

Championing Fair Play

IBAS Annual Report 2020



IBAS Corporate Values

Championing fair play.

IBAS resolves disputes, promotes fair terms in gambling and encourages clear communication.



Timely

We aim to resolve your dispute as quickly as possible.



Open and honest

We are truthful and direct in all our work.



Fair and unbiased

We always take an independent view and consider all the facts as presented.



Clear communication

We communicate clearly and concisely and encourage others to do the same.



Consistent

We aim to apply consistent standards so that similar circumstances result in similar decisions.



Professional

We act professionally in all we do, behaving ethically, with respect and integrity.



Chairman's Introduction

Andrew Fraser



It feels like the wrong time of year to be writing this as so much is uncertain and unresolved. Apart from the lockdown and its long-term impact on the gambling industry, we have the first review of gambling legislation for nearly 20 years underway. I was involved in the implementation of the current Gambling Act in a former role at the Gambling Commission and I know how long this exercise is likely to take.

In its announcement of the review, the government downplayed the need for an ombudsman and said that IBAS provided a service for the industry and its customers concerning gambling transactions. IBAS has long taken the position that there are huge benefits to be realised from having a single gambling ADR body, and it is our intention to fill that role. We will respond to the review and make the point that a single body will aid consistency and clarity and the provision of data to the regulator and customers. It will also prevent 'ADR shopping' by businesses and consumers seeking the most advantageous answer.

At present there are nine ADR bodies acknowledged by the Commission. Given the Commission's antipathy to that situation it's not clear why there's been a lack of progress in reducing that number. The Commission's review of ADR providers doesn't appear to have brought about any change in this situation.

IBAS continues to explore the value we hope to add to the reduction of harmful gambling. We have long sought a role in determining complaints on this subject and have been frustrated that we have been prevented from doing so – knowing that the complaints won't then be considered by anyone else. We anticipate playing a much greater role here after the review.

We continue to learn how the complaints we see can be better used to improve the service operators provide and we think our case database will help us to do this.

Richard Hayler and the board of IBAS continue to take an active role in the Ombudsman Association and will continue to consult with the gambling industry and regulators. Our ambitions for the future remain strong; we want to be the single provider of gambling dispute adjudication and to develop our provision of a fair, cost-effective service to consumers and businesses that minimises harm to all.

Managing Director's Report:

A year unlike any other

Richard Hayler



In the second week of February 2020, one of my colleagues mentioned his concern about the apparent gradual spread of a coronavirus in the UK, noting the parallels to its earlier rate of spread elsewhere in the world. He asked whether we had plans developed for how IBAS would function if it became necessary to avoid travelling into London to work in our office. I told him that I had no concerns and there was no need to devote valuable time planning for an eventuality of such low risk. There seemed to be higher priorities.

It's similarly true that the early indicators of others problems don't always arrive with a fanfare. Sometimes a single, brief email about a particular consumer's complaint seems relatively innocuous but turns out to be the first signal of a potentially serious issue.

The outbreak of COVID-19 has been a considerable challenge for us. While our panel of adjudicators have always worked remotely from the office, the remainder of our operations have been entirely office-based. Our phone system is built into our landlord's network, making it difficult to forward calls and impossible to transfer calls from home. We retained hard copy, paper files of every dispute we had considered and our database of existing, live disputes under investigation was stored on a local server in our office with no capacity for remote access.

In the circumstances, and given that businesses were ultimately given very little preparation time to move to entirely remote working arrangements, I am proud by how well our team responded to the challenge. We created new systems, new practices and new working patterns. There was less than a week in which we were not accepting incoming telephone calls and we have been able to process claims received by post throughout. We would have had every excuse to shut down operations while we restructured for the new working circumstances, but we did not.

Like many other businesses our employees have found positives and negatives in home working but the strength of a team of

case managers, say, comes from working side by side, comparing notes, overhearing the issues colleagues are dealing with and helping to resolve them. A full year of working in isolation has benefitted some of our team but it has taken its toll on others. Dealing with claims for payment can be emotionally as well as intellectually draining. We provide support and advice as well as impartial adjudication. While we will continue to embrace the positives of a healthy work-life balance, I look forward to having our office operational and buzzing again.

New Interest, New Challenges

Gambling has been the subject of some notable publications during 2020, including reports published by the National Audit Office, Public Accounts Committee, House of Lords Select Committee and the All Party Parliamentary Group for Gambling Related Harm.

It did not come as a surprise when the government announced its planned review of gambling legislation, in early December.

DCMS invited interested parties to respond to a series of specific questions in its call for evidence. The areas addressed by those questions included 'consumer redress' and invited respondents to consider how consumer complaints could be considered most effectively. We have submitted our response and encouraged the Department to explore every aspect of our existing service.

One of the issues brought into sharper focus through the government review is

2020

A year of intensified media and political interest in gambling and the effects of gambling on consumers



the question of whether the creation of a Gambling Ombudsman would be desirable.

Our view is that it would. In pages 7-8 we set out in brief the case for an ombudsman built on the foundations of IBAS's work, our 80,000+ formal requests for dispute resolution and the tens of thousands of other informal requests for information and advice.

We believe that the concept of an ombudsman is one that the average consumer is familiar and comfortable with. We believe it is in both the consumer's and industry's best interest for there to be one dispute resolution body, delivering consistent high standards and working in partnership with the regulator to feed back issues of concern and seek guidance on decision making.

Safer Gambling: An Expanded Remit

It is evident that a public expectation exists for change in the way that gambling businesses should be held to account where a person has gambled to clearly unaffordable levels.

Beyond that widely shared view there is a wide spectrum of views about precisely what this means. The government review is likely to explore the question further and potentially ask the Gambling Commission to develop improvements to the current system where ADR (Alternative Dispute Resolution) providers such as IBAS refer consumer complaints to the regulator,

but where no personalised, independent investigation and outcome is offered to the complainant.

We believe that we can play a more active role in considering these complaints, but we have made clear throughout that strong regulatory cooperation will be needed to make clear to businesses the standards we will be adjudicating against.

As well as an issue of great public interest, it is also a complex and delicate subject. Whether an ombudsman or ADR provider, a body investigating complaints of this nature must be careful not to take on a backdoor regulatory role, effectively issuing decisions about whether licence conditions have been met. There will need to be a close partnership between complaint handling and regulation to create an effective redress system.

At the heart of the debate is the question of what form redress might take in instances where a gambling business is found to have acted with insufficient care to a customer. We know from our membership of the Ombudsman Association that other complaint handling bodies range of redress powers vary from requiring a letter of apology to ordering payment of significant sums of compensation. There is an assumption in some quarters that offering redress will lead to those who have gambled unaffordably receiving refunds of as much as the full sums they have lost. That is possible, but there is no legal or

Partnership

We are ready to take on an active role in considering a wider range of complaints, but to do so we will need regulatory cooperation

Managing Director's Report

regulatory precedent to support that approach and it raises significant ethical and ideological questions. The court of public opinion has found that 'something should be done' about these situations. Now comes the unenviable task of deciding what.

Anyone who presents this challenge as being simple or straightforward has failed to give it sufficient consideration. We look forward to seeing how the government's review tackles this question and we hope to be able to play a positive and progressive role in developing policy which has the clear and unambiguous outcome of improved protection for vulnerable gamblers.

2019/20 Cases (see page 13)

The annual ADR statistics for the year show some impact of COVID-19 on our workload. Although volumes of informal enquiries showed little change, formal requests for adjudication were reduced by approximately 15%, attributable in the main to the closure of licensed gambling premises including betting shops, bingo clubs, casinos and racecourses. We expect this to impact on our caseload again in the next reporting year.

To some extent, the forced closure of betting shops in particular was balanced by the impact of COVID-19 on sporting events. We received a significant number of requests for adjudication and a much higher volume of requests for informal advice about bets affected by the cessation of professional sport between mid-March and early June. A number of competitions were curtailed or cancelled, and bookmakers were required to apply rules to situations that had never been imagined.

There were some examples of what our adjudication panel considered to be unfair practice, but in the main we found that the betting industry responded to unprecedented circumstances sensibly and practically. Some bookmakers went as far as paying out winning bets on the official winners of certain leagues and refunding bets on losers, a position that we would never have enforced on companies but was appreciated by IBAS as much as it was by the customers concerned as it helped stem the tide of potential complaints.

In any unprecedented sporting situation there will be some hard luck tales. One person's misfortune will lead to another's lucky day. In a number of cases we encouraged bookmakers to consider

showing goodwill to individuals whose bets were placed close to the point of sporting suspension and who never truly received a run for their money. Again, we found most bookmakers reasonable and adaptable in those circumstances where it would not have been *unfair* to declare the bet a loser in accordance with the rules of the betting market.

'Welcome' Bonuses

Despite the 15% overall reduction in our caseload, the number of disputes concerning the identity of an online account holder rose from 774 to 945 while requests for informal advice was reported by our First Contact team to be the most frequent theme of emails and phone calls. Consumers complain that payouts are delayed by intrusive, extensive and avoidable checks which could have been conducted when the account was first opened.

The majority, though not all of these disputes arise from situations where a consumer has accepted a new account 'welcome bonus' offer from an online casino and where, having completed the minimum required amount of gambling to redeem the offer, they are then forced to supply various documents to demonstrate their identity before they are permitted to withdraw their winnings.

This type of complaint was reviewed by the Competition and Markets Authority (CMA) in 2018 and has been subject to further regulatory intervention by the Gambling Commission. The Commission introduced new rules in 2019 which required identity checks to be conducted on individuals opening new online gambling accounts before they were permitted to gamble. However, they also explained that in certain circumstances there could be a reasonable basis for conducting further checks at a later stage.

It is evident to us that many of the complaints we receive about delayed payment of withdrawals concern accounts belonging to people who the business suspects are not controlling the account themselves. In the process of our work we have received confused telephone calls from consumers who have received IBAS adjudications by post but have explained that they have never gambled in their lives. We are aware of one company that recruits students at Freshers Fairs with the promise of risk-free cash payments in return for allowing their identities to be used to open online casino accounts. Several people have mentioned to our team



774 > 945

increase in disputes concerning the identity of online account holders during the past year





having had an unarranged doorstep visit from someone offering to pay cash in return for use of their name, address and other personal details.

IBAS doesn't exist to protect the gambling industry. We are here to give consumers somewhere they can turn when they feel they have been treated unfairly. IBAS is not opposed to entrepreneurial spirit. However, I believe that I speak for everyone involved with the service when I say that we are motivated by seeking fairness for the consumer and none of us is driven by refereeing some kind of corporate struggle between gambling businesses and companies/syndicates operating new accounts on an industrial scale.

Up front, free credit welcome bonus offers attract customers who are often monitored and challenged because they have gambled in a strategically or mathematically sound way. These offers and the accounts that accept them take up an enormous amount of our time and, presumably, occupy huge admin resources across the industry.

When we ask businesses why they make these offers available they almost always say "because every other online gambling business does exactly the same". By all means, companies can offer any free extras or incentives that they deem appropriate and responsible but these

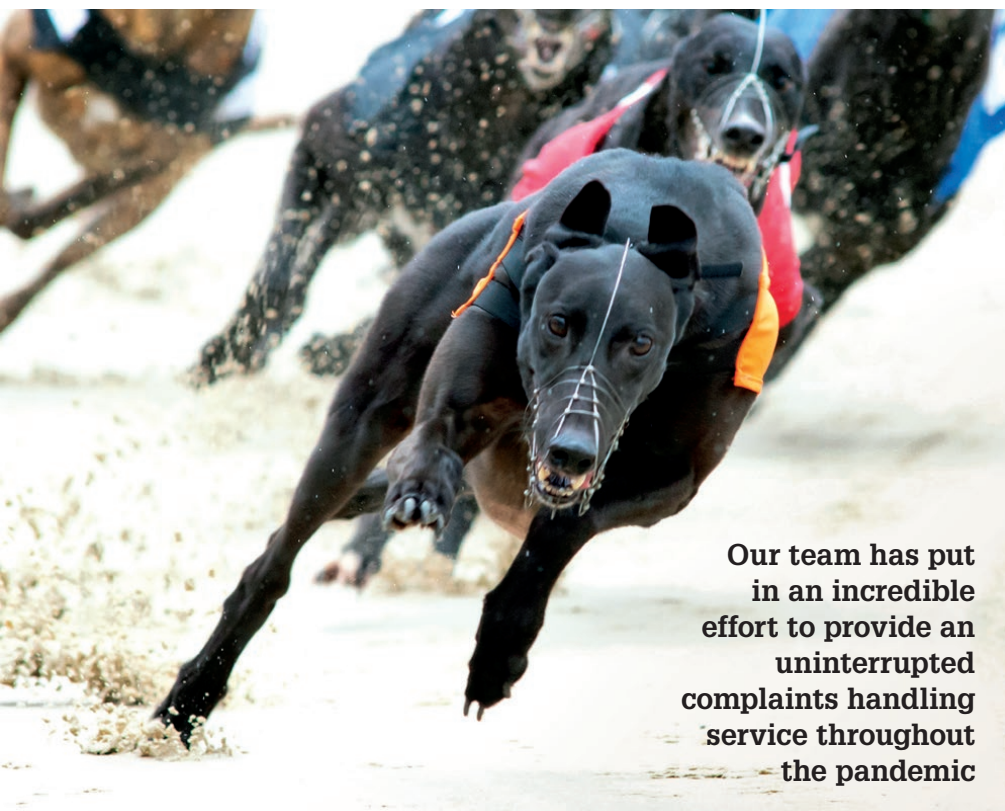
should be made to selected customers on a loyalty or other targeted basis. Offering up unrestricted free cash offers has brought record volumes of complaints, sustained public criticism and a vast administrative headache to the industry. We would like to see the end of them.

The IBAS Team

We were fortunate to have two new additions to the team in 2019-20. Chevelle Biscette joined our Case Management team bringing valuable experience from complaint handling in other sectors. Ron Hearn, a former SIS/Racing Post Betting Shop Manager of the Year joined as a Submissions Assessor. Both Chevelle and Ron have had the unenviable task of learning their jobs remotely, but both have settled in brilliantly and I have every confidence that thousands of consumers will come to benefit from their experience, advice and efforts to obtain fair dispute outcomes.

Complaint handling can be a thankless task at times. Our team has put in an incredible amount of effort to provide an uninterrupted service throughout the COVID pandemic. Very few other complaint handling services were able to do the same. Despite that, during this period we have received some of the harshest and hardest to read correspondence I have seen in my time at IBAS. The IBAS team has done a brilliant job in difficult circumstances, isolated and unable to share the trickier moments with colleagues in the way they normally might. I'm extremely grateful to everyone for their determination to continue offering informed and advice and delivering fair and thorough adjudications in a uniquely challenging year.

I would also like to extend my gratitude for the continued support and advice of my colleagues on the IBAS Board, who were called upon with greater frequency particularly in the early months of the pandemic. At the end of 2020, we reluctantly accepted the resignation of Michelle Parkes whose full-time work commitments prevented her from extending her three year term of office. Michelle contributed extensively, particularly in personnel, policy and strategic planning and her departure leaves a void in board meetings that will be hard to fill. ■



Our team has put in an incredible effort to provide an uninterrupted complaints handling service throughout the pandemic

Gambling Consumer Protection and Complaints Handling: Time for Change?

Perhaps the most powerful evidence for a change in redress arrangements in the gambling sector can be found in our annual statistical report. In the last full reporting year, 653 consumers who registered on the IBAS website and completed an online claim form had their dispute referred instead to the Gambling Commission as a regulatory complaint. Many hundreds more consumers were given the same advice informally, without a complaint form being lodged with IBAS.

IBAS is the UK's largest and longest-serving adjudicator of disputes between consumers and gambling businesses in the UK. We see considerable merit in the recommendations of Parliamentary reports that a Gambling Ombudsman is needed to champion fair and safe gambling. We recognise that an ombudsman with a wider remit than current ADR providers are permitted is needed to ensure that all aspects of gambling are considered and as few complaints as possible are turned away.

We are therefore keen to explore extending our remit, potentially to become the Gambling Ombudsman but definitely charged with protecting consumers in further ways than we previously have. If there is no appetite in government for a Gambling Ombudsman, IBAS proposes to retain its current position as the leading gambling adjudicator, but with a wider remit and jurisdiction, as set out below.

Our vision is for an ombudsman that will work closely with, but be independent of the Gambling Commission. Its purpose will be to promote fairness in gambling and to hold licensed gambling businesses to complaint service standards. Those standards may be set out in law – an updated Gambling Act – or they may instead form part of the Ombudsman's own Fair Play Code. Adhering to the code will be a condition of participation in the Ombudsman service. The service should be 100% free to use for consumers and like all ombudsmen, apart from those concerned with public services, it should be funded by the businesses under its jurisdiction.

The ombudsman we would like to create will have the power to adjudicate on consumers' complaints in all cases where they believe they have been treated unfairly by a gambling business. The Commission's

Licence Conditions & Codes of Practice (LCCP) require licensed gambling businesses to treat customers fairly. If they don't, the ombudsman would offer consumers free, expert, independent scrutiny of their complaint and an easily accessible route to justice. The process offers both sides the opportunity to avoid the cost, complication and risk of cases going to court.

We propose to create an ombudsman that will offer scrutiny of consumer complaints against gambling businesses beyond the level we would expect to be offered through the alternative of county court action. It will make sure complaints have been resolved fairly and reasonably to objective standards.

Avoidance of Gambling Harms

The Gambling Commission's Standards for ADR Providers (2018) stated that complaints about gambling businesses failing to adhere to the Commission's Social Responsibility Codes of Conduct should be directed to the Commission as regulatory complaints. As the Commission does not consider individual consumer complaints, complaints of this nature have never received a final decision. This creates an unwelcome and confusing gap in the industry's complaints handling framework.

The development of a Gambling Ombudsman with a wider remit to investigate complaints from people who have experienced gambling harms would address this concern.

Fair and Reasonable Values

IBAS proposes that a new Gambling Ombudsman can be established on the principle that it will decide the outcome of disputes according to what is 'Fair and Reasonable'.

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consumers who registered on the IBAS website and completed an online claim form had their dispute referred instead to the Gambling Commission as a regulatory complaint



Our Aims

IBAS was set up in 1998 to sort out complaints between gambling businesses and their customers. The principal aim of a new ombudsman should be to promote and protect fairness in gambling, and IBAS's long-held values and in-depth experience can and should provide the foundations for an ombudsman.

Our Commitments

We would be committed to developing an ombudsman to:

- Help everyone who needs us
- Share our significant knowledge and experience to further encourage fairness and the avoidance of gambling harms
- Provide a professional, efficient and transparent service

Customer Advice Service

We propose to develop a new Customer Advice Service which would handle

enquiries from customers including potential complainants. Early, informal advice or explanations can often resolve misunderstandings and prevent complaints turning into full-blown cases. Only a small percentage of enquiries to the Service would be expected to turn into a full complaint requiring investigation or an ombudsman's deliberation. The existence of the Customer Advice Service may also provide an early warning of potential problems in a gambling product, enabling the ombudsman to intervene and help prevent more complaints arising.

Our Customer Advice Service would become a leading part of the work we intend to develop towards dispute prevention.

Transparency

A Gambling Ombudsman should be transparent and open. IBAS's vision of an ombudsman would make the following information available:

- Our decisions on complaints
- How we are governed and funded
- Our annual report and accounts
- Our annual complaints data
- Our standards of service – our targets and whether these have been met

Open Approach

A new Gambling Ombudsman – like existing ADR providers and ombudsman services in other sectors – would be funded by the businesses under its jurisdiction, but it would adopt the best practice recommendations of the Ombudsman Association in the funding arrangements to guarantee that independence and impartiality are maintained.

It would also publish regular newsletters highlighting and discussing cases of particular interest and interpreting complaints data.

Faster Justice

We recommend the creation of a Fair Play Code, to embody the organisation's 'fair and reasonable' values, which will include reasonable permissible timeframes for:

- Businesses to consider and respond to consumer complaints
- Businesses to respond to questions from the Gambling Ombudsman about a complaint
- The Gambling Ombudsman to produce its decisions
- Businesses to act on the decisions of the Ombudsman. ■



Themes of adjudication in 2019/20

Self-exclusion – understanding the consequences of further online gambling

We have explained elsewhere that where we receive a complaint that a gambling business has permitted someone to gamble at unaffordable levels, these are referred to the Gambling Commission as regulatory complaints. However, in the process of considering complaints that a gambling business has failed to pay out winnings owed to a consumer, we sometimes encounter situations where the complainant has gambled while a self-exclusion agreement is in place – or where a winning account is later linked to someone who is self-excluded, e.g. the debit card or e-wallet of a self-exclusion person has been used to fund the account.

We issued approximately 100 rulings in 2019/20, but we have asked the Gambling Commission to issue policy guidance in this difficult area.

In most cases complainants have previously self-excluded but have been able to open a new account by amending their personal details or using a third party's personal details to by-pass automatic checks on the self-exclusion register. The most common theme of those complaints is inconsistency. Consumers argue that businesses refuse to pay out winnings on the grounds of responsibility but then also refuse to refund losses, citing terms and conditions that effectively allow the business to do whatever it chooses.

From the point of view of the business, they argue that they are blindsided by this type of claim. They say that it is impossible for them to know that someone who has provided the authentic and accurate contact details of a person who isn't self-excluded is actually a front for a previously self-excluded customer. They argue that they would pay out winnings to account holders and so they can't be expected to refund losses if a self-excluded customer contacts them out of the blue to say "this account is actually being funded and controlled by me".

The questions our Adjudication Panel typically asks include:

1. Do businesses have a clear and consistent policy for dealing with self-exclusion breaches?
2. Has this been communicated to a complainant when they chose to self-exclude?

3. Is the policy fair and balanced or does it give unfair control to the business?

4. If the business refuses to refund losses or payout winnings, what will happen to those funds?

5. Is there evidence that the consumer was aware or should have been aware of the likely consequences of gambling while self-excluded?

There are a variety of approaches being taken within the industry. All businesses immediately close affected accounts. Some businesses say that any bets placed will stand but any cash deposits returned. Some businesses have a policy of





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rulings were issued by IBAS in 2019/20 in relation to consumers gambling while a self-exclusion agreement was in place

cancelling winnings and returning deposits, but may not always say what happens where there are no winnings and the account is in deficit. Other businesses clearly state that all account balances – winnings and/or deposits – will be donated to charities and other organisations working with those affected by gambling addiction.

We believe that for the sake of consistency and transparency it would be preferable if there was an industry-wide approach to this question. We understand that many prefer not to talk about it for fear that it encourages self-excluded gamblers to consider ways they might gamble again, an important and serious consideration.

That however allows the current problem to exist. It allows the accusations to foster that it is not in a business's interest to identify potentially self-excluded customers or that businesses allow themselves unreasonable power to decide what approach to take on each occasion.

The question of what is the best standard approach is one that has been debated at length within our team, but an informed recommendation would benefit from the input of the Gambling Commission, businesses and affected consumers. We hope that 2021 can be a year for overdue progress in this area. Whatever we are able to conclude, the evidence we have seen is that self-exclusion breaches could be reduced by more frequent manual checks on newly opened accounts. The greater reliance on software in customer on-boarding, the greater the likelihood that those determined to gamble while self-excluded will find a way to be able to.

To Intervene or Not to Intervene

We have encountered a number of consumer complaints in the past year that an intervention made by a company on safer gambling grounds has exposed the affected consumer to an unaffordable level of loss.

For example, the customer of an online sports betting business deposits £1,000 and places bets of £250 on Manchester City to win a football match by the correct scores of 3-0, 3-1, 4-0 and 4-1. The complainant says that the bets were placed as part of a strategy to trade these open bets during the course of the match, using either an exchange platform or the 'cash out' function of a traditional sports betting website.

However, spotting the higher than usual deposit from their customer, the company temporarily suspends their account and contacts them to say that for their own protection they will not be permitted to deposit and/or gamble further until they can demonstrate income levels to support this type of gambling activity being affordable.

In the time taken to obtain the appropriate documents and have them checked, the football match is played out and the final score is 2-0. The consumer's complaint is that the suspension of his account cost him £1,000, which he had never intended to risk in full. He argues that had he been allowed to operate his account freely he would have recovered at very least his full stake and possibly an element of profit.

Of course there is no way for us, or indeed anyone, to know how the affected consumer would have behaved. They might have won money, recovered the sums laid out or even gambled and lost more. However, what is undoubted is that if the consumer's intention was to manage their market positions with the aim of minimizing the level of loss, the responsible gambling intervention denied them the chance to do so. There is no perfect solution. IBAS certainly applauds the principle of businesses making thorough checks about the affordability of gambling for their customers.

We would encourage businesses and regulators to explore whether advice should be issued to check the status of open bets before intervening to suspend a customer's account. Alternatively, could a system be developed that would prevent new bets from being placed but allow existing bets to be closed using some form of cash out function? 🍀

Cash Out

The volumes of complaints concerning the 'cash out' function of many sports betting websites fell in 2019/20, but more by virtue of familiarity and acceptance than by any notable improvements to the system. Those disputes we do consider are often challenging to resolve satisfactorily.

There are two main types of cash out dispute to arise in 2019/20:

a) "I placed a bet on the understanding that I would be able to cash it out for a profit or loss during the match depending on how the match progressed. That facility was inaccessible and as a result I lost more money than I ever expected I might."

b) "I cashed out a bet for a profit when Manchester United scored. When their goal was ruled out by VAR the cash out value was recalculated and I was left with a loss-making bet."

Dispute type a) becomes more difficult to resolve each year that cash out has existed. It is very much part of the furniture for regular sports bettors and though company terms and conditions will always say "do not rely on cash out", we can entirely understand why consumers do rely on it.

There is no simple solution and we would discourage consumers from placing bets with a specific plan to use cash out at a later and suggest forming a plan for an alternative approach to managing risk if cash out becomes unavailable. However, businesses could do much more to help too. As a starting point, we believe that they should make considerably greater effort to alert their customers should cash out become unavailable for any prolonged period of time. We would also expect businesses to show greater sympathy towards customers with demonstrable records of cashing out if they promptly complain that they are unexpectedly unable to.

Dispute type b) is more frustrating because of how avoidable it is. We recognise that technology may fail or encounter errors, but since the introduction of (Video Assistant Refereeing) VAR in Premier League football, it is clear that no goal is definitely a goal until a VAR check has been completed. So when betting operators re-open updated betting markets seconds after the ball has hit the net, it is inevitable that on occasions open bets are going to be cashed out for sums that are either too

generous or too mean depending on the subsequent VAR intervention.

Betting markets reopen early for commercial reasons. No betting operator wants to be missing the opportunity to accept bets while their competitors are trading. It would clearly be more sensible for the industry to follow some form of industry code of conduct to keep markets closed until the match kicks off after each goal, but in the absence of that we will expect businesses to recognise that they are the architects of this type of dispute and to act fairly, reasonably and appropriately in the circumstances.

Different Rules in Different Places

Although not a common source of dispute in a year where betting shops were largely forced to remain closed, we would advise business which operate retail and online betting services to ensure that any changes to rules implemented online are replicated into the rules published within the shops.

On several occasions we have identified situations of conflict between rules or terms available within a betting shop with those published as "shop rules" on the company's own website. In almost all cases, our Adjudication Panel have concluded that the rule most favourable to the consumer should apply, echoing the provisions of consumer rights legislation.

Sports Betting Data

In previous reports we have expressed misgivings about the increasing variety of sports data-based betting markets which seem to involve an element of subjectivity. We must have considered well over 1,000 complaints of this nature now. Next time you are watching a live televised football match and an attacking player sends the ball relatively harmlessly into the arms of the goalkeeper from out wide on the right hand side, there is someone, somewhere to whom it vitally matters whether what you have just seen is classified as a 'cross' or an 'on-target shot'.

The difficulty with offering betting on subjectively determined outcomes is that both parties to the bet are not always granted equal access to the decisions of whichever company or service is providing the crucial statistic.

If a bookmaker chooses to offer odds on "Will Harry Kane have 3+ shots on target?" we would require the company to stipulate which agency's data will be used to settle the bet. Sometimes, helpfully,



named source of will be one that the consumer can access freely so they can see as clearly as the company whether their bet has won or lost. Unfortunately, sometimes the quoted agency is one that supplies its data on a private, charged basis and does not necessarily make that data available for public scrutiny.

The consumer therefore relies on other websites, supplied by different agencies and when they see their player credited on those sites – or indeed any of site – they have a credible claim for payment of winnings, oblivious to whether the crucial arbiter of the bet has reached the same conclusion.

Worse still, we have examples of where a sports betting website has named one agency to be the arbiter of statistical bet settlements, but used a different supplier to provide 'live' data to its own website, causing its own website to say that Kane has had 3 shots on target while the source of bet settling data has said only 2 shots on target should count (e.g. because they believed another shot was heading off-target when it was blocked).

We have urged sports betting websites to make this crucial data as open and accessible during the course of matches

as it can be and we welcome the fact that several companies have responded positively and improved the transparency of bet settlement data.

In an ideal world, sports governing bodies would recognise that the this data is being used to settle bets and would work with the gambling industry to deliver one, official, uniform source of data that could be accessed and used by everyone with confidence. In the meantime, as long as there remain competing sources of this data, it is vital that betting operators provide clear information to customers about how bets will be settled and where they can check results for themselves.

Maximum Payouts and Maximum Stakes

A small number of disputes considered during 2019/20 pointed to a problem that we believe will one day be the cause of a higher profile dispute.

Gambling regulation requires businesses to display details of their maximum payouts. The question IBAS is sometimes presented with is "were the maximum payouts displayed clearly enough?"

Historically, the question has been raised most frequently in premises where physical

gambling takes place, but arguably the question is even more pertinent online. Is it reasonable for a gambling business to impose maximum total payout restrictions on customers but accept bets which potentially exceed that maximum?

There is no requirement in the Gambling Commission's Remote Technical Standards which requires an online gambling business to either limit a consumer's stake or provide an electronic warning if a bet risks breaching the company's stated payment ceiling. That does not necessarily mean that it is fair to accept a bet with potential winnings at a level the company has at least reserved its right not to pay in full.

We recognise that technical solutions which serve less immediate commercial benefit are rarely at the top of gambling businesses' IT shopping lists but it is also important that the industry is seen to act fairly and transparently wherever it can. If it is possible to limit the stakes of individual bettors, say, it cannot be impossible to limit the stakes on certain bets and betting markets based on the maximum potential winnings; or to provide a clear information notice to consumers if they are requesting a bet which potentially might exceed the company's limits. ■



Comparative Annual Statistical Reporting 2018-2020

**Formal ADR Report: Reporting Periods: 1 October 2019 – 30 September 2020
vs. 1 October 2018 – 30 September 2019**

A. Dispute Volumes

Dispute Source	2019-20	2018-19
Domestic Consumers to Domestic Operators	4,475	5,235
Domestic Consumers to Overseas Operators	0	0
Overseas Consumers to Domestic Operators: <i>NB: legislation requires that statistical data below relates to domestic disputes</i>	1,198	1,052

Any company licensed in the UK is classified as a 'domestic operator' for this purpose

Dispute Status	2019-20	2018-19
Completed	2,511 (56%)	3,196 (61%)
Rejected / Discontinued Without Conclusion	1,964 (44%)	12,039 (39%)

B. Types of Complaint

Dispute Type	2019-20	2018-19
Disputed Settlement Criteria / Bet Instructions	1,048	1,396
Price Dispute	341	559
Late Bets	165	241
Customer Identity	945	774
Bonus or Promotional Offer Terms	368	512
Cash Out Mechanism	128	306
Game / Machine Malfunction	110	202
Alleged Cheating / Match-Fixing / Crime	93	156
Social Responsibility/Self-Exclusion	752	714
Banking / Financial Transactions	1300	176
Customer Service Complaints	124	93
Others	101	106

C. Disputes Rejected by IBAS

Grounds for Rejection	2019-20	2018-19
Operator's Complaints Process Not Exhausted	604	437
Vexatious / Frivolous Dispute	209	175
Monetary Value Too Low / High	0	0
Dispute Outside 12 Month Time Limit	33	45
Too Complex / Requires Legal / Police Investigation	79	114
Regulatory Matter (e.g. self-exclusion)	653	684
Operator Not Registered with IBAS	54	102
Customer Communication Ceased	315	465
Operator Licence Revoked / Surrendered	17	17

D. Dispute Process Discontinuation

Grounds for Discontinuation	2019-20	2018-19
Technical / Procedural Discontinuation	0	0
Customer / Operator Communication Ceased	315	465
Operator Concession or Compromise Agreed	853	1,058

E. Average Dispute Completion Times

Dispute Completion Time (days)*	2019-20	2018-19
Domestic Disputes	45 days	51 days
Cross-Border Disputes (UK citizen to non-UK operator)	N/A	N/A

* In accordance with ADR legislation, this is recorded as the time taken from the point at which the dispute file was completed to the point of an adjudication being published. It does not include time taken to gather evidence from both disputing parties.

F. Average Length of Time to Receive Complete Information from Gambling Businesses

	2019-20	2018-19
Average Length of Time to Receive Complete Information**	29 days	27 days

** This measures the number of days from when the first question or questions were asked of the gambling business in relation to a complaint we had received, to the time when the case file was deemed to be complete (and ready to be passed to our adjudication panel). As in previous years, we found that we received the information that we need within ten days for the majority of cases. Some businesses struggled to maintain usual customer service and complaint handling capacities during the early phases of the global COVID-19 pandemic, which resulted in a small minority of disputes being subject to significant delay. However, IBAS maintained a fully interactive service throughout with all staff working remotely for significant periods, resulting in a positively comparable response time despite a logistically difficult year.

G. Rate of Compliance with ADR Decisions

	2019-20	2018-19
Rate of Compliance	>99%	100%

H. Professional Cooperation With Other ADR Entities (None at Present)

There are no current cooperating arrangements in place with non-UK EU-based ADR entities.

I. Dispute Outcome Statistics

Dispute Conclusions	2019-20	2018-19
Consumer Complaint Not Upheld	1,350	1,776
Consumer-Satisfactory Pre-Ruling Outcome, e.g. by agreed settlement or operator concession	853	1,058
Consumer Complaint Upheld	308	362

Notes on Statistical Report

2019-20 TRENDS

Growth in Complaints Concerning Customer Identity – The Welcome Bonus Effect

The volume of complaints on this subject has risen steadily in recent years, but rose again in 2019-20. It seems to IBAS to represent a coming together of two key factors – a growth in the number of accounts being operated by third parties and increased efforts by businesses to tackle the issue.

Although we do not currently have the resources to conduct a full and thorough investigation, there are patterns of complaints observed by our Case Managers and Submissions Assessors which indicate IBAS is receiving ever more complaints from groups or syndicates which gather identity profiles of consumers in order to open accounts and obtain multiple 'welcome bonuses', from online casinos and betting websites.

Although we recognise that this type of offer is enjoyed by a large number of consumers, we remain of the view that it would be preferable for casinos and betting websites to offer different types of bonus schemes that reward player loyalty (without encouraging excessive gambling) or to compete using innovative games, products or betting markets instead of offering up front free credit on the back of minimal KYC information. If welcome bonus offers were prohibited we believe that there would be a significant reduction in the number of complaints and disputes.

Continued overleaf.

Aside from dissuading the almost industrial opening of new accounts and the complaints that are generated from those accounts, it should also mean that fewer other customers were caught up in what can be an excessive and time-consuming ID checking process developed by businesses to identify those they believe are registering using falsified details or details which are not their own. An article on our website touches on the apparent alternative to reduce belated ID checking – making consumers register or obtain some form of licence to gamble.

Delayed Withdrawals

Our submissions assessment team have noted that over half of the disputes which are discontinued by the consumer before the formal ADR process begins, involve situations where a gambling business has delayed payment of funds while identity or other checks are completed.

This indicates that:

- delays to withdrawals remain an understandable issue of concern to consumers
- consumers believe that conducting identity checks only when a withdrawal is requested is unreasonable
- a meaningful number of gambling businesses believe that they are entitled to be making these checks, despite Gambling Commission requirements to avoid delaying checks that could have been conducted at an earlier stage
- typically these issues are resolved before the formal ADR process begins
- a significant number of consumers appear unaware that complaints about gambling businesses need to exhaust the business's internal complaints process before proceeding to ADR.

Efforts to Promote Deadlock References

We have found that the introduction of 'deadlock' letters/emails by certain gambling businesses – communications explaining when the internal complaints process of a business has been exhausted – have been largely effective where introduced.

However, more can and should be done to explain to consumers that where they have a complaint, ADR should not be the very first port of call. Almost 20% of all requests for ADR were either rejected or cancelled by the consumer because there was evidence that the complaint had not yet been dealt with by the business.

Additionally, many hundreds more complaints that did enter the formal ADR process were initially referred back to the business for the same reason and then only entered the ADR process when it was clear that the complaint had – subsequently – been considered and rejected by the business.

We would like to see businesses conclude any communication with a customer about a complaint or dispute – by email, live chat, over the phone or in person – with an explanation of the next step(s) if they remain dissatisfied

Social Responsibility

These published statistics only cover formal requests for adjudication, where the complainant completes a Claim Form on the IBAS website or posts a signed form to the IBAS office.

Some 500-1000 informal requests for assistance regarding unaffordable gambling were received by telephone and email in addition to this during the reporting period.

Enquiries peaked with increased media interest in June/July, when parliamentary groups and committees published several reports calling for more to be done to protect consumers and – more significantly – to offer redress in situations where businesses had fallen short of required standards.

New regulatory measures introduced in April 2020 also prompted increased enquiries, in particular about gambling from electronic wallets funded by credit cards and gambling funded by reversing previously requested withdrawals, practices prohibited for UK-licensed businesses by the Gambling Commission.

It is clear that consumers are increasingly well-informed about regulatory and parliamentary comment on the subject. Consumers frequently quote individuals or reports which believe that the shortcomings of a gambling business should mean they are entitled to some form of financial redress.

To date, we have seen no indication in either regulation or case law that supports refunding gambling losses to a consumer on the basis of a company's failure to treat the consumer with due responsibility and concern for their level of spend. However, we are aware that in some cases gambling businesses have offered discretionary payments to certain customers who have complained on this basis. We believe that this is indicative – at least – of the scope for sector-wide standards to be set against which businesses can be measured and decisions about potential redress can be taken.

Complaints that a gambling business has acted irresponsibly are currently referred to the Gambling Commission, but this process does not allow for individual consideration and case specific conclusions to be public. This causes understandable disappointment and dissatisfaction from affected consumers.

We believe that this situation can be improved and we would like to play a role in improving it. The Department for Digital, Culture Media and Sport (DCMS) is currently consulting on this subject and we will contribute to the review of gambling legislation with suggestions for how IBAS could apply our experience and understanding of the sector – consumers and businesses – to consider and address more of these complaints, rather than referring affected consumers to a complaints process dead end.

Financial Statement 2020

Year ended 31 December 2020

Statement of Financial Position

		Year ended 31 December 2020		Year ended 31 December 2019	
	Note	£	£	£	£
Fixed assets					
Tangible assets	7		5,382		5,739
Current assets					
Debtors	8	147,675		241,562	
Cash at bank and in hand		347,499		108,094	
		495,174		349,656	
Creditors: amounts falling due within one year	9	232,519		131,113	
Net current assets			262,655		218,543
Total assets less current liabilities			268,037		224,282
Net assets			268,037		224,282
Capital and reserves					
Profit and loss account			268,037		224,282
Members funds			268,037		224,282

Statement of Comprehensive Income

	Year ended 31 December 2020	Year ended 31 December 2019
	£	£
Turnover	941,347	864,881
Gross profit	941,347	864,881
Administrative expenses	897,592	952,826
Operating profit/(loss)	43,755	(87,945)
Profit/(loss) before taxation	43,755	(87,945)
Tax on profit/(loss)	–	(15,256)
Profit/(loss) for the financial year and total comprehensive income	43,755	(72,689)
Retained earnings at the start of the year	224,282	296,971
Retained earnings at the end of the year	268,037	224,282

All the activities of the company are from continuing operations.

Notes to the Financial Statements

Year ended 31 December 2020

General information

The company is a private company limited by guarantee, registered in England and Wales. The address of the registered office is Independent Betting Adjudication Service Limited, Suite A, 6 Honduras Street, London, EC1Y 0TH.

The Directors are pleased to report that IBAS returned an operating profit of £43,755 in 2020, largely offsetting the loss of £72,689 recorded in 2019.

The effects of COVID-19 created business complications and uncertainty, as the dispute resolution process was conducted entirely remotely for the first time in the organisation's 22 year history. IBAS resisted suggestions that the ADR process should be temporarily suspended in emergency circumstances and provided an uninterrupted service to consumers throughout the year, delivering case completion times closely comparable with earlier years.

A number of parliamentary reports were published during the year, exploring the regulation of gambling and the social damage caused by gambling harms. It was no surprise then that the government launched a formal review of gambling legislation in December.

The review plans to explore a number of areas relating to IBAS's work but most relevantly, it will consider the need for further or alternative consumer redress schemes. A number of industry commentators have supported the call from the House of Lords Culture, Media and Sport Select Committee, to create a new gambling ombudsman.

The call has been supported more recently by the Ombudsman Association. IBAS continues to believe that there is considerable potential merit in the development of a gambling ombudsman, built on the 80,000+ dispute experience of our submissions assessors, case managers and adjudicators.

We enter 2021 planning to transform IBAS into the gambling ombudsman that will benefit consumers and businesses by delivering expert, impartial and thorough decisions while providing dispute avoidance advice to all. The question of how wide the remit of an ombudsman should be is likely to be answered during the course of the government review. We are fully committed to assisting the review process in any way we can.

IBAS Corporate Values and Objectives

IBAS Corporate Values

- **Championing Fair Play** – IBAS resolves disputes, promotes fair terms in gambling and encourages clear communication
- **Timely** – We aim to resolve your dispute as quickly as possible
- **Open and Honest** – We are truthful and direct in all our work
- **Fair and Unbiased** – We always take an independent view and consider all the facts as presented
- **Clear Communication** – We communicate clearly and concisely and encourage others to do the same

- **Consistent** – We aim to apply consistent standards so that similar circumstances result in similar decisions
- **Professional** – We act professionally in all we do, behaving ethically, with respect and integrity

IBAS Objectives

- To provide as far as possible a conclusive determination on the settlement of disputes between licensed gambling operators and their customers
- To complete the process in the shortest timeframe possible allowing for all of the arguments and issues involved to be given appropriate examination and consideration
- In doing so, to remove the need for the parties to enter into complex and expensive legal proceedings
- Where IBAS is unable to adjudicate, to direct consumers to the most appropriate place for them to progress their complaint
- To provide advice to consumers and gambling operators about how to avoid disputes
- To assist regulators or other appropriate authorities in identifying any apparent need for regulatory intervention to prevent repeated poor industry practice

Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

A private company limited by guarantee

The company is limited by guarantee and does not have any share capital. Consequently, there are no disclosable interests in share capital. In the event of the Company being wound up, each member has guaranteed to contribute £1.

Employee numbers

The average number of persons employed by the company during the year amounted to 15 (2019: 14).

Tax on profit/(loss)

There is no liability to taxation for the current year due to the availability of tax losses brought forward.

