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for Culture,
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Dear Caroline,

At my appearance on 5 September at the Committee's oral evidence session on gambling regulation, I committed to providing further information on a few matters. I am happy to provide that in writing now.

Funding for third sector organisations during the transition to a statutory levy

As I outlined during the hearing, I am committed to ensuring that there is minimal disruption to third sector organisations and the important services they provide during our transition to a statutory levy. I have met with leading gambling operators and trade bodies, and secured a firm commitment from them to continue their contributions under the current voluntary system until such a time as the statutory levy is implemented. In addition, as the CEO of the Gambling Commission outlined, the regulator has directed £32.8 million of regulatory funding settlement to GambleAware as the main commissioner of third sector services to ensure system stability.

I recognise that some organisations have previously accepted regulatory settlement money, but may not wish to apply to receive funds via GambleAware. The regulatory settlement funding directed to GambleAware, some of which will be used for a 'system stabilisation fund', is clearly distinct from the voluntary industry contributions the charity receives to fund its core commissioning work, and will improve the evaluation processes in place for projects funding via regulatory settlements. As such, I am confident that there are no conflicts of interest in receiving financial support from GambleAware from this funding. Furthermore, there is nothing to preclude the Gambling Commission from applying regulatory settlement funding for organisations outside of GambleAware, though the quantum of funding available is unlikely to be stable given its nature.

Figures to inform financial risk checks

The Government and the Gambling Commission considered a number of data points in determining the appropriate financial loss thresholds for triggering financial risk checks, both the initial financial vulnerability screen and the enhanced risk assessment. In particular we considered three factors:

- **Current spending patterns to identify unusual trends.** According to the *Patterns of Play* research which analysed one year's gambling activity data for over 139,000 accounts, most online gamblers have relatively modest losses. It found 21% of accounts made a net gain, 60% lost less than £200, 13% lost between £200 and £1,000, 5% lost between £1,000 and £5,000, and around 1% lost more than £5,000.
- **Rates of harm for online gambling.** Data from the 2018 Health Survey (which covered England only) reported that 4.2% of online gamblers were experiencing problem gambling, with an additional 23.4% classed as at moderate or low risk. Specifically on financial harms, combined analysis of the seven major household prevalence studies by Regulus Partners and



Professor Ian McHale also shows that 19.2% of online slots, casino and bingo gamblers reported that in the previous year they had 'at least some of the time' bet more than they could really afford to lose. 8.9% of respondents felt that their gambling had 'at least some of the time' caused financial problems for them or their household.

- **Levels of discretionary income across different age groups.** The Gambling Commission's [call for evidence on remote customer interaction](#) included YouGov data on the levels of discretionary income available for different age groups. It shows that in all age groups there are individuals with low discretionary income for whom even relatively modest gambling losses have the potential to be harmful (for instance in limiting income available for necessities). The data also shows how few individuals are likely to have discretionary income exceeding our proposed thresholds for checks, and that young adults in particular are likely to have lower discretionary income, evidencing the need for the lower check triggers for 18-24 year olds as being explored in the Gambling Commission's ongoing [consultation](#).

Impact assessment of the white paper

The Gambling white paper in April was a high level policy document which set out the Government's intention to introduce a comprehensive package of proposals to achieve our objectives for the gambling sector. Many details of those proposals are subject to further refinement through consultation, and a number will be delivered through voluntary action by the gambling industry or other related sectors. This meant that a number of key modelling assumptions could not be made and as such, we could not provide robust and accurate impact estimates. It was therefore inappropriate to publish a full and formal impact assessment alongside the white paper. However, to ensure stakeholders could understand our best estimates of the cumulative impact, we published an [impact annex](#) alongside the white paper.

In line with our statutory obligations and the normal policy development process across Government, the Department will prepare and publish full impact assessments on specific policies as the details are finalised and ahead of legislating. On 26 July we published a consultation stage impact assessment which received a 'green' rating from the Regulatory Policy Committee to support our online slots consultation. While we did not have the necessary detail and evidence to publish a consultation stage impact assessment to support the land-based consultation, we did include further detail on expected impact throughout the consultation document. Where necessary and appropriate, we will publish final stage impact assessments alongside Government consultation responses. The Gambling Commission will similarly fulfil its obligations on estimating the impact which its proposals will have on the gambling sector.

Thank you for the Committee's ongoing interest in this important policy area, and I look forward to receiving the outcomes and recommendations from your inquiry.



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