

# GAMBLING COMMISSION

## Mark Jarvis regulatory settlement

### Executive summary

This case concerns Mark Jarvis Limited (Mark Jarvis) which holds a non-remote operating licence authorising it to provide facilities for betting other than pool betting. The Gambling Commission has found, and Mark Jarvis accept, that it breached social responsibility code provision 3.4.1(1) which relates to customer interaction.

Over a 19-month period Mark Jarvis failed to follow customer interaction codes when a customer showed problem gambling traits and spent £34,000 through debit cards on B2 gaming machines in one betting shop. Of this £11,250 was stolen.

In line with our [Statement of principles for licensing and regulation](#), Mark Jarvis will pay £60,000 in lieu of a financial penalty.

### Findings

#### **Breach of Social Responsibility Code Provision 3.4.1(1) – Customer interaction**

The customer was well known to staff in the betting shop and had been attending regularly with her husband. When he died in July 2015, the frequency and duration of her visits to the betting shop increased, and she was spending more money in the shop. Between September 2016 and February 2017, the customer used money stolen from her employer to fund her gambling.

Social Responsibility Code Provision 3.4.1(1) requires:

Licensees must put into effect policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate problem gambling.

The policies must include:

- a) identification of the appropriate level of management who may initiate customer interaction and the procedures for doing so
- b) the types of behaviour that will be logged/reported to the appropriate level of staff and which may trigger customer interaction at an appropriate moment
- c) the circumstances in which consideration should be given to refusing service to customers and/or barring them from the operator's gambling premises
- d) training for all staff on their respective responsibilities, in particular so that they know who is designated to deal with problem gambling issues
- e) specific provision for making use of all relevant sources of information to ensure effective decision making, and to guide and deliver effective customer interactions, including in particular:
  - i) provision to identify at risk customers who may not be displaying obvious signs of, or overt behaviour associated with, problem gambling: this should be by reference to indicators such as time or money spent
  - ii) specific provision in relation to customers designated by the licensee as 'high value', 'VIP' or equivalent
- f) specific provision for interacting with customers demonstrating signs of agitation, distress, intimidation, aggression or other behaviours that may inhibit customer interaction.

Mark Jarvis' policies and procedures for customer interaction were deficient in the following ways:

- It did not identify the appropriate level of management who may initiate customer interaction or set out how concerns may be escalated. This is a breach of SRCP 3.4.1(1)(a).
- It did not clearly require records to be kept. This is a breach of SRCP 3.4.1(1)(b) and contrary to ordinary code 3.4.2(2)
- There was no reference to making use of all relevant sources of information to ensure effective decision making, and to guide and deliver effective customer interactions. Staff were aware that the customer was recently bereaved, which can lead to increased vulnerability and impaired decision making. This is a breach of 3.4.1(1)(e).
- It failed to include provision to identify at risk customers who may not be displaying obvious signs of, or overt behaviour associated with, problem gambling. Staff were aware of lengthy periods of time spent by the customer in the premises but this did not raise concerns and was not considered a sign of potential problem gambling issues. In addition, the customer's level of spend was sufficiently unusual to warrant further investigation but this did not take place. This is a breach of 3.4.1(1)(e)(i).

Mark Jarvis recognises that a fundamental change in culture regarding problem gambling is required. As such, it has:

- put in place a framework of policies and procedures to meet that need
- recruited a full-time Compliance Manager, to properly resource this area - previously this role had been shared with other duties

- arranged for a gambling support service company to prepare and provide training materials to staff and to provide regular intensive training
- procured a bespoke software programme to embed policies and procedures for customer interactions and the collation of relevant information
- reviewed its approach to money laundering to include more rigorous checks on individuals and on when and how those checks can be made.

## **Good practice**

We consider that this case provides valuable learning for operators. They should consider the following questions to avoid the same issues:

- Do you have policies and procedures in place to identify customers who may be experiencing or at risk of developing problems with their gambling? Have you allocated sufficient resources to be able to interact with customers early and effectively when you have concerns?
- Are you curious about your customers? Do you monitor customer activity? Do you record interactions?
- Do you have systems in place to identify potential problem gamblers? Do these include appropriate trigger points for when the usual pattern of gambling becomes unusual (these should not be just financial)? How do you protect new customers (where a pattern of play cannot yet be established)?
- Are your staff sufficiently trained to spot problem gamblers and know how to report concerns? Are there clear procedures once a concern has been raised?
- Where concerns arise, are you able to intervene early and engage with a customer?

## **Regulatory settlement**

Mark Jarvis has divested itself of both the stolen funds it received (£11,250) and the monies paid over the counter by debit card by the customer (£22,660).

We accepted a payment in lieu of a financial penalty of £60,000 which we will direct to work which accelerates delivery of the National Responsible Gambling Strategy.

Payment of £4,000 will be made toward the our investigative costs.