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RAISING STANDARDS

Assessing LCCP compliance at premise level

October 2020

Session outline

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- Why we are making changes to the way we assess premises

- How assessments will be undertaken and with whom

- LCCP areas to be assessed

- Information required from operators

During this session we will set out the reasons why we are making the changes and the benefits to both yourselves and us

We will let you know what to expect in terms of
- What assessments will look like
- who we will need to attend and
- what areas of the LCCP will be assessed and the types of information we will require to assess compliance

Why are we making changes?

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- Raise standards more quickly
- Wider view across large estates
- Better use of operator and GC resources
- Reduce regulatory burden at premise level

1. We believe that our new approach will mean that standards can be raised more quickly across your estates as we will no longer take a piecemeal premise by premise approach. Instead, we will be able to gain a clear understanding how you direct your resource and how you use that resource to ensure compliance.
2. For those operators with large retail estates it will mean that we are not making wider judgements based on failings at a single unit or on a lack of knowledge from a single employee. It will allow your PML's and their teams to demonstrate the good things that they do and evidence what they know about their areas, their shops and most importantly their customers. This will allow us to identify trends and widespread good practice as well as any compliance issues.
3. The approach we will outline, once embedded, should allow for easier and quicker assessments allowing the Commission and operators to better use resource by covering off more, in a shorter time. It will also mean that your customers are not impacted.
4. For those joining us from the casino sector it has been the case that Casino visits have meant that for some operators their senior managers have had to travel across the country to answer the same questions for a premise in the same group but under a different licence.

5. For other sectors no matter how much we try to fit our premise assessments around your business, we are still a distraction. Both from a customer point of view and for staff. We are also aware that on occasion junior team members have felt under undue stress.

How will assessments be undertaken?

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- Via Skype or Microsoft Teams
- Notice of assessments in advance
- Regions, areas or individual premises
- Identified PML holders
- Stand alone or part of wider assessment
- Operators notified prior to assessment when findings will be received

The primary change that we are undertaking is that premises will be assessed using your data. This will be via a skype for business or Microsoft teams meeting. Unlike most premise assessments which are unannounced we will pre advise you of our intention to undertake an assessment. Our notification will identify the region, area or premises that we wish to assess and those persons we require in the meeting.

We are aware that each of you will have different structures and PML responsibilities, so we will obviously engage with you to identify those best placed to access the information we require. It may well be that the information is held and collated by a central team and it is those that we will need to engage with.

However, we will still require those with direct oversight of premises to attend as well as those PML's that make the actual decisions on business relationships. For instance if the regional manager is a PML but plays no part in assessing the impact of safer gambling interactions, we will require the PML who is responsible for that work to attend. However, the Regional Manager, as PML responsible for the units, will be asked to explain how feedback is translated into actions at premise level and how they assess its efficacy.

We will undertake premise assessment as part of wider group assessments, sector thematic work or as a stand-alone assessment. In all cases as part of our initial engagement we will set out when you can expect our findings.

What will be assessed

What will be assessed?

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- SR Code 3.2 Access by children and young persons

  - AV checks
  - Failures and lessons learnt

With regard to age verification testing we will, where possible, ask to see the amalgamated testing figures for an area or region or individual premise. In addition to the bare numbers we want to know where operators have identified systemic or repeated failures. We will also want to know what the causes for these were and what changes have been implemented at either local or wider levels.

We will also want to look at a snap shot of premise reports and learn how operators test the voracity of internal reporting.

What will be assessed?

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- SR Code 3.4. Customer Interaction

    - Indicators and markers
    - Customer monitoring
    - Thresholds and affordability
    - Reporting and recording
    - Outcomes and evaluation
    - Management assessment of staff knowledge and implementation

In line with our guidance we will require operators to evidence how they identify customers that they feel need an interaction. What that interaction entailed and how they evaluated the impact of those interactions.

Some of the information we require may be requested before the assessment in the form of your policies and procedures. This would include the indicators, thresholds and monitoring controls in place. However, the assessment will seek evidence of how you ensure compliance with those Procedures across the designated premise set.

We will look to track customers journeys through your retail business. This means asking Who your teams are interacting with, why and to what purpose, what information led to this, what was done, what was happening pre interaction and what has happened post interaction.

We will also be asking how you are determining what affordability looks like at premise level. What questions are being asked, when staff ask them and what is done regarding the responses. This may mean looking at large individual bets, high staking or long sessions of play and determining what is known about the customer. These questions will also allow us to understand how managers assess how staff implement policies and understand their role.

Our expectation is that operators will know who their most vulnerable/valuable customers are, at individual premise level upward and have data to that effect.

What will be assessed?

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- SR Code 3.5 Self Exclusion

    - Customer identification
    - Staff ability to effectively implement
    - Analysis of breaches

In the area of self-exclusion we will require evidence that staff are identifying those customers at risk of harm and interacting with them.

Following on from this we will ask operators to explain how their staff are expected to implement self-exclusions. In particular we will ask PML's to provide assurance that staff can effectively identify those persons registered with either the operator or applicable multi-operator scheme.

Where breaches have occurred we will also be asking for information on potential trends and analysis of how and why breaches occur within a specified area or region.

With regard to complaints we will ask for evidence that all premises within scope have been audited for compliance re provision of customer information. Over the years this is an area where in branch stocks have run low.

We will discuss recent complaints, how staff record these for future reference and how PML's use them to identify trends, potential issues concerning amongst other things marketing, staff knowledge and LCCP SR code 4

What will be assessed?

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- AML/CTF or PoCA Guidance

    - Customer profiles
    - Information sources
    - Use of information
    - Multi premise/multi product record keeping
    - Reporting

For those within the regulated sector our information requirements are well known and are not subject to change. The only difference from now being that those operators will be asked to share their information via remote means.

For those operators covered by our PoCA guidance only, we will require evidence that operators have asked, or are prepared to ask customers , applicable questions to help decide whether or not to establish, maintain or terminate a business relationship.

We will ask what enquiries and assessments have been undertaken for individual customers, where information has been sourced, how it has been tested and what conclusions and actions have resulted. An important part of this work will also be how operators identify single customers across a geographic area and link their levels of play across sites and or products.

Finally we will look at operators suspicious activity reporting process, how they ensure staff know what and how to report and how the information received is used, collated and where necessary forwarded onto the NCA
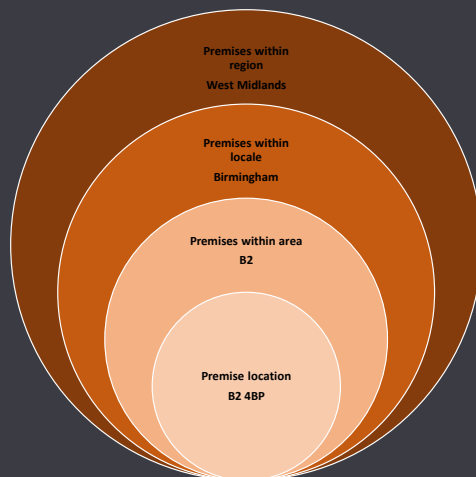
Premise assessments will seek evidence of how PML's or head office tie together information from single sites up to regional level. Operators individual premises, areas and regions are interlinked. Not only as part of a wider corporate entity but also from a customer point of view. While many customers are brand loyal and do their gambling in a single site, many, still use the same brand but over multiple sites.

This means that we will require your teams to evidence,

- How individual customers are tracked across different locales and products for both AML and SG purposes
- What review and analysis of information is undertaken
- And where good practice or failings are identified how they are disseminated

This applies equally across all sectors. We recognise, that for some operators this is a new approach. However, changes to the LCCP in 2019 meant that operators must now be keeping records on individual customers. This includes keeping information on affordability of customers play, records of interactions undertaken and subsequent evaluations.

As I have set out these premise assessments will primarily focus on SR codes 3.2, 3.4, 3.5 and 6.1 as well as compliance with our Anti money laundering and Proceeds of Crime guidance. I apologise that it appears that we are repeating ourselves over the next 2 slides but we feel it is important that we are clear on what we require from you.
In all areas we will require evidence that you have

- Kept meaningful records
- That staff understand what effective interactions are, how to conduct them and that you are assured that they actually undertake them
- And that post interaction customer habits are monitored and that interactions are assessed both individually and collectively
- We will look at top spending customers across single and multiple sites to assess what monitoring is undertaken and what affordability checks are being made
- Where applicable we will assess KYC held on customers for potential suspicious activity and within the regulated sector into CDD and EDD information
- We will also require evidence that you have effective self-exclusion and age verification processes in place

Together these measures ultimately inform us on how, at premise level, you meet the 3 licensing objectives

Customer profiles

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- Gaming/betting history
- Stakes
- Win/loss
- Interactions
- SG history
- Affordability

As we said earlier our expectations for those within the regulated sector remain the same. However, for those of you not in the regulated sector here is a rundown of the type of information we will be looking for to inform a customer profile.

We appreciate every operator will put their information together differently however in broad terms we will be looking for;
Knowledge of total spend across premises and/or products. This should include an understanding of what normal betting or gaming looks like for the customer as well as their win/loss position.

We want operators to evidence the interactions had at premise level as well as any instigated by head office. As described previously this would include any evaluations of safer gambling interaction effectiveness and changes noted as well as the use made of the information received as a result of any interactions regarding affordability.

Post assessment

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- New feedback questionnaire

  - Pre assessment contact
  - Assessment management
  - Post assessment communications
  - Assessment impact

- Approximately 10 minutes to complete

Post assessment we have introduced an assessment questionnaire which we will send out after the assessment findings letter. We will ask you to rate the information supplied by us pre assessment, on the type of assessment to be undertaken, which licences were being assessed, the times and dates of any meetings and the required attendees,
We will then ask you to rate your experience during the assessment. So did the Commissions team keep you informed of the process and appear well prepared. Were your teams given time to answer and, if necessary, submit evidence after the meeting. Did our team flag concerns during meetings and provide summary findings at the end of the assessment. We will also ask you to rate our post assessment comms in terms of clarity on our findings, actions required and next steps. Finally, we will ask questions for you to evaluate the impact of our assessment in terms of recognising risk, making changes and raising standards within your operations.
We believe the questionnaire should take around 10 minutes to complete and will begin sending them out after all assessments from this November.

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Questions

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