| Cc:                   |  |
|-----------------------|--|
| Subject:              | FW: Independent Review of the Regulation of BetIndex Limited -                               |
| Date:<br>Attachments: | 22 July 2021 14:17:47  |
| All                   |  |
|                       |  |
| Apols if I have       | e missed anyone off this email – please forwards on if I have.                               |
|                       |  |
|                       | Note we can supply written responses which I would wish to do                                |
| so given the          | Note we can supply written responses which I would wish to do detail of some of the queries. |
| 30 given the t        | ictali of some of the queries.   |
| Could you ha          | ve a look at the qs so we can start thinking about responses with a view to                  |
| getting respo         | nse out in the first half of next week.  |
|                       | 7 FF   |
| My quick sun          | nmary would be:  |
| 1ai — this sco        | nario per se would not make it unfair and subject to refusal. In a comparable                |
|                       | rators can change odds. Further fair and open is one of the aspects of the                   |
|                       | case so we will need to ensure we do not pre judge the outcome of our                        |
|                       | - detailed answer to follow – one for , and  |
| IIIvestigation        | detailed allower to follow one for   |
| Š                     |  |
| 1aii – duty to        | permit subject to LO's. Our regulatory remit does not extend to continuous,                  |
| real-time mo          | nitoring of the financial health of operators within an open marketplace.                    |
| When we lice          | nse an operator we look at suitability, including their financial circumstances              |
| and we may r          | eview these aspects as part of any subsequent compliance activity we take,                   |
| but we are no         | ot able to oversee their businesses on a day-to-day basis or monitor the                     |
| financial heal        | th of all licensed operators directly. Such an approach would represent a very               |
| different forn        | n of regulation and would require a significantly different funding model to                 |
| the one curre         | ently set out in legislation.  |
| 2a – we cons          | der customer spending as part of assessment – hence customer interaction                     |
|                       | lity as a part of that -   |
| 2b – aspect o         | f live case re fair and open but also note actions in this area including banner             |
| No. of the second     | nat this was Gambling Commission and   |
|                       |  |
| 2c – we were          | aware of this mechanism and considered it  |
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| 3 – new app was treated as such - and and could you confirm we would have gone through all of the usual steps – see also our previous response to q5 in their last q set which would not pear to have satisfied their query  |
|--|
| 4-BI only held a GC OL and were not licenced by the FCA but FCA agreed they should have FCA licence and so were starting the application process with them -   |
| 5 — no comparable fund   |
| 6 – customer funds covered money in wallets – shares do not fall within the definition of customer funds saw that as FCA but in absence of FCA licence we 'leaned in' to firstly try and get FCA 'cover' and secondly to continued to press on all areas of concern with the operator. We were aware of the dividend issue and the accruing issue which had been exacerbated by a combination of factors including suspension of live football and increased dividends - |
| 7 – escalated at an earlier point lack of FCA co-op, increased horizon scanning to pick up increased marketing and then clearer focus on expansion, some internal maters ensuring quicker escalation. The issue was always creating a 'run'. Also context of pandemic, reduced FTE small regulator etc — also ref own internal review  |
| Happy to receive emails whilst on the call if it helps with the qs but if we could get to work on these final (I'm sure they are) set of qs that would great.  |
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