

Technology, the regulators and the player journey

With operators under increasing pressure from regulators over how they monitor and police customer journeys, could the adoption of new technological tools such as machine learning and AI be the answer? Scott Longley reports



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28/04/2020



Few doubt the growing regulatory backlash underway across large parts of regulated Europe. Given an extra push by the current Covid-19 crisis, we have seen advertising bans in Spain, deposit limits imposed in Belgium, unspecified access controls in Portugal and an outright ban in Latvia.

But away from what optically appears to be the regulatory equivalent of carpet-bombing, a push for the utilisation of more precise technology-led efforts on the part of the operators is also underway in many jurisdictions.

Most clearly in the UK, the **Gambling Commission (GC)** has clearly identified greater use of technology as providing the answers across a broad sweep of related areas of

regulatory concern.

In speeches and public statements, the GC has reiterated consistently for more than five years now its faith in technology and what it believes it can achieve in the area of gambling harms.

“Gambling-related harm is a complex issue, but I am convinced that gambling can be made safer if we harness the power of technology and change people’s mindsets within the industry, in particular,” GC chief executive Neil McArthur said at ICE earlier this year.

Simo Dragicevic, chief executive at Playtech’s responsible gambling analytics platform BetBuddy, says the more targeted approach to identifying and intervening with problem gamblers is more preferable to blanket bans.

“I’m a believer in a more personalised approach to problem gambling. Generally, I find the regulators are very open to what we are doing, they have been very welcoming and we have spent serious amounts of time with them,” he says.

resources”, in the words of Stephen Ketteley, partner at law firm Wiggin, to produce solutions that can then be enshrined in regulation.

To this end the GC last year embarked upon four initiatives, including game and product design, VIP incentives, the use of ad tech and the implementation of a single-customer view.

Ketteley continues: “Asking the industry to fundamentally change some of its business practices will meet understandable resistance but getting the industry to suggest solutions must be better than setting it a challenge, providing little guidance and then taking actions when objectives are not met.”

Dragicevic agrees that challenging the industry to foster innovation in areas such as regulation and compliance is a smart move. “In this big space of using innovation and data, they are saying to the industry, ‘You understand the products and have the technology and we want to encourage you to use it’,” he says.

It is in the three related areas of marketing, affordability checks and the single customer view where regulators are showing a particular interest in technology potentially providing a large part of the eventual solution.

The first of these is marketing and here the GC has specific demands with regard to marketing to under-18s, taking its lead from its own Advisory Board for Safer Gambling (ABSG) which made mention of “the potential of technological solutions to reduce the exposure” late last year

The ABSG advice stated: “For example, this could include using ad-tech to positively exclude certain online profiles from seeing gambling ads – such as devices which are used by people with child-like personas.”

More generally with marketing, Dragicevic points out that BetBuddy specifically works along the same lines as the marketing technology deployed within the operators, similarly segmenting players.

“With marketing you will generate lots of features from a marketing perspective; points of interaction, segments of players that will be useful to the marketers, slicing and dicing of the data,” he says. “We will then do it from a responsible gambling perspective. So sophisticated marketing approaches and CRM systems that will build campaigns can work exactly with responsible gambling.”

Shifting sands

David Clifton, director with the Clifton Davies Consultancy, suggests the focus on adtech is part of the shift in the GC’s thinking that occurred early last year from talking about ‘responsible gambling’ to the “much wider, catch-all banner of ‘safer gambling’” and another aspect of its thinking that applies here is that of affordability checks.

Harry Cott, co-founder and chief executive at multi-account responsible gambling platform beBettor, points out that when it comes to affordability, technology has

enabled operators to move beyond the issue of blanket spending levels being imposed to a more nuanced picture of player appropriate limits.

“Only by using technology and an automated check such as ours can operators have access to the affordability estimates required to comply,” he says.



Harry Cott, beBettor

As Cott points out, operators are being instructed to know ever more about their customers and here it is worth pointing to a recommendation from the ABSG issued late last year. Work on affordability is “vital to ensuring people suffering harms are flagged, including those who are spending amounts of money which may not be immediately eye-catching – but could nonetheless be harmful to many players”.

One affordability solution comes from TransUnion. Its system combines individual-level financial data along with socio-economic and property data to assess players in real-time, generating a red, green or amber rating assessment for operators. Adam Hancox, head of gaming at TransUnion in the UK, says there is more to come.

“We have built this solution with a long-term vision and have a roadmap for continued development so that it can support further changes as the industry evolves. We will

be working closely with regulators, including the UK Gambling Commission, and the gaming operators to ensure it delivers the appropriate levels of insight and protection.”

A point of light

The arguments around the effectiveness of affordability checks inevitably brings us around to the third area of interest: how technology can be utilised for more effective ‘safer gambling’ player management with the single view of the customer.

In this instance, the technology already exists. Facilitated by the mandated open banking rules, various financial sectors in the UK have already seen the architecture for single view put in place.

In gambling, the single view would be “the perfect example” of how technology can help in the area of problem gambling, says Kirsty Caldwell, compliance expert with Betsmart Consulting. Indeed, McArthur himself has said previously he believes the single view of the customer might “potentially (be) the silver bullet”.

The technology certainly exists and Cott points out a project could build on the work that was done cooperating on GAMSTOP.

“The single customer view is the natural next step here aiming to protect customers before it’s too late,” he says. “However, this cannot be achieved by the industry and service providers alone. Only through regulator cooperation, including both the UKGC and ICO, will the industry be able to overcome the hurdles to achieve the single customer view.”

The GC has gone so far as to arrange a single customer view tech sprint in February, but while the next steps will be clouded by the current crisis and data privacy issues, Caldwell is doubtful the regulator will take the lead with regard to the platform for such an effort. “The Commission could be in a position to provide a central hub but I doubt they will as it will be a highly complex project and I don’t think they would want the liability,” she says.

More data please

Still, Dragicevic is in no doubt that further progress will be made as the industry gets to grip with using the data that is available. “We have incrementally added new functionality over the years,” he says of the BetBuddy product. “The accuracy of the system is getting better because we are working with more data sets. We have built tonnes of models. Every time we do it we learn more.”

A hint to where we might be heading when it comes to technology and better understanding how and why a player can get into difficulties comes from the work being completed by Mindway AI in Denmark. Led by founder Kim Mouridsen, a professor in neuro-informatics at Aarhus University, the company is developing a number of products that look at problem gambling including a neuroscience perspective.



Kim Mouridsen, Mindway AI

He points out that while problem gambling “is not going away”, the kind of tools that are being developed – whether that is using AI to understand potential problem behaviour or designing games which can predict which individuals might be prone to developing an addictive problem – which will better understand “the kind of circuitry” that can lead to issues.

“I think the end game is about intervention but not in the sense of requiring people going to seek treatment,” he says. “One task we are working on is to make people less impulsive on gambling and the logical next step is to mitigate behaviour without sending people away.”

How the regulators respond to this will be a key next step, says Peter Murray, sales director at single gateway technology provider W2. “The challenge they have will be

to understand exactly what it does and the impact it has in order to effectively regulate it. Key issues around privacy and safety will always be preeminent for a regulator and often means they are slow to adopt it, lagging behind the entities they seek to regulate.”

**beBettor BetBuddy Betsmart Consulting Clifton Davies Insight Playtech Regulation
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