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U.K. Gambling Commission Announces New Rules on Game Design Targeting Online Slots

By Simon Airey, Joshua Domb & Gesa Bukowski

Following an eight-week consultation that closed on 3 September 2020, the Gambling Commission of Great Britain ("GC") has announced <u>new rules</u> targeting the design of online slot games by amending the remote gambling and software technical standards ("RTS") (the "New Rules"). The New Rules will come into effect on 31 October 2021, giving operators ample time to get ready. The New Rules follow the publication of an <u>industry code</u> by the Betting and Gaming Council ("BGC") in September 2020 on safer game design (the "Industry Code"). Whilst the GC welcomed the Industry Code, the New Rules go above and beyond the voluntary commitments operators made in the Industry Code.

What are the New Rules?

The New Rules are includes in the RTS and include a definition of "slots" as "casino games of a reel-based type (includes games that have non-traditional reels)" ("slot games").

The New Rules introduce a number of requirements for slot games:

- all gaming sessions must clearly display a customer's net position since the session started;²
- auto-play is prohibited;³
- the elapsed time should be displayed for the duration of the gaming session;⁴
- players must not be allowed to play multiple slot games at the same time;⁵
- a new game cycle cannot be started automatically. Instead, the cycle will require the use
 of a "start button" and there must be a lapse of at least 2.5 seconds between game cycles;⁶
- customers must not be permitted to reduce the time until the result is displayed;⁷ and
- returns that are less or equal to the total stake gambled may not be celebrated by the system.⁸

In addition to the above, the RTS will also be amended more generally to prohibit consumers from being able to cancel withdrawal requests (this applies to all forms of gambling, not just to slot games). 9

Are the New Rules different from the Industry Code?

The Industry Code is a voluntary code that certain gambling operators have agreed to as members of the BGC. Members have committed to introduce a range of new features by 31 January 2021 to make online games safer for consumers, such as:

- a minimum game cycle speed of 2.5 seconds;
- the removal of turbo play, which allowed players to speed up games;
- the removal of base game slam stops, which allowed players to end a game before it had naturally concluded;
- no automatic trigger of bonus game notifications; and
- the differentiation of (i) wins below stake, and (ii) wins equal to or above stake, and prohibition of celebrating the former. 10

Whilst there is some overlap between the Industry Code and the New Rules (such as the minimum game cycle speed), the New Rules introduce more onerous requirements on operators.

What should operators do now?

Whilst the effective date of the New Rules may seem far away, it is important that operators get ready now. The New Rules will have a wide-sweeping impact on slot games, and operators need to assess every slot game they offer to ensure that they meet regulatory requirements. In addition, slot games will need to be trialled and tested to make sure that they work properly. Those that do not will either need to be redesigned or removed from operators' websites.

As the New Rules go above and beyond the requirements set out in the Industry Code, it is crucial that operators who already comply with the Industry Code nevertheless assess each game with fresh eyes in order to ensure compliance and functionality.

Time to celebrate—or calibrate?

In particular, it is worth stressing that the Industry Code differentiates between (i) below stake and (ii) equal and above stake wins, with the latter being allowed to be "celebratory". However, the New Rules differentiate between (i) above stake, and (ii) below and equal stake, with only the former being allowed to be "celebratory". This means that some operators may well have to assess all of their games afresh.

In addition, whilst the New Rules include implementation guidance on what "celebratory" means, this guidance is far from clear. According to the New Rules, "celebrate" means "the use of auditory and visual effects that are associated with a win". Whilst certain graphics and audio effects, such as noisy coin showers, ostentatious dancing icons, or trumpet fanfares may generally be considered as celebratory, difficulties are likely to arise in terms of degree. For example, operators will have to grapple with questions, such as whether a single or double trumpet sound is "celebratory", or whether only a full fanfare is, and whether accompanying graphics make a difference or whether a short, silent coin shower is acceptable but one accompanied by a loud jangle is not. In the absence of any further guidelines as to what constitutes "celebratory" visual and auditory effects, operators are essentially left to fend for themselves in setting parameters and ensuring that they are consistently applied across all of their slot games, or are capable of justification on a case-by-case basis

Whilst none of these changes, individually, are cause for alarm, the direction of travel and the potential significance of the language being used by the GC should not be ignored. For example, in the executive summary to the New Rules, the GC writes that reducing the risk of harm is "an area which has seen technological innovation in terms of product design, and we expect operators to continually show an equal, and indeed greater, commitment to innovate in terms of consumer protection". Taken at face value, the GC appears to be suggesting that it expects operators to invest more in consumer protection than product innovation, which sets an extremely high bar if this is truly what the GC intends.

In seeking to apply the New Rules, there will inevitably be differences of interpretation and inconsistencies between operators, and even between products. This will undoubtedly be the focus of increased attention from the GC in due course so operators should not be complacent. As well as keen scrutiny from the GC, operators can also expect contact from eagle-eyed customers—whether those who have genuinely been adversely affected or those (of which there are increasingly many) who raise a complaint merely in the hope of hedging their bets or making a fast buck.

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If you have any questions concerning these developing issues, please do not hesitate to contact any of the following Paul Hastings London lawyers:

Simon Airey 44.020.3023.5156 simonairey@paulhastings.com Gesa Bukowski 44.020.3023.5168 gesabukowski@paulhastings.com Joshua Domb 44.020.3023.5226 joshuadomb@paulhastings.com

- New definition, RTS.
- ² RTS requirement 2E.
- ³ RTS requirement 8C.
- ⁴ RTS requirement 13C.
- ⁵ RTS requirement 14C.
- ⁶ RTS requirement 14D.
- 7 RTS requirement 14E.
- 8 RTS requirement 14F.
- ⁹ RTS requirement 14B.
- 10 https://bettingandgamingcouncil.com/uploads/Downloads/BGC-CODE-OF-CONDUCT-GAME-DESIGN.pdf

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