

Extracts from Briefing: CMS Conference Wednesday 19th June 2024

Aside from this area, commentators are often quick to point out the risk of displacing people to illegal operators. Any sensible discussion on potential demand factors would need to include how much of an impact consumer's perception of the value offered by illegal operators has, and we have seen high RTPs used as a marketing tactic by illegal operators (noting they are not paying the same overheads legal operators are).

6. A (brief) discussion of the black market but particularly in the context of the Criminal Justice Bill and the General Election.

- The Criminal Justice Bill did not make it into the 'wash up' before the dissolution of Parliament. So what happens next is a question for Government after the election.
- Regarding our work on illegal online gambling though, our aim set out in our strategy is to make it difficult to provide illegal gambling at scale to consumer in GB.
- That means identifying high impact, upstream disruption methods. Its not just 'whack a mole', its identifying the key facilities an illegal operation requires (visibility, payment processing and software/facilities) and finding smarter ways of shutting those off.
- Alongside a significant increase in our intelligence-led disruption efforts, we've been engaging for some time with other bodies and regulators, such as the National Crime Agency (NCA), Police Intellectual Property Crime Unit (PIPCU) and His Majesty's Revenue and Customs (HMRC), to deliver a combined approach wherever possible.
- For example, our work with HMRC where we have been tackling illegal Facebook lotteries has not only seen those lotteries shut down by the Gambling Commission, but the organisers have found themselves paying £600,000 in penalties to HMRC as well.
- And what is all of this achieving?

o In 2023 the Commission issued 452 cease and desist and disruption notices.

This includes 291 cease and desists notices to illegal websites and 161 referred to Facebook for closure, resulting in 212 instances where supply was disrupted (79 online websites and 133 Facebook closures). In the same period, over 7000 URL's associated with illegal gambling were reported to Google.

o We have greatly increased our illegal markets disruption activity in 2024. In April - May 2024 we have referred 28,000 website URLs associated with Illegal Gambling to Google and issued 339 Cease and Desist and disruption notices.

- More work in these areas is planned with meetings arranged with Yahoo to replicate the URLs work undertaken with Google and also plans to engage with Microsoft too. We're also looking into working with X/Twitter on a similar approach for that platform.
- As well as increasing the teams reach, the new additional software newly available allows the team, with expert training provided by ex-police covert online operatives, will allow effective monitoring of the individuals who sit behind the groups responsible for such offerings. Our test purchasing work, both overt, and covert will see such activity also expand within the Commission, allowing us to 'follow the money' with the cooperation of payment providers such as Visa and Mastercard who have the ability to block payments from sites where we have been able to evidence the payment process to such sites.

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] <[\[REDACTED\]@gamblingcommission.gov.uk](mailto:[REDACTED]@gamblingcommission.gov.uk)>

Sent: Friday, December 8, 2023 1:34 PM

To: [REDACTED]

<[\[REDACTED\]@gamblingcommission.gov.uk](mailto:[REDACTED]@gamblingcommission.gov.uk)>

Subject: RE: Reconnect

Hi [REDACTED]

Great to hear from you.

It would be good to speak about unregulated markets. It was certainly one of the main topics of discussion at our roundtable at G2E and something that I think NAGRA and GREF could work together on.

[REDACTED] would you be able to help set something up from our end. Would be good to include [REDACTED] and anyone else you think is helpful.

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED]
Subject: RE: Lines on tackling the black market
Date: 12 April 2024 09:37:00

Morning [REDACTED] hope you're well.

I've drafted something fairly in depth for you to use below. I have a further breakdown of the stats section at the bottom if you'd find that useful, but the stats regarding Google are already in there.

[REDACTED] We're also dealing with our own correspondence from them and due to have a call later to discuss our response – I've asked to discuss the letter you sent as well. I'll try and get something over to you after that or Monday morning.

Anything else, do let me know.

Best wishes

[REDACTED]

The Commissions' approach is to identify and undertake high impact interventions to disrupt unlicensed operators targeting consumers in Great Britain and make it difficult to provide illegal gambling at scale.

Alongside our ongoing intelligence-led disruption efforts, we engage with relevant third parties and identify what further high impact interventions can be made to make it difficult to provide illegal gambling at scale in Great Britain.

- When its proportionate and appropriate; we will pursue criminal action - whether that be against those who offer illegal facilities or those advertising them.
- Although we will investigate and prosecute when appropriate, our focus is predominately on delivering risk based, high impact, upstream disruption outcomes which will restrict supply and access to illegal sites at scale.
- We utilise intelligence and software programmes to identify those websites with the largest GB footprint or profile.
- We focus on those websites which pose the highest risk especially those websites and affiliates which target vulnerable consumers and Gamstop self-excluded players.
- We're focused on increasing the scale of our disruption activity both

directed at websites themselves and further upstream, making disruptions as impactful and long lasting as possible.

- We have also allocated additional resources on the illegal market with a team driving activity.

Activity

Disruption of unlicensed operators

- Issue Cease and Desist letters – informing offending websites they are acting illegally and that if they do not desist, we will commence disruption action and further investigation which will now include test purchasing activity.
- Conduct Intelligence-led disruption efforts: working with website hosts and registrars, informing them they are hosting an illegal website and requesting its removal.
- Engage with relevant third parties to identify further interventions and joint working and disruption options such as HMRC (unpaid duties), FCA (payment service providers) and NCA/PIPCU (intelligence).
- Conduct upstream activities:
 - Working with payment providers to withdraw payment services from illegal websites.
 - Engaging with banks to raise awareness and identify consumer protection protocols to identify and stop payments to illegal websites.
 - Agreeing protocols with search engines to remove illegal websites from search results.
 - Working with social media to take down posts which promote illegal gambling.

Disrupt demand

- Advertising: actively identifying UK facing online advertorial articles, engaging strongly with publishers, getting these articles removed and threatening disruption or criminal prosecution. Identifying marketing affiliates on social media and getting those removed.
- We work with software licensees to prevent access to popular products when their games appear to be available on illegal sites, ensuring licensees are doing all they can to prevent access to GB licensed games via unlicensed websites.
- Engaging with our licensees if we discover their affiliates have placed

adverts on illegal sites – ensuring licensees remove advertising and encouraging an assessment of business relationships with these affiliates.

- Raising consumer awareness by educating those who contact us on illegal markets regarding the dangers.

Outcomes

- In January 2024 we issued **98** cease and desist, and disruption notices with **39** successful disruption outcomes.
- In the last 6 months we have referred over **7,000** website URLs to Google resulting in them being removed from search results.
- In 2023 the Commission issued **452** C & D and disruption notices (**291 illegal website C & Ds plus 161 referred to Facebook for closure**), resulting in **212** instances where supply was disrupted (**79 online websites and 133 Facebook closures**).
- Since 2022 we have **increased our enforcement actions by over 500% - 89 in 21-22 (Enforcement Report) and 452 (291 C & D's plus 161 referred to Facebook for closure) in 22-23**. And we have more than **trebled the number of successful positive illegal website disruption outcomes** – 25 in 21-22 (Enforcement Report) and 79 in 22-23 (so far).
- The Gambling Commission are closely following the implementation of the Criminal Justice Bill in 2024; this sets out new powers available to tackle serious illegal gambling matters; through the suspension of IP addresses and domain names associated with this activity.

On 8 April 2024, the Gambling Commission launched its new Corporate Strategy for 2024-27. As part of the new Corporate Strategy, the Commission has committed to increase investment, resource and capacity to tackle illegal gambling.

From: [REDACTED]@dcms.gov.uk>
Sent: Wednesday, April 10, 2024 12:55 PM
To: [REDACTED]@gamblingcommission.gov.uk>
Cc: [REDACTED]@dcms.gov.uk>
Subject: Lines on tackling the black market

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Hi [REDACTED]

I hope you're well.

I'm currently preparing a response to a piece of ministerial correspondence. We've

included the below lines currently but a colleague has asked if we could include a reference to how many websites the GC has taken down through the Google partnership. Are you able to provide any lines to this effect for use in correspondence? By EOW would be great.

'Your constituent raises concerns around the Gambling Commission's ability to tackle the black market and specifically, operators based offshore. However, under the Gambling (Licensing and Advertising) Act 2014, any operator providing gambling services to people in Britain, including offshore online operators, is acting illegally if it fails to obtain a licence. Where unlicensed websites are identified, the Gambling Commission can take action to ensure they cease these activities. The Commission works with payment providers to prevent payments to online gambling website operators not licensed in Britain but believed to be transacting with consumers in Great Britain. We are also legislating through the Criminal Justice Bill to give the Commission tough new powers to take down criminal gambling websites.'

Separately, I spoke with [REDACTED] and [REDACTED] the other week about general lines on tackling the black market. I was wondering if you'd be happy to share your standard lines on this so we can ensure that we're aligned in what we say and that our lines are as strong as possible.

Thanks,

[REDACTED]

--

[REDACTED]
Gambling & Lotteries

100 Parliament Street, London SW1A 2BQ

www.gov.uk/dcms

From: [REDACTED]
To: [REDACTED]
Cc: [REDACTED] @dcms.gov.uk
Subject: RE: Conference appearances during purdah
Date: 12 June 2024 11:34:08
Attachments: 19.06.24 Briefing - AR CMS Conference.docx
19.06.24 Appendix - AR CMS Conference.docx
image002.png

Hi [REDACTED]

No problem. See attached the briefing and appendix for next week's event.

The speech for Gibraltar I'm afraid is not yet written but Andrew's intention was to keep to topics like our research, compliance and enforcement work (illegal online in particular) and how we see improvements following our previous interventions. Will of course share when drafted.

Any other questions, do let me know.

Thanks,

From: [REDACTED] @dcms.gov.uk>
Sent: Wednesday, June 12, 2024 11:20 AM
To: [REDACTED] @gamblingcommission.gov.uk>
Cc: [REDACTED] @gamblingcommission.gov.uk>; [REDACTED] @dcms.gov.uk>; [REDACTED] @dcms.gov.uk
Subject: Re: Conference appearances during purdah

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Morning [REDACTED]

DGs our side are concerned about Andrew's engagement over the next couple of weeks and are struggling to see how either of the engagements are consistent with guidance, unless he can do the event without commenting on existing policy or speculating on changes for the future.

Are you able to share his speeches/briefings so that we can take a look and we can run by our DGs and Perm Sec again?

Thanks,

On Fri, 7 Jun 2024 at 12:13, [REDACTED] @gamblingcommission.gov.uk> wrote:

The briefing is still work in progress and of course may change significantly after the pre-call next week. I'll share when it's more final.

Re timing, the CMS event is running 3pm – 5pm. We aren't publishing anything afterwards and there is no video link (its fully in person) but can't rule out Trade Press attendance (in fact I would expect them to be there).

Thanks,

From: [REDACTED] @dcms.gov.uk>
Sent: Friday, June 7, 2024 12:10 PM
To: [REDACTED] @gamblingcommission.gov.uk>
Cc: [REDACTED] @gamblingcommission.gov.uk>; [REDACTED] @dcms.gov.uk>; [REDACTED] @dcms.gov.uk
Subject: Re: Conference appearances during purdah

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Thanks [REDACTED]

Do you have the words Andrew may say?

[REDACTED] our side have asked whether you have any timings / agenda as well?

Thanks



[REDACTED]
1st Floor, 100 Parliament Street, London SW1A 2BQ
[REDACTED]
[REDACTED] @dcms [REDACTED] /dcmsgovuk | www.gov.uk/dcms



On Fri, 7 Jun 2024 at 10:58, [REDACTED] @gamblingcommission.gov.uk> wrote:

Hi [REDACTED] yes that's what we've done and as I say, are briefing accordingly.

Thanks,

██████████

From: ██████████@dcms.gov.uk>
Sent: Friday, June 7, 2024 10:57 AM
To: ██████████@gamblingcommission.gov.uk>
Cc: ██████████@dcms.gov.uk; ██████████@dcms.gov.uk>; ██████████@gamblingcommission.gov.uk>
Subject: Re: Conference appearances during purdah

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Hi ██████████

Sharing this round this side but don't think Andrew will be able to reference any white paper activity (including those highlighted) given guidance so will be best to ask them to remove those discussion points?

Thanks,

██████████

On Fri, 7 Jun 2024 at 10:48, ██████████@gamblingcommission.gov.uk> wrote:

Hi ██████████

Yes, they came back last week with a list of discussion points. Some of which literally mentioned the General Election so we've told them the ones highlighted we won't be able to say much in that context (same on novel products: no need to mention a specific product). See below:

1. Reflection on your three years in the role – your initial thoughts on the gambling industry, what has changed, what still needs to change. (And, in that context, has enforcement action peaked - are we now looking at tweaks and outliers in a generally compliant industry?)
2. In your speech at the BGC AGM you referred to the "incredibly polarised debate on gambling". What do you think the Commission can do to bring some moderation to that debate?
3. Also from your BGC speech you commented on the Return to Player figures and said that it was not the Commission's job as gambling regulator to necessarily take a view on this "at present". I would like to explore that a bit further.
4. An update on the White Paper consultations, responses and implementation, to include the impact of the General Election.
5. In the same White Paper context, a discussion about the Ombudsman and the Statutory Levy.
6. A (brief) discussion of the black market but particularly in the context of the Criminal Justice Bill and the General Election.
7. The new Gambling Survey for Great Britain.
8. Innovation and new products post – Football Index.
9. The Commission's approach to protection of customer funds.
10. Recruitment of gambling industry expertise.

Andrew is on board with our approach and we'll brief accordingly. We have a pre-call next Tuesday with them where I hope they will agree that they will tailor the questions in the way we've suggested given purdah.

Re Gibraltar speech, I've not started drafting it yet but Andrew will focus it on our research and statistics work and what we've been doing on illegal online gambling, so avoiding any policy discussion.

Thanks,

██████████

From: ██████████@dcms.gov.uk>
Sent: Friday, June 7, 2024 10:40 AM
To: ██████████@gamblingcommission.gov.uk>
Cc: ██████████@dcms.gov.uk; ██████████@dcms.gov.uk>; ██████████@gamblingcommission.gov.uk>
Subject: Re: Conference appearances during purdah

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Hi ██████████ just checking in on this and whether you had any details on what Andrew may be saying/any Q&A for the 19th?

Thanks!

██████████

On Wed, 29 May 2024 at 10:26, ██████████@gamblingcommission.gov.uk> wrote:

Hi all,

I hope this email finds you well. I'm emailing you to let you know that after internal discussion and with reference to the purdah guidance issued, we're minded that Andrew Rhodes still continue with the following planned public engagements in June:

- Taking part in the CMS Gambling Conference 2024 on the 19 June: he will be taking part in a 'Fireside chat' and then on a CEO panel.
- KPMG Conference in Gibraltar on the 27 June where he is down to make a keynote speech and our Deputy CEO, ██████████ is due to take part in a panel on the future of regulation. A member of our Market Insight team is also planned to give a presentation on the market conditions we see at present.

If you have any questions about this, please do not hesitate to get in touch with myself or our Director of Comms, ██████████ who is copied in. Happy to discuss on our Comms catch up this afternoon with ██████████ and ██████████ also.

Ok, no problem. I'm available later today if that works? I'm free 11-12.30, 1.30-2.30 or 3-4? Otherwise the only time I have next week is Wednesday 8.30-10.30 or 11-12.30. I am currently preparing early advice and hoping to position the black market powers as a priority, but I need to have these materials prepared asap for clearance so it would be helpful if we could make one of these time work but I appreciate you guys are very busy at the moment. If these don't work I have time Tues-Thurs the week of the election.

Thanks,

■

On Fri, 21 Jun 2024 at 09:56, ■ [@gamblingcommission.gov.uk](mailto:■@gamblingcommission.gov.uk)> wrote:

Hi ■

■ sends his apologies as he won't be able to make the meeting at 10:00 today due to a last minute meeting he has been called to. Apologies for the lack of notice, when would suit you to reschedule the call with us?

Kind Regards

■

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COMMISSION

■

■

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[REDACTED]

[REDACTED]

[REDACTED]

From: [REDACTED] <[REDACTED]@gamblingcommission.gov.uk>
Sent: Friday, November 22, 2024 8:30 AM
To: [REDACTED]@gamblingcommission.gov.uk; [REDACTED]
[REDACTED]@gamblingcommission.gov.uk; [REDACTED]@gamblingcommission.gov.uk;
[REDACTED]@gamblingcommission.gov.uk; [REDACTED]
[REDACTED]@gamblingcommission.gov.uk; [REDACTED]
[REDACTED]@gamblingcommission.gov.uk; [REDACTED]@gamblingcommission.gov.uk
Subject: RE: Sky news comms

It might also be helpful to reference the work we did on Fut Galaxy. I know it is a long time ago but could be helpful to include a line like

“We were also the first gambling regulator globally to bring a successful prosecution in relation to illegal gambling facilities connected with a video game.”

[REDACTED]

[REDACTED]

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[REDACTED]

Many Thanks

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[REDACTED]

On Wed, 6 Nov 2024 at 08:17, [REDACTED] [\[REDACTED\]@gamblingcommission.gov.uk](mailto:[REDACTED]@gamblingcommission.gov.uk)> wrote:

Hi [REDACTED]

We will definitely be able to accommodate that date and time for you. If you can let me know potential numbers we can check room availability but we could do something less formal and give you some time with the team. It would be good to show you test purchasing in practice and our use of the longarm system that hides our IP address when doing reviews of illegal sites.

A couple of things will help with your speech preparation:

We have just released a blog on Unlicensed Gambling. This will give you a really good overview of the work we are doing.

[Blog - Unlicensed Gambling – Our approach to tackling unlicensed gambling](#)

We are also publishing stats now on Illegal Markets. It doesn't include everything we are doing but gives some highlights that will show the uplift in activity in this area.

Data Overview on Illegal Gambling

[Unlicensed gambling – Using data to identify unlicensed operators and estimate the scale of this market - October 2024](#)

Overview of Enforcement Action (Disruption) : This is the up to date position :



This is a huge increase in activity from last year – we reported 7000 URL's to Google in 2023/2024. Uplift is a result of increased resources and developing our approach.

If you need anything else please let me know. Ill respond about the skins/loot box points separately.

Many Thanks



From: [REDACTED]
To: [REDACTED]
Subject: ILLEGAL MARKETS SESSION
Date: 10 December 2024 15:18:00
Attachments: [image002.png](#)

Hi [REDACTED]

Thanks so much for taking the time to visit the team today. I hope you found the session useful and insightful. There is a lot happening in the IM space (and plans for next year too) – we can set up a future update with you as needed if this would be helpful.

[REDACTED] and look forward to seeing you again soon.

Many Thanks

[REDACTED]

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