



BetIndex – Questions for the Gambling Commission

dated 2 July 2021

Please could you answer the following questions to the extent that the Gambling Commission is able. If it is not possible to answer a question or it is only possible to partially answer a question then please explain why this is the case. The answers to the questions will inform the Review and it may be the case that some of them may be referred to in the Review when published. The answers will also assist with the determination of which individuals we would request to meet with.

1. What steps/procedures were undertaken by the Gambling Commission in assessing licence applications? Have any changes been made between 2015 and the present?
2. How many betting licence applications were made in 2015?
3. How large was the Gambling Commission's licensing division in 2015 (an approximate figure would be sufficient)?
4. What steps/procedures were undertaken by the Gambling Commission in compliance assessments? Have any changes been made between 2015 and the present?
5. Where successive applications are made by the same entity and/or related entities, to what extent are the initial steps/procedures repeated on each subsequent occasion? Have any changes been made between 2015 and the present?
6. 

7. What information was BetIndex and/or any related company required to submit to the Gambling Commission in its/their regulatory returns? How frequently and by whom were such regulatory returns submitted/reviewed?
8. What financial oversight did the Gambling Commission have over companies, such as BetIndex, which were incorporated in Jersey and whose financial statements were not available online? Were financial statements required from entities outside of the jurisdiction?

9. I understand that BetIndex had too small a share of the overall market to be proactively monitored/reviewed on a regular basis by the Gambling Commission. If that is the case, what were the criteria for companies to be regularly proactively monitored/reviewed by the Gambling Commission?
10. I understand that BetIndex may have engaged in crowd funding in 2016, and that this should have been reportable to the Gambling Commission [ref B2 p344]. Please confirm pursuant to which legal and/or guidance provisions and by what method any such report should have been made.
11. What did the review in August 2018 by the Gambling Commission's Compliance department of the BetIndex Security Audit Report [B2 pp7-26] involve? [ref B2 p6]
12. What was the date of the previous audit referred to in the Security Audit Report?
13. What process does the Gambling Commission undertake in order to review Key Events submitted by licence holders?
14. What prompted [REDACTED] email to [REDACTED] dated 13 March 2019 raising questions about the 'Go to Market' and the licensable state of the activity? [B2 pp129-130]
15. Why was the recommendation by [REDACTED] on 22 May 2019 [B2 p64] that the Gambling Commission's Compliance department conduct a follow up assessment in relation to BetIndex in 3 months not complied with/actioned? [ref B2 p189]
16. To what extent did the Gambling Commission take into account rulings by the ASA in considering the suitability of an operator to hold a licence (for example the ASA rulings in relation to BetIndex on 21 August and 18 September 2019)?
17. Please confirm to which meeting the Notes at [B3 pp81-82] relate.

18. To the extent of the Gambling Commission's knowledge, what was the rationale behind the BetIndex Deed of Trust dated 18 February 2020 (given that customer funds were already stated to be subject to a medium level of protection in 2015)?
19. What consideration was given by the Gambling Commission to the Deed of Trust after it was provided on 12 March 2020, and in particular to the adequacy of the protection which it offered to consumers? [ref B3 p8]
20. What consideration was given within the Gambling Commission to the possibility, raised by ██████████ in an email dated 16 March 2020, that Covid-19 might create a "*bank-run*"? [B3 p14]
21. What steps were taken by the Gambling Commission to check BetIndex's assertion in its email dated 14 April 2020 that it maintained in relation to customer fund contingencies "*a margin of 110% or greater at all times*"? [B3 p194].
22. Why did the Gambling Commission consider that it did not have grounds to suspend BetIndex's licence on 20 May 2020? [ref B1 p314]
23. Please confirm what contemporaneous information, if any, was provided to the Gambling Commission by BetIndex about its decision to increase dividends from around 9 July 2020 [ref B1 p338].
24. Please confirm what contemporaneous information, if any, was provided to the Gambling Commission by BetIndex about its decision in August 2020 to increase dividends from around 12 September 2020 [ref B1 p338] and/or the increase of dividends itself [B4 p138].
25. What contemporaneous information, if any, was provided to the Gambling Commission by BetIndex about the latter's decision in 2020 to suspend Instant Sell liquidity as a result of the lockdown of football and panic cashing out of bets? [ref B4 p59]
26. Why did the Gambling Commission consider that suspension of BetIndex's licence was the only option for delivering the right regulatory outcome on 11 March 2021? [ref B1 p314]

27. How had any issues relating to dual regulation by the Gambling Commission and the FCA been resolved prior to May 2019? Had there been any previous instances of the regulation of a product and/or firm moving from one of those regulators to the other?
28. When did BetIndex advise that 20% of stakes were retained for coverage of future dividends? [B1 p332]. What steps did the Gambling Commission take to ensure that the information provided was correct?
29. What assessments of BetIndex, if any, did the Gambling Commission carry out by way of active regulatory oversight prior to May 2019? [ref B1 p332]
30. Please confirm whether the 'BetIndex Chronology' referred to at [B1 p340] is the same as the Timeline at [B1 pp320-322].
31. Bundle 2 Tabs 15 and 16 appear to contain the same email chain. Should one of these tabs contain a different document?
32. What was the document referred to as 'BetIndex Structure' (Appendix 18.1 to the BetIndex Response to the Gambling Commission dated 14 April 2020) [ref at B3 p195] entitled in the original licence application in 2015? Is this the document provided at [B3 pp223-224]?
33. What is the document at [B3 p226-228]?
34. What was the settlement with the [REDACTED] notified as a Key Event in November 21019 referred to in the BetIndex Report at [B3 p280]?
35. When and on what basis did the Gambling Commission determine that the BetIndex business model was not akin to a "Ponzi Scheme"? [B1 p314]