology and the rights of customers for expiry times and cashing out. Dormant account information.
<b>N</b>	<b>Self-Exclusion advice</b>	Details of the procedure to follow and what self-exclusion entails. This section should list conditions, access to gambling and time scales for exclusion period. There should be other help references for advice in this section.
<b>O</b>	<b>Intellectual property</b>	Protecting the company logos, trademarks and their use.
<b>P</b>	<b>Customer accounts</b>	Procedures and conditions concerning retained customer funds

<b>Q</b>	<b>General Rules of play</b>	How to play bingo, payment to play, all-in sessions/multi purchase, playing EBTs and packages, definition of when a number is called, check number, marking off a number legibly, winning combinations, making a claim, customer responsibilities to stop the game, producing a membership card, multiple winners, when a game is closed, customer sharing winnings, payment of winnings, duplicate tickets, Charges to Play notice, relatives who may play, APM, retained stake, participation fees and information from the caller.
<b>R</b>	<b>Specific Game Rules</b>	Link games (Paper and MCB), Party, Prize, 75 & 80 number games, EBTs, Bonus Buttons, Jackpot tickets, Bingo Variant Games, All Winners games, Superbook and, other games played differently to a standard 90 number bingo game.

# 15 Lotteries, Competitions and Free Draws

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## 15.1 Introduction

**15.1.1** Prize competitions and free draws are free of statutory regulatory control under the Gambling Act 2005 (the Act). Such competitions and draws can therefore be organised commercially for private benefit and profit. This contrasts with public lotteries, which are the preserve of good causes, and must, unless they qualify in one of the 'exempt' categories, operate under a licence issued by the Gambling Commission). Lottery operating licences are only issued to non-commercial societies and external lottery managers who promote lotteries on their behalf.

**15.1.2** The Act contains provisions designed to make clear the distinction between lotteries, prize competitions and free draws. Although the Commission has no regulatory responsibilities in respect of competitions and draws, they nonetheless monitor the boundary between them and lotteries. They also have powers in respect of pursuing and prosecuting illegal gambling and will act where schemes are organised and promoted that, in their view, amount to unlicensed and therefore illegal public lotteries.

## 15.2 Lotteries

**15.2.1** The Act defines two types of lottery; a simple lottery and a complex lottery:

- a) A simple lottery is where:
  - i. persons are required to pay to participate
  - ii. one or more prizes are allocated to the participants in the scheme
  - iii. prizes are allocated wholly by chance.
- b) A complex lottery is one where:
  - i. persons are required to pay to participate
  - ii. one or more prizes are allocated to the participants in the scheme
  - iii. the prizes are allocated by a series of processes
  - iv. the first of these processes relies wholly on chance.

**15.2.2** Any scheme that falls within either of these definitions needs to operate within the statutory provisions relating to lotteries in the Act if it is to be organised lawfully. These provisions are described in the Commission's publications **Promoting society and local authority lotteries and organising small lotteries (Gambling Act 2005)**.

A link is provided within the [Resource Centre](#).

**15.2.3** A lottery is defined as being "a distribution of prizes by lot or chance" and as indicated above, each participant makes a payment in order to participate in it.

**15.2.4** With certain clearly defined exceptions, all lotteries are illegal in bingo clubs. Although bingo is a lottery, it is also classed as gaming because it comes within the provisions of the Gaming Act 2005.

**15.2.5** It is illegal for National Lottery tickets and certain other lottery tickets to be sold or purchased on the premises either by customers or employees. Tickets for Society or Local Lotteries (as defined in the Lotteries and Amusements Act 1976), may be sold on the premises, but only with the prior approval of your Compliance department.

## 15.3 Competitions

**15.3.1** In prize competitions, success depends, at least in part, on the exercise of skill, judgment or knowledge by the participants. This distinguishes them from lotteries, where either success depends wholly on chance or, in a complex lottery; the first stage relies wholly on chance. Section 14(5) of the Act addresses this distinction.

**15.3.2** Section 14(5) states that 'a process which requires persons to exercise skill or judgment or to display knowledge shall be treated for the purposes of this section as relying wholly on chance if:

- a) the requirement cannot reasonably be expected to prevent a significant proportion of persons who participate in the arrangement of which the process forms part from receiving a prize; and

- b) the requirement cannot reasonably be expected to prevent a significant proportion of persons who wish to participate in that arrangement from doing so.'

Note: Full details on Prize competitions can be found in the Gambling Commission's

**'Prize competitions and free draws: The requirements of the Gambling Act 2005.'**

A link is available within the [Resource Centre](#).

**15.3.3** Any competition conducted through a newspaper or in connection with any trade or business or the sale of any article to the public is illegal if it is:

- a) a competition in which prizes are offered for forecasts of the result of either:
- i. a future event, or
  - ii. a past event, the result of which is not yet ascertained or not yet generally known.
- b) any other competition in which success does not depend to a substantial degree on the exercise of skill. For example, any form of lottery held either to reduce the number of entrants or to avoid checking entries (e.g. "first correct entry opened") is illegal, however much skill may have been used to solve the competition.

Any competition considered and its rules must be cleared with your Compliance Department prior to use.

**15.4.4** The Gambling Commission have no statutory responsibilities for free draws. You do not need any kind of licence from the Gambling Commission to run a free draw under the Gambling Act 2005. The rules and conduct of your free draw are solely your responsibility.

**15.4.5** In bingo, 'free draws' are normally relatively straight forward where any customer can take part, there is no charge to participate and the winner is selected in a random manner.

**15.4.6** Free draws are subject to the law on matters of fraud, theft, deception, and so on, and where you operate a promotion outside the 'normal' parameters above, you are advised to seek independent legal advice beforehand from your compliance department.

**15.4.7** As stated in the introduction, the Gambling Commission monitor the boundary between lotteries, competitions and free draws to make sure that people who organise lotteries are properly licensed. Read **Prize competitions and free draws - The requirements of the Gambling Act 2005 - December 2009** for more information. A link is available within the [Resource Centre](#).

**15.4.8** The rules of any free draw must always be displayed.

## 15.4 Free Draws

**15.4.1** A free draw is similar in concept to a lottery. Like a lottery, a free draw is a distribution of prizes by lot or chance but the critical point of distinction is that the participants in a Free Draw **do not make a payment either directly or indirectly for a chance of taking part**. It is this important difference that makes a free draw lawful.

Note: There are nuances to this in that for example you could operate a free draw with the purchase of a bottle of coke, however you cannot increase the cost of a bottle of coke during the promotion and no monies taken from the purchase of the bottle can subsidise the prize given for the Free Draw.

**15.4.2** As free draws are not lotteries they are exempt from statutory control. Schedule 2 to the Act gives details of what is to be treated as amounting to 'payment to enter' for the purposes of distinguishing free draws from lotteries.

**15.4.3** 'Payment to enter' for example would not include the 'normal' cost of first or second class post; but more expensive mailing charges to participate, or charges above a 'normal' rate for the communication (phone, text etc.) would not be acceptable.

# Resource Centre

## Section A - Regulatory

### 2. Licensing Requirements

**2.22.3 (c)** - PPL PRS website/TheMusicLicence  
<https://pplprs.co.uk/get-themusiclicence/>

**2.23.5** - TV Licensing web site  
<https://www.tvlicensing.co.uk/>

**2.9.8 (e) iii** - Full list of accredited personal licence qualification providers  
<https://www.gov.uk/government/publications/accredited-personal-licence-qualification-providers/accredited-personal-licence-qualification-providers>

### 3. Advertising & Marketing

**3.1.1** - The Gambling Industry Code for Socially Responsible Gambling  
<http://igr.org.uk/wp/wp-content/uploads/2019/01/Gambling-Industry-Code-for-Socially-Responsible-Advertising-5th-Edition.pdf>

**3.2** - The Licence Conditions and Codes of Practice  
<https://www.gamblingcommission.gov.uk/PDF/LCCP/Licence-conditions-and-codes-of-practice.pdf>

**3.2.5** - BeGambleAware (See 7.11 below)

**3.3.1** - The CAP Codes (Advertising Standards Agency)  
[https://www.asa.org.uk/type/non\\_broadcast/code\\_section/16.html](https://www.asa.org.uk/type/non_broadcast/code_section/16.html)

**3.3.1** - CAP protecting children and young people from irresponsible gambling advertising  
<https://www.asa.org.uk/resource/protecting-children-and-young-people-gambling-guidance.html>

**3.4** - A guide to General Data Protection Regulation (GDPR) 2018  
<https://ico.org.uk/for-organisations/guide-to-data-protection/guide-to-the-general-data-protection-regulation-gdpr/>

**3.4** - A guide to Privacy and Electronic Communications Regulation (PECR)  
<https://ico.org.uk/for-organisations/guide-to-pecr/what-are-pecr/>

**3.5** - The Gambling (Licensing & Advertising) Act 2014  
<http://www.legislation.gov.uk/ukpga/2014/17/contents/enacted>

**4.2** - Bingo Annual Regulatory Return  
<https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/General-compliance/What-you-need-to-tell-us/Reg-returns-guidance/Regulatory-returns-bingo.aspx>

### 7. Self-Exclusion

**7.4.2** - Bingo Industry Self Exclusion Scheme website database  
<https://ba-selfexclusion.co.uk/>

**7.4.10** - Gamcare (See 7.11 below)

**7.4.11** - Gamcare literature  
<https://www.gamcare.org.uk/self-help/self-help-resources/>

**7.11** - BeGambleaware  
<http://www.begambleaware.co.uk>

**7.11** - Betting and Gaming Council (BGC)  
<https://bettingandgamingcouncil.com/>

**7.11** - British Amusement Catering Trade Association (BACTA)  
<http://www.bacta.org.uk/>

**7.11** - Gamblers Anonymous  
<http://www.gamblersanonymous.org.uk/>

**7.11** - GamCare  
<http://www.gamcare.org.uk/>

**7.11** - GAMSTOP  
<http://www.gamstop.co.uk>

**7.11** - Gordon Moody Association  
<http://www.gordonmoody.org.uk>

**7.11** - National Debtline  
<https://www.nationaldebtline.org/>

### 11. Anti-Money Laundering

**11.1.5** - Proceeds of Crime Act 2002 - Advice to operators (excluding casino operators); Third edition; November 2016  
<https://www.gamblingcommission.gov.uk/PDF/AML/Duties-and-responsibilities-under-the-proceeds-of-crime-act-2002-advice-to-operators.pdf>

**11.1.5** - Proceeds of Crime Act 2002  
<http://www.legislation.gov.uk/ukpga/2002/29/contents>

**11.1.5** - Money Laundering, Terrorist Financing and Transfer of Funds Regulations 2017  
<http://www.legislation.gov.uk/uksi/2017/692/contents/made>

## 12. Data protection, Data Capture and Privacy Policy

**12.10.2** - Buzz Group Ltd Privacy Policy  
<https://www.bingo-association.co.uk/buzzpp>

**12.10.3** - Park Resorts Privacy Policy (Holiday Park)  
<https://www.parkdeanresorts.co.uk/privacy-policy/>

**12.11.2** - CCTV Strategy for Scotland  
<http://www.scotland.gov.uk/Publications/2011/03/18085554/0>

**12.16 (a)** - In the picture: A data protection code of practice for surveillance cameras and personal information.  
<https://ico.org.uk/for-organisations/guide-to-data-protection-1998/encryption/scenarios/cctv/>

**12.16 (b)** - The Guide to Data Protection  
<https://ico.org.uk/for-organisations/guide-to-data-protection/>

**12.16 (c & d)** - The Employment Practices Code & supplementary guidance  
[https://ico.org.uk/media/for-organisations/documents/1064/the\\_employment\\_practices\\_code.pdf](https://ico.org.uk/media/for-organisations/documents/1064/the_employment_practices_code.pdf)

**12.16 (e)** - Privacy Notices  
<https://ico.org.uk/media/about-the-ico/consultations/1560560/consultation-form-privacy-notices-code-of-practice-pdf>

**12.16 (f)** - Data Sharing Code of Practice  
[https://ico.org.uk/media/for-organisations/documents/1068/data\\_sharing\\_code\\_of\\_practice.pdf](https://ico.org.uk/media/for-organisations/documents/1068/data_sharing_code_of_practice.pdf)

**12.16 (g)** - Surveillance Camera Code of Practice  
<https://ico.org.uk/media/1542/cctv-code-of-practice.pdf>

## 15. Protection of Customer Funds

**15.1.6 (c)** - Customer funds are not protected in the event of insolvency' advice note  
<https://www.gamblingcommission.gov.uk/PDF/Customer-funds-segregation-and-disclosure-to-customers.pdf>

# Resource Centre

## Section B - Operational

### 1. Main Stage Ticket Bingo Game

**1.3** - The Bingo and Casino Equipment Technical Requirements July 2008  
<https://www.gamblingcommission.gov.uk/PDF/Bingo-and-casino-technical-requirements.pdf>

### 3. Advertising & Marketing

**5.1.3** - Gaming Machine Technical Standards  
<http://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/Sector-specific-compliance/Arcades-and-machines/Gaming-machine-technical-standards.aspx>

**5.18** - Legacy Machines  
<https://www.gamblingcommission.gov.uk/PDF/Machine-technical-standards-categories-B3-B4-C-and-D-legacy-machines.pdf>

### 10. Bingo Variant

**10.3.1** - Gambling Commission – What Constitutes Bingo?  
<https://www.gamblingcommission.gov.uk/PDF/What-constitutes-bingo-advice-note.pdf>

### 14. Bingo Terms & Conditions and Rules of Play

**14.3** - National Game Rules of Play  
<https://www.nationalbingo.co.uk/documentdownload.axd?documentresourceid=3170>

### 15. Lotteries, Competitions and Free Draws

**15.2.2** - Promoting society and local authority lotteries and organising small lotteries (Gambling Act 2005).  
<https://www.gamblingcommission.gov.uk/PDF/Promoting-society-and-local-authority-lotteries.pdf>

**15.3.2** - Prize competitions and free draws: The requirements of the Gambling Act 2005  
<https://www.gamblingcommission.gov.uk/PDF/Prize-competitions-and-free-draws-the-requirements-of-the-gambling-act-2005.pdf>

**15.4.7** - Prize competitions and free draws: The requirements of the Gambling Act 2005  
<https://www.gamblingcommission.gov.uk/PDF/Prize-competitions-and-free-draws-the-requirements-of-the-gambling-act-2005.pdf>



**The Bingo Association Limited**  
Lexham House  
75 High Street North  
Dunstable  
LU6 1JF

01582 860921

[info@bingo-association.co.uk](mailto:info@bingo-association.co.uk)

[www.bingo-association.co.uk](http://www.bingo-association.co.uk)