**Assurance statement – B2C**

The Assurance Statement is similar to a statement of internal control. It is a document in which we ask you to reflect on your performance against **all of the licensing objectives (LOs)**, and where you need to make progress.

The Statement should provide the most senior level assurance that compliance with the LOs is at the core of your business. Using the Statement to consider risks, how those risks are managed and how progress is evaluated, should help you to achieve greater effectiveness in relation to the LOs.

**The Statement is a tool for you, your Board and senior executives as well as for the Gambling Commission.**

At pages 14-17 we set out guidance for you to use when completing this document.

**List of licensed entities covered by this statement:**

|  |
| --- |
| *(Note - Please include the licensee name and account number).* |

**PART ONE – MANAGEMENT AND GOVERNANCE**

**Board leadership**

|  |  |
| --- | --- |
| What is the role of your Board in the Assurance Statement submission and follow-up processes? For example, which if any of your Board Members have been directly involved in drafting your submission?  |  |
| How has your Board assured itself that the data referred to in the submission are accurate and the judgements sound?  |  |
| How does the Assurance Statement process support your Board in establishing your company’s values, purpose and culture? |  |
| How is your Board assured by the contents of this statement? Has your Board taken any external advice to satisfy itself that the Assurance Statement presents a fair and accurate picture and if so, from whom?  |  |

**Assurance Statement Process**

|  |  |
| --- | --- |
| Between the submission periods, how do you monitor and evaluate the implementation of the plans outlined in your Assurance Statement?  |  |
| Which sections of your submission can you generate from routine performance reporting to your Board and which are specifically created to complete your Assurance Statement? |  |
| How does the Assurance Statement fit within your overall regulatory risk management process? |  |

**PART TWO – CHANGES SINCE YOUR LAST SUBMISSION**

In Part 2 we would like you to set out any significant changes to control systems, risk-management and governance since your last statement.

Consider changes made to address the following:

* Governance structure, scale and type
* The provision of key evidence of risks and issues in a continuous and timely manner
* Oversight of external systems of compliance
* Oversight of external arrangements and third party suppliers
* Scrutiny of and challenge to any behaviour that conflicts with your responsibilities under the LO and LCCP
* Management and resolution of conflict between commercial interests and LO/LCCP
* Regulatory and legislative changes

**Changes (please fill in one set of boxes for each of the changes you have made)**

|  |  |
| --- | --- |
| Please describe the change  |  |
| Did you include this change in the forward look section of last year’s AS?  |  |
| Why have you made this change? |  |
| What outcomes are you expecting as a result of this change? |  |
| How are you evaluating or how are you planning to evaluate the impacts and effects of this change?  |  |

|  |  |
| --- | --- |
| Are there any changes that you identified in your AS forward look in 2018 and that you haven’t implemented?  |  |
| Tell us why you haven’t implemented the planned change |  |

**Risk management**

|  |  |
| --- | --- |
| What are the top 3 regulatory risks you have identified within your business since your last submission and what controls are you putting/have you put in place to mitigate them? (relating to product, process, etc.) |  |

**PART THREE – SAFER GAMBLING**

In this section we would like you to tell us what you are doing within your business to make gambling safer including processes related to identification and management of customer harm and harm prevention.

**Company Culture**

|  |  |
| --- | --- |
| What are you doing to embed a culture of safer gambling and player protection within your business? Please provide specific examples.  |  |
| How do you promote to all staff the ways to prevent gambling harm? Is this a specific objective for every member of staff? |  |
| What are you doing to prevent and minimise the risk of harm to all of your players? |  |
| Is success or failure in preventing gambling harm a factor in decisions about reward, bonus and promotion? |  |
| What specific steps does your Board take to indicate to front line staff the priority it gives to the prevention of gambling harm?  |  |

**Harm identification**

|  |  |
| --- | --- |
| How many of your customers do you estimate are at risk of or experiencing harm? Please outline your reporting structure designed to capture and address risk of harm/harm. |  |
| How have these figures changed since your last AS? Why do you think they have changed? |  |
| What system or method do you use to identify these customers (e.g. behavioural analysis, screening tool, algorithm, machine learning)?   |  |
| Why are you using this method to identify customers who are at-risk of or experiencing harm? Are you confident that this method is providing reliable information? |  |
| Please outline your evaluation methodology related to processes and procedures designed to identify risk of harm/harm. |  |
| Are the same processes applied to your VIP/high spending customer population? Please outline differences of approach. |  |
| How many of your VIPs do you estimate are at risk of or experiencing harm? Percentage-wise, how does it compare to your overall customer base?  |  |
| Please outline your controls which link harm identification and AML processes.  |  |

**Intervention and support**

|  |  |
| --- | --- |
| Having identified customers at risk of harm or experiencing harm - what do you do? Tell us about the customer journey.  |  |
| Are your actions different if they relate to a VIP/high spending customer? Tell us what you do.  |  |
| What outcomes are you trying to achieve with the actions you describe above?  |  |
| How are you evaluating whether these processes are fit for purpose and how do you measure impact on your customers? Please outline relevant reporting suites. |  |

**Collaboration**

|  |  |
| --- | --- |
| Please outline the details of any safer gambling research you directly contract or engage with. (e.g. Marketing, product, customer feedback, etc.)  |  |
| Please outline details of industry collaboration projects you currently participate in.  |  |

**GGY**

|  |  |
| --- | --- |
| Please tell us how much of your GGY you spend on safer gambling? 1. Figure
2. Percentage
 |  |
| Please tell us how much of your GGY is derived from your top spending 10% of customers?1. Figure
2. Percentage
 |  |

**PART FOUR**

In this section we would like you to tell us what you are doing within your business to raise standards in operational compliance, including appropriate controls, processes and innovations.

**Innovation**

|  |  |
| --- | --- |
| Please describe any changes and innovation or technological solutions introduced to maximise compliance functions or safer gambling products. |  |

**Reporting**

|  |  |
| --- | --- |
| How do you ensure your regulatory returns submissions are accurate?  |  |
| What reporting categories additional to the regulatory returns data do you currently use to monitor compliance operations? |  |
| Please outline your LCCP notification/key events investigation and reporting process. |  |

**Marketing**

|  |  |
| --- | --- |
| What changes have you made to your marketing design and sign off processes following the increased focus on fair and responsible advertising and adherence to ASA codes? |  |

**Market insights**

|  |  |
| --- | --- |
| What changes to the market over the next 12 months will pose the biggest risks to the Licensing Objectives? What will your business do to mitigate them? |  |

**PART FIVE – PLANS FOR THE NEXT 12 MONTHS**

In Part 5 we would like you to set out any other plans or ongoing work relating to significant changes to e.g. control systems, risk-management, governance and safer gambling.

|  |  |
| --- | --- |
| Please describe the planned change |  |
| Why are you making this change? |  |
| What outcomes are you expecting as a result of this change? |  |
| How are you evaluating or how are you planning to evaluate the impacts and effects of this change?  |  |

**PART SIX – Declaration**

I confirm that the information is true, accurate and complete, and that all material information has been included in this statement.

I confirm that this assurance statement has been approved by our board of Directors (or equivalent).

I understand that the Gambling Commission may require further information when conducting any test of the control systems and governance arrangements described in this statement.

Signature of the specified management office holder who has responsibility for the overall management and direction of the licensee’s business or affairs[[1]](#footnote-2) (**e.g. Chief Executive Officer/Managing Director**):

|  |
| --- |
|  |
|  |  |
| **Position in organisation:** |  |
|  |  |
| **Print name:** |  |
|  |  |
| **Date:** |  |

**Guidance notes**

**1.Background**

Assurance Statements (AS) should outline effective governance, regulatory risk management and compliance controls, demonstrating the focus and accountability that your board, executives and management place on delivery of the licensing objectives. As with a statement of internal control, it should set out your view of how you are performing against the licensing objectives, and where you need to make progress.

The AS covers a retrospective review of performance and a forward look to the year ahead. The AS is one of a number of pieces of information that we review when considering your regulatory compliance. We use it to assist our decisions about the timing, focus and frequency of compliance assessments.

Your AS submission is an opportunity to set out your plans and proposed actions and how you are evaluating the effectiveness of those. The AS can facilitate continuous improvement and can contribute to a collective awareness and understanding of good practice. In this way, it helps to raise standards across the industry.

One section of the AS is about your assessment of the extent to which you are addressing safer gambling and how well you understand and manage the associated risks. We want you to use the AS to detail the measures you are implementing to prevent harm and to identify and interact with those who you identify as at risk of or experiencing harm. We also want you to tell us how you are evaluating the effectiveness of what you are doing. This is an important element of your ability to identify and manage the risks to your adherence to the licensing objectives.

The AS has evolved in response to your feedback. We have maintained the content in relation to forward look and retrospective review of regulatory risk management, but we have provided more structure within the template and guidance notes. In addition, we have provided individual feedback and through the AS workshops, we share any good practice we identify.

**2. Timeframes for your December 2019 submission**

When preparing your AS, there are specific time-frames that we would like you to cover:

* For Parts 1 to 4, please cover the period 1 October 2018 to 30 September 2019
* For Part 5 please cover the period 1 October 2019 to 30 September 2020

**3. Link to the National Strategy to Reduce Gambling Harms**

In Parts 3 and 5 of the AS, where appropriate, please set out how you consider that your actions and the way in which you are measuring their effectiveness link through to the National Strategy to Reduce Gambling Harms. This will help the Gambling Commission and our Advisory Board for Safer Gambling to track progress against the Strategy, a copy of which can be found [here](http://www.rgsb.org.uk/NRG-Strategy/National-Responsible-Gambling-Strategy.aspx).

**Part 2**

Part 2 should include an update on the **planned significant** changes which you included in your 2018 Statement as well as changes which you have made in response to events or decisions taken during the last twelve months i.e. in 2018/19. This section should also include an explanation for why you made the change and the outcome you expected/intended to achieve. It should include detail on how you have assessed whether the intended outcome has been achieved and how progress is being monitored and will be evaluated.

On Page 4 of the template, there is a bullet point list of areas that you might want to consider when referencing significant changes made.

**Part 3**

At Part 3 we want you to tell us what you are doing to support safer gambling. Part 3 allows you to build on responses submitted in December 2018 to note developments and progress. We recognise that this is a complex area and that the approach you take will necessarily be different across licensees and sectors.

The most widely-used measure of problem gambling in the population comes from the combined Health Surveys of England, Scotland and Wales. This survey uses the responses to a series of questions about an individual’s gambling to give a numerical score out of 27. According to this measure, an individual who scores 8 or more is defined as a problem gambler. A score between three and seven denotes an individual experiencing “a moderate level of problems leading to some negative consequences. This definition is commonly referred to as at-risk.

When referring to the prevalence and severity of problem gambling, we no longer use the definition “at-risk”. This suggests that gamblers who are experiencing a moderate level of problems are on the road to a higher classification whereas empirically, the likelihood of progression to a score of eight or more is low.

We should not be so worried about the possibility of individuals getting worse and progressing to full “problem-gambling”, and more concerned that they are likely to be experiencing harm now – and addressing that now.

We want to understand how well your systems and process are identifying customers at risk of harm, how well you understand the negative effects on consumers and can demonstrate that you are taking action to mitigate the risk of gambling-related harm within your customer base. You should therefore set out:

* Your estimate of the number of customers who are at-risk of and experiencing harm within your customer base and how it has changed since the last statement
* How you identify these customers
* What interactions you have with these customers
* How you evaluate the effectiveness of those interactions and what measures you employ to understand effectiveness.

In the section on GGY we have included a question about how much of your GGY is derived from your top 10% spending customers. “Spend” in this context can mean either drop/stake or loss. We would prefer that you provide the figures for both. If you are not able to provide both, please specify whether you are providing the figure for customer drop/stake or loss.

We have asked you to tell us how much of your GGY (figure and %) you spent on safer gambling in the period 1 October 2018 to 30 September 2019 (the reporting period). We want to compare spend across sectors and across the industry. To support that, we would like you to include only your internal spend on the provision of safer-gambling in GB. Please do not include e.g. donations or contributions to industry level research, education and training (which you report on in your quarterly regulatory return). You may include spend on the following in your calculation:

* Your dedicated\* safer-gambling staff base
* Tools to support safer gambling
* Development of new safer-gambling tools
* Safer-gambling related research, education and training

\*Dedicated in this context means only those staff who spend a minimum of 50% of their working time on safer-gambling.

If you want to include spend on other areas, you may do so but in that case we want you to set out the additional areas covered by your calculation and to provide two figures; the first based on spend on the areas set out above and the second based on the additional areas which you have included.

B2B operators also have an important role to play in safer gambling. They can work with their B2C clients to understand their approach to minimising harm and incorporate into their products tools that will assist with this. B2B operators should set out in their statement how they are helping their customers to identify and tackle gambling related harm. This might include how they consider the relationships between AR and PG and the structural characteristics (speed of play, stake limits etc.) of their games as well as the effectiveness of any interventions that they offer (e.g. limit-setting, pop-up messages).

The purpose of this section of the AS is to:

* Improve ways to identify people who might be at risk or problem gamblers
* Find ways to improve the way these people are helped
* **Evaluate** what is being done to understand if it actually works.

**Evaluation** is an objective process of understanding how a policy, or other intervention, was implemented, what effects it had, for whom and why. Good evaluations allow you and us to understand what works and what does not work, and to build on this understanding for the future. Evaluation provides the evidence that supports claims about an intervention’s effectiveness and impact on reducing gambling-related harm.  Evaluation should be proportionate to the risk and scale of the intervention. In most cases you will want to think about impact evaluation but process evaluations can also be useful. Interventions of high risk, high uncertainty will require a comprehensive evaluation plan. Smaller scale, lower-risk initiatives will require less comprehensive evaluation plans.

**Part 5**

Part 5 should set out planned **significant** changes to control systems, risk management, governance and your approach to tackling at-risk/problem-gamblers and safer gambling in the next 12 months i.e. in 2019/20. For all the planned changes, you should set out what the intended outcome of the change is, and how you plan to evaluate and measure whether that outcome has been met.

1. As per Licence condition 1.2.1 of the LCCP. [↑](#footnote-ref-2)