

ANNUAL REPORT

INDEPENDENT BETTING ADJUDICATION SERVICE

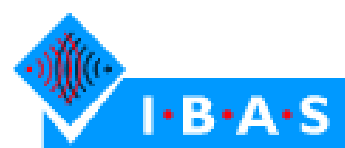
2025

DELIVERING
INDEPENDENT
DISPUTE
RESOLUTION FOR
GAMBLING
CONSUMERS



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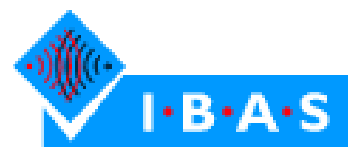
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FINANCIAL OVERVIEW



Chairman's Introduction



ANDREW FRASER

When the previous Government finally launched its Gambling White Paper in April 2023, including a recommendation for the creation of a gambling ombudsman, we at IBAS had high hopes that we might be able to fill that role. Nearly three years on there has been no progress towards this goal.

I can understand that a gambling ombudsman isn't a high-level priority for the present Government and given the former Chancellor's strident criticism of the Financial Ombudsman Service, it may be that ombudsman services are no longer the Government's first choice in handling consumer disputes.

Licensed operators are subject to regulatory and social responsibilities to protect customers and prevent harmful gambling, and breaches can result in significant fines and enforcement action. However, the IBAS postbag shows the need for consumers to have an independent third party consider their complaint of unchecked harmful gambling.

The lack of an ombudsman, or in the alternative an adjudicator permitted to review social responsibility complaints about operators, provides no means for this growing issue to be examined, other than the Courts. This has not led to many court cases, perhaps because of the delay, costs and uncertainty of outcome. But, it has led to an increase in complaints to the Financial Ombudsman Service.

These complaints can be summarised as; 'If my bank had intervened in my excessive gambling I would have stopped sooner'. Whilst it's true that banks have a unique insight into their customers' spending habits, they are also required to process legitimate transactions such as payments for gambling. They don't routinely monitor customer accounts for gambling transactions and generally will only intervene when alerted by a customer or third party



This means, in the absence of the identification of a potential fraud or scam, or financial difficulty then an authorised payment is likely to be processed by a bank. The banks aren't subject to Gambling Commission Licence Conditions to achieve enhanced consumer protection within the gambling sector. And so, a not upheld complaint doesn't mean the consumer has been treated fairly by their gambling operator. Complaints about banks are therefore a poor substitute for the proper direction of complaints about harmful gambling.

Richard Hayler, IBAS Managing Director, sets out in more detail in his review the impact this dead-end has for consumers who have sought our help on complaints concerning gambling harms.

At IBAS, we have prepared an outline pilot scheme to consider social responsibility complaints, and we have set out the parameters to DCMS as to how we think this could work. Other ADR bodies involved with gambling disputes have said they wish to co-operate with a scheme and contribute their expertise. Whatever form a dispute resolution scheme takes, it will need to co-operate closely with the Gambling Commission to ensure the criteria it applied to complaints is aligned with the regulations for safer gambling.

We try to remain optimistic that there will at last be an avenue for gambling consumers to have complaints about social responsibility issues considered by an independent body. In the meantime, we remain committed to continuing the delivery of fair outcomes on consumer complaints about gambling transactions.

Managing Director's Review

The Gambling Ombudsman

By Richard Hayler



2025 has been a year of frustration for our strategic development. The clear indication of government intention to create a gambling ombudsman in 2023, followed by such little meaningful progress towards it has been financially damaging and morale sapping to IBAS.

That of course is by no means the most important aspect. What is particularly troubling is that government has clearly indicated a need for some form of redress scheme to support vulnerable consumers, who believe they were treated irresponsibly. This has been picked up by commentators from traditional and social media, creating a growing expectation that a service of this nature will be made available.

The volume of enquiries relating to themes of unaffordable loss or otherwise unsafe levels of gambling is rising and the tone of correspondence is increasingly demanding. No day passes without someone telling IBAS that it is 'our duty' to consider their case or that 'the law requires us' to help them. The pot has been stirred, leaving us and others with the increasingly challenging task of setting out the reality of the present situation and managing expectations accordingly.

What is most personally frustrating is that it remains my firm belief that the creation of an ombudsman - or at least an expanded ADR program to cover complaints of a social responsibility nature - would be good for everyone; the industry as well as consumers

IBAS has done an extremely effective job in tackling allegations of unfairness in the settlement of bets and games of chance. We have identified and highlighted aspects of practice we consider unfair or unsafe and I believe we have played a meaningful role in steering the industry towards approaches which (now) generate far fewer disputes and are widely considered to be best practice.

Importantly too, if a person contacts a journalist or MP to complain that they have been treated unfairly, the complainant can be told 'IBAS will look into that for you'. I can count on my own fingers all of the cases which I know have reached a courtroom after consideration by our Panel. I need less than one hand to count those which have been overturned by the court. People may not always like what we decide but we set out our decisions clearly and demonstrate experienced, thorough consideration of the key facts and arguments.

MANAGING DIRECTOR CONTINUED...

By contrast, anyone who wants to share an account of financial hardship caused by gambling with licensed operators has no obvious outlet. This leaves them being recommended to seek legal advice which in almost all cases is bound to be unaffordable, unless they accept the kind of advice that comes with least experience and the highest percentage of any financial award being signed away to their representatives.

We know and have seen through informal dialogue that many operators have made substantial progress in the identification of potentially vulnerable customers. Sophisticated detectors of behavioural changes combined with accurate logging of all interactions are systems made to reduce risk of harm. The same systems would equally serve the purpose of defending any allegations of irresponsible conduct. It must be frustrating for those who have designed, developed and implemented these systems that when an allegation of unsafe conduct is made, there is no independent, accessible and affordable mechanism to put it to the test.

It is important to say that we do not underestimate the challenge posed by considering the type of claims that an ombudsman might be set up to look at. This is an understandably sensitive subject with little legal precedent to draw upon. The theme of irresponsibility in the conduct of offering betting has been rarely tested in law and the cases which have made it to the High Court have been unsuccessful. Contrast that with expectations that an ombudsman will deliver a painful day of reckoning for the industry. It is unlikely that an ombudsman could set out with a fundamentally different outlook to that reached by High Court judges.

What it could do, is review the safer gambling policies of gambling operators and examine how they were applied in the cases of individual consumers. It could identify where opportunities to make meaningful intervention were missed. It could take note of practice which works most effectively and recommend this to other sectors and businesses. It could consider where businesses failed to meet their own or the regulators standards and decide whether financial redress was appropriate. No doubt it could do more, but it could start here and develop appropriately.

I suspect that some are concerned the subject matter is too complex. Others will rightly question how an ombudsman which is unlikely to meet claimants in person will pass judgement over their state of mental wellbeing or the sums of money they could afford to lose. The list of potential complicating factors is long and it is highly likely that other unforeseen complexities will reveal themselves too. It is possible that those closest to the process will conclude on many occasions that cases are unsuitable for an ombudsman and need court time if they are to proceed.

What we find harder to accept is that these legitimate observations might be serving as grounds to maintain an unsatisfactory status quo.

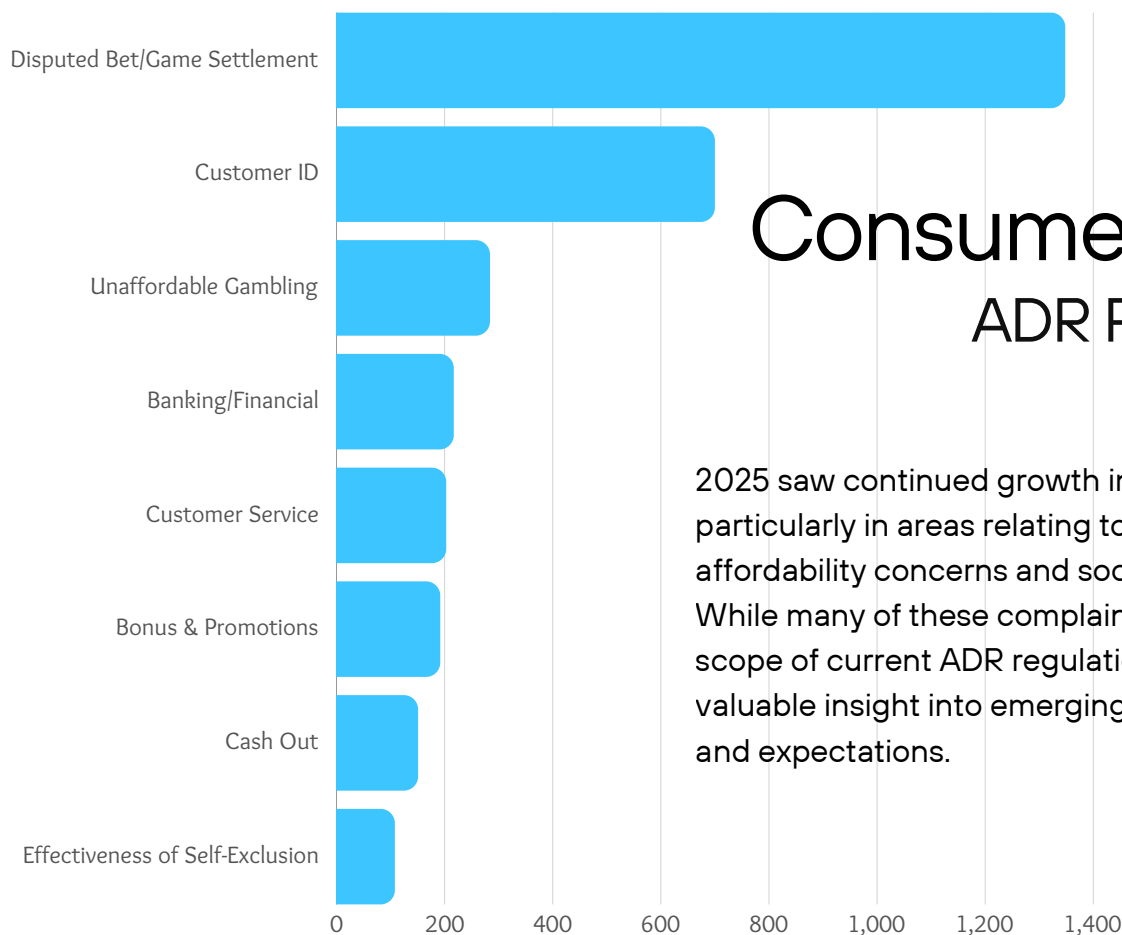


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It must be frustrating for those who have designed, developed and implemented systems that... there is no independent, accessible and affordable mechanism to put it to the test

We understand that significant sections of the licensed gambling sector have been hit hard by substantial increases in gaming duty, imposed in a budget speech which highlighted the growing impact of gambling harms. Perhaps government would consider whether some of what is generated might be used to progress a scheme directly focused on supporting vulnerable consumers.

For now, though, prospects of a gambling ombudsman have been returned to the rear of the starting stalls after a couple of false starts.



Consumer Trends

ADR Performance

2025 saw continued growth in dispute volumes, particularly in areas relating to identity verification, affordability concerns and social responsibility issues. While many of these complaints remain outside the scope of current ADR regulations, they provide a valuable insight into emerging consumer concerns and expectations.

Formal complaints concerning unaffordable gambling exceeded 280 cases despite remaining outside the remit of ADR providers.

ADR Annual Performance Report

KEY TAKEAWAYS

-  Case volume is growing rapidly with an 15.5% increase in cases received, totaling 3,721.
-  Operational efficiency is high, maintaining a 9-day operator response time and a 20-day average resolution time.
-  Consumer trust remains justified with a 100% consumer outcome compliance rate.
-  The service is financially stable, generating £1.07m in revenue and maintaining positive net assets of £163,559.



OPERATIONAL THROUGHPUT

CASES RECEIVED

3,721
↑ +15.5%



COMPLETED CASES

 **1,495**

AVERAGE RESOLUTION TIME

 **20 Days**

OPERATOR RESPONSE TIME

 **9 Days**

CONSUMER OUTCOME COMPLIANCE RATE

 **100%**



FINANCIAL HEALTH



REVENUE

£1.07m



OPERATING PROFIT

£32,672



NET ASSETS

£163,559





DISPUTE THEMES 2025



No notable new trends emerged in the last year. 2025 brought with it welcome expressions of interest from the Gambling Commission in engaging more with matters of alleged unfairness, following a period where policy development centred largely on protecting vulnerable consumers. We hope very much that some of this interest will progress through to the publication of guidance or standards on issues which continue to generate complaints.

Our idea of regulatory priorities in fairer gambling remain:

- An exploration of the cause of why so many disputes concern requests for **personal identification or source of funds documents** – does this point to unreasonable invasions of privacy for gambling consumers, sometimes on dubious grounds packaged as regulatory necessity, or a steady increase in the proportion of online gambling accounts which are opened in the names of someone who either isn't funding or interacting with the account themselves. Clearer, consistent direction is needed on acceptable and unacceptable practice when suspected third party funding is identified.
- Clearer direction to gambling operators and ADR providers on **themes in disputes which might make them unsuitable for dispute resolution**, and some assistance for ADR providers in terms of establishing what types of evidence (in certain disputes) it is legally safe for ADR providers to process and store on their systems while considering claims. IBAS is keen to minimise the number of occasions on which we have to reject a request for ADR on the basis that we are told – generally without supporting evidence – that a dispute involves themes on which it would be inappropriate for us to adjudicate.
- **Guidance on acceptable and unacceptable practice for online operators when a self-excluded person is able to open a new account and gamble.** Linked to this, IBAS would welcome efforts to work with all bodies involved in the verification of account holder information, to ensure that – ideally – identical standards of data checking exist at all stages in the process of opening an account.
- Working with providers of live sporting data to explore options to **allow consumers to query or challenge data** that they have evidence to suggest might be inaccurate, to ensure consumers and gambling operators have similar rights in this respect.



We have observed that an ever-growing number of claim forms make detailed technical reference to the regulatory/licence requirements for gambling operators. Sometimes arguments are based more on the interpretation of legislation than what happened in a betting transaction. We assume that this indicates a growing proportion of consumers using Artificial Intelligence to submit requests for ADR.

There has been a similar level of growth in claim forms which cite vulnerability or adverse impact on mental health as a basis for seeking quicker resolution. We are in no position to make confident vulnerability assessments or to determine the truthfulness of each of these statements, but if greater resources were available to those providing ADR we would be keen to offer some form of out of hours telephone support service so that those in most vulnerable circumstances could speak to a person who could briefly manage expectations about what ADR can offer, before signposting callers to other services better placed to offer emotional or practical support.

It is increasingly unusual now for gambling operators to provide customer service support by telephone. We appreciate that providing these services via live chat or AI supported online channels is significantly more affordable to businesses, but we are concerned that a number of people who may not have internet access or may struggle to set out their complaint in an email, may be choosing not to raise their dispute at all rather than manage the process entirely online. As an indication that not everyone is comfortable with using the internet, IBAS typically receives 5-10 requests for ADR by post, each week.

The growing case for a Gambling Ombudsman



IBAS remains supportive of a framework that would allow independent examination of social responsibility complaints and continues to engage constructively with DCMS, the Gambling Commission and industry stakeholders on potential solutions.

Supporting Statistics

In 2025 we were forced to turn away a total of 415 formal requests for ADR because they concerned themes of social responsibility which are currently outside our scope. 284 of these concerned claims of unaffordable gambling.

Consumers Need Somewhere To Go

Throughout 2025 IBAS continued to receive increasing numbers of enquiries relating to affordability, vulnerability and safer gambling concerns. These complaints frequently involve allegations that opportunities to intervene were missed or that consumers were not adequately protected during periods of harmful gambling.

Current ADR regulations prevent IBAS from adjudicating on most of these complaints. As a result, many consumers are left with limited options beyond legal action, which can be expensive, time-consuming and inaccessible.



Investing in Better Dispute Resolution

Innovation, Technology and International Development



Throughout 2025 IBAS continued development of internal case management systems and technology infrastructure to support increasing volumes of consumer enquiries and improve operational efficiency.

Key priorities included:

- Enhancement of Tizo case management systems
- Exploration of AI-assisted administrative processes
- Maintaining human-led adjudication
- Improved stakeholder communications
- Development of future reporting capabilities

International Opportunities

IBAS continued discussions with stakeholders in emerging regulated markets and monitored developments in international dispute resolution frameworks. Shortly before publication we have received formal approval from the CGA to act as an approved ADR provider for companies licensed in Curacao.

Our strategic focus has been largely on developing proposals to support an ombudsman in the UK and Ireland, but with progress limited in these jurisdictions, we remain open to exploring opportunities to deliver a trusted and effective independent model for resolving consumer disputes in other territories.



Role for AI in Future IBAS Work

The potential of AI to improve business services is well-documented. Like many other companies and organisations which consider consumer complaints in other sectors, we believe that using AI has significant potential to resolve disputes faster without compromising the quality of the service.

An AI-powered live chat facility on our website allows us to accept claims online 24/7 – but passes each interaction onto a person in our team to make sure that we have given the right advice.

We believe that AI can be safely trained to help with all kinds of administrative processes. For example, our team spend hundreds of hours sifting through un-named digitally submitted attachments trying to find the key pieces of evidence relied on by the consumer or business. We conduct manual checks to make sure that each claim isn't a duplicate of another submitted previously.

If we can find the technology that automates those types of processes, it should free up our team to spend time on potentially even more valuable activities; providing increased information and insight on our websites, conducting more analysis on dispute trends and putting more emphasis on highlighting areas of concern to individual companies, trade bodies or regulators.

In time, we believe that careful integration of AI into our work will allow us to work faster, be more responsive, more accessible and provide an improved service for consumers to the gambling industry at a competitive price.

AI and Betting Disputes

The People of IBAS

Establishing a role for AI within our ADR service is not about replacing humans with machines. We have no plans to give AI any decision-making roles in the process. All decisions on all cases will be made by a person with the necessary knowledge and experience to make an informed adjudication.

IBAS works effectively because of the skills, dedication and professionalism of the team behind it. The Directors would like to take this opportunity to thank each team:

Our Frontline colleagues who guide consumers towards the best path to find the resolution they want to their dispute. Sometimes IBAS may be unable to help, but our team will always do their best to steer them towards any other dispute resolution service that might be able to offer appropriate support or advice.

Our Case Managers work hard to establish the facts of what happened, to challenge inconsistent accounts and filter the evidence to provide a meaningful case file to use in adjudication.

Our Adjudication Panel deliver clear, comprehensive, balanced decisions which demonstrate to both disputing parties that their arguments have been understood and given full consideration.

And our management team provide a range of vital support services, guidance to their colleagues, quality control, appeals and complaints management, communication and financial control.



Independent Betting Adjudication Service Limited

A Private Company Limited by Guarantee

Statement of Comprehensive Income

Year ended 31 December 2025

	Note	2025 £	2024 (restated) £
Turnover		1,069,623	1,018,466
Gross profit		1,069,623	1,018,466
Administrative expenses		1,036,951	1,017,618
Operating profit		32,672	848
Profit before taxation		32,672	848
Tax on profit		—	—
Profit for the financial year and total comprehensive income		32,672	848
Retained earnings at the start of the year		130,887	130,039
Retained earnings at the end of the year		163,559	130,887

All the activities of the company are from continuing operations.

Independent Betting Adjudication Service Limited

Detailed Statement of Comprehensive Income

Year ended 31 December 2025

	2025	2024 (restated)
	£	£
Turnover	1,069,623	1,018,466
Gross profit	1,069,623	1,018,466
Overheads		
Administrative expenses		
Rent	55,034	74,747
Insurance	6,135	6,438
Panellists	94,893	91,530
Travel and subsistence	3,551	1,615
Salaries and executive directors fees	635,196	598,592
Staff life assurance	18,662	20,907
Staff and executive directors pension contributions	42,862	44,494
Printing postage and stationery	1,182	1,275
Staff training	1,366	368
Sundry expenses	—	173
Other IT costs	67,524	61,294
Advertising, marketing and exhibition costs	4,839	7,291
Hospitality costs	7,202	5,920
Bad debts written off	—	10,718
Bank charges	1,562	1,603
Legal and professional fees	12,703	6,741
Accountancy fees	16,360	18,460
Auditors remuneration	4,653	4,108
Directors fees	47,388	46,800
Amortisation of intangible assets	14,138	12,640
Depreciation of tangible assets	1,701	1,904
	1,036,951	1,017,618
Operating profit	32,672	848
Profit before taxation	32,672	848