BEHAVIOURAL ANALYTICS

RGA GOOD PRACTICE GUIDELINES

Good practice guidance for the use of behavioral analytics to identify problematic behavior and to interact with those identified to minimize any gambling -related harm

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Introduction

1. This paper sets out good practice guidance for the use of behavioural analytics to identify problematic gambling behaviour and to interact with those identified to minimise any gambling-related harm.

2. The intention is that it will provide minimum standards for operators to follow when either developing their own solutions or purchasing systems from third party providers.

3. It is based on the first-hand experience of RGA members and is informed by the best available research, most notably the various pieces of work that have been commissioned by GambleAware (for more information see https://about.gambleaware.org/about/)

4. It is fully acknowledged that this is an area of emerging science and practice so the guidelines will be reviewed periodically and at least on an annual basis to ensure that they remain current. As progress is made and certainty increases then it is to be expected that there will be aspects of the guidelines that will become more definitive. However, before that takes place it is important to ensure that the required level of supporting evidence is available.

5. Remote gambling operators employ a range of tools to help safeguard their customers. Gambling-related harm is a complex issue that operators combat by adopting a layered approach. This normally involves a commitment to high standards; socially responsible policies and practises; and the provision of tools to help consumers manage their gambling activity. The application of behavioural analytics forms part of this wider strategy of harm prevention.

6. All operators will need to have some form of analytics system in place and these guidelines provide a framework of minimum standards that can be applied when

either contracting with external service providers or developing solutions in-house.

Operator Policies

7. An operator's commitment to high standards of social responsibility and consumer protection should be evident in company culture, people skills, business operations, customer service delivery, and performance.

8. Policy documents should exist to inform the company social responsibility strategy, including evidence of means to identify gambling related harm, restorative action to support positive customer experience, customer interaction, and special provision for interaction with the high value customer.

9. Relevant policy documents shall be available to view at any time for the benefit of a regulator or other relevant stakeholder.

10. Operators should ensure that policies are up to date; that procedures and systems are fit for purpose; and that an annual report is prepared to assess the impact of the company social responsibility programme.

11. This clarity and transparency would help to position behavioural analytics within a broader, but related, strategy and policies.

12. However, as with any policies, it is crucially important that they are not only devised but also put into effect properly.

Use of information

13. To identify potential risk of problem gambling operators should be able call on all the information at their disposal subject to compliance with the relevant data protection laws and the provisions of the General Data Protection Regulation (GDPR).

14. This could include, but not be limited to, procedures at account opening to identify who the customer is (KYC), technical systems to track player account activity, information sharing across teams; best use of customer service agent knowledge, and direct customer interaction.

15. The use of relevant information should continue on an ongoing basis once a customer has opened their account and the range and depth of information is likely to grow over a period of time especially where a regular customer is concerned. This should include information which has been obtained primarily for other purposes such as anti-money laundering checks, for example, proof of income or wealth.

Markers of harm

16. By far the most important starting point when applying analytics to identify problematic gambling behaviour is to decide which markers of harm to monitor.

17. As these guidelines are designed to be implementable by all operators the markers of harm described here are based on information which is available to them all.

18. The following lists the key markers of harm that as a minimum operators could use:

- Staking levels/volume of gambling (spend that goes beyond an identifiable norm for that customer).

- Speed of play/velocity (frequency of play, time spent gambling, session periods, unusual erratic high speed wagering etc)

- Deposits (frequency of deposits, in session deposits, use of multiple payment methods etc)

- Withdrawals (eg changes in withdrawal patterns and reverse of withdrawals which might indicate loss chasing).

- Customer initiated contact (increased complaints, bonus requests, comments in live chat, frequent interactions etc)

- Time of play (gambling late at night has been identified as a common denominator amongst problem gamblers, but there could also be other times which, when combined with other factors, might indicate problematic behaviour).

- Product choice and play (use of multiple betting and gaming products, change in behaviours, modes of use etc)

- Use of player management tools (deposit limits, time outs, self-exclusion etc).

19. These are minimum key markers of harm and can be augmented by individual companies depending on relevant data that they hold. This might, for instance, include additional demographic information which could usefully be applied.

GDPR

20. All aspects of an operator's business should be compliant with GDPR. From the perspective of player analytics, operator should satisfy themselves that any systems they apply shall should take full account of GDPR requirements such as consent; privacy notices; legitimate interests; profiling; human intervention;

and the use of sensitive personal date. Guidance on all of these can be found at: https://ico.org.uk

Customer interaction - regulatory requirements

21. The British Gambling Commission Licence Condition and Codes of Practice (LCCP) Social Responsibility code provision 3.4.1 states, inter alia, that:

1. Licensees must put into effect policies and procedures for customer interaction where they have concerns that a customer's behaviour may indicate problem gambling. The policies must include:

e. specific provision for making use of all relevant sources of information to ensure effective decision making and to guide and deliver effective customer interaction including in particular:

i) provision to identify at risk customers who may not be displaying obvious signs of, or overt behaviour associated with, problem gambling; this should be by reference to indicators such as time or money spent.

ii) specific provision in relation to customer designated by licensee as 'high value', 'VIP' or equivalent

Customer Interaction – practical application

22. While markers of harm can be used to identify problematic gambling behaviour there is no benefit to the customer unless the operator interacts with them effectively to help bring their gambling under control again.

23. Company policy should therefore reflect what customer interaction is, its purpose, and the intended benefits. Likewise staff training should provide guidance on how and when to interact, effective interaction, record keeping, and actions.

24. As with markers of harm, this is an area where experience and examples of the most effective approaches will increasingly become clear. This will emerge from further research and evaluation.

25. However, effective customer interaction should take account of the following:

- The preparation of information and the messaging to individuals.

- Identifying the most appropriate times to interact (for example, during play; or when the customer is most likely to be gambling, especially if it is late at night).

- The type of interactions (these might include pop-ups, text messages, emails, account content/messages, telephone conversations).

- The frequency of interactions (there should be a schedule of interactions depending on the responses or non-responses or changes in behaviour of the customers).

- The escalation of interactions (again, depending on the responses or non-responses or changes in behaviour of the of the customers there should be a process with a tiered approach that enables stronger and more explicit warnings to be issued).

- All interactions should state the purpose of the communication (eg raising awareness of gambling management and responsible gambling tools; customer care; or a check on the customer' s well-being)

- Linked to this operators need to be prepared to explain what has triggered the interaction (ie recent account play, activity/behaviour, and other markers of harm).

- Not all customers identified by the relevant markers of harm will need or want support or assistance, but in those cases where the initial interactions have failed to produce any beneficial change in the individual's gambling behaviour and the decision has been taken to escalate the interaction then it should include information about specialist sources of assistance; be clear about what tools might be available to them to help them manage their gambling (ie deposit limits, self-exclusion etc); invite the customer's views on what they would like to happen; and ideally end with some confirmed and agreed actions.

- The signposting for anyone affected by problematic gambling should include sources of support, information and advice such as, www.begambleaware.org, www.gamcare.org.uk or the National Gambling Helpline (0808 8020 133)

- All interactions and the decisions relating to them should be logged.

- Even where the interactions have had the desired effect there should be a period afterwards where the account should continue to be monitored closely and there should be a clear pathway for the customer to re-engage with the operator's support services.

26. In the absence of clear evidence of the relevant effectiveness of different interaction; and recognising that interactions should ideally be tailored to the individuals concerned, the above measures are deliberately non-prescriptive.

High Value Player, VIP, or equivalent customers

27. As the LCCP requirements above (see para 18 above) have a specific reference to High Value Player, VIP, or equivalent customers it would be

sensible for all operators to have particular provisions in their policies and procedures to cover this group of customers where interactions are concerned.

28. This information should exist independently from other records that might be kept (for example information collected pursuant to checks that are required to comply with money laundering and proceeds of crime laws and regulations) and be easily accessible.

29. The characteristics of gambling by this category of customer, especially in relation to staking levels and perhaps frequency of play is one of the reasons why they have been highlighted in the LCCP. It would therefore be prudent for any company policy to set out how its systems track account play, assess risk of harm, identify potential problem gambling, interact with the customer to address concerns, take positive action to prevent harm.

Records

30. As with other areas of regulatory compliance, structured record keeping and decision logs should be maintained. Such records must be accurate; up to date; include customer account details; and information about whom has made decisions at key stage and for what reasons.

31. This will enable the regulator to assess the application of the company's policies in this area; senior management to exercise oversight of cases; and all involved to evaluate the success of otherwise of the company's identification and interaction regimes.

Reporting

32. A reporting strategy should exist to inform staff about what must be reported, how, when, and to whom.

33. Any indication of risk of gambling related harm shall be reported. This should call on a broad range of information including examining player analytics; tracking player account activity; customer communications; chat room posts, complaints, and disputes. When logging this activity and any consequent interaction, operators should record the purpose of the interaction; the behaviours which triggered it; and any consequent changes in behaviour.

34. Operators should maintain a risk report and especially inform the company designated Reporting Officer of incidences regarding high value VIP customers.

Social Responsibility Training

35. It is difficult and unhelpful to consider behavioural analytics and interactions in isolation from the wider range of social responsibility issues.

36. It would therefore be good practice to ensure that staff are given additional training to inform them about social responsibility and the associated research, education, and treatment that is available.

37. Internally, operators should set out clear procedures to inform staff of social responsibility requirements, compliance, information and guidance to aid decision making. Documents for this purpose should be easily accessible, with content that is fit for purpose, and up to date.

38. Such training should be provided at induction and include regular up to date training for all relevant staff to ensure they are aware of the LCCP social responsibility requirements, to raise awareness of gambling related harm, responsibilities, customer interaction, support tools, signposts, and VIP special provisions.

Evaluation

39. If individual operators and the industry as a whole are to improve their use of analytics and the consequent improvement of safeguarding for customers then it is critically important that existing and future systems are evaluated and that any learnings, either good or bad, are used to improve the accuracy and effectiveness of what is provided.

40. Some elements of this will flow from the consideration of external research that has been undertaken in partnership with the industry, such as the projects that have been undertaken by GambleAware.

41. However, each company should have their own internal evaluation process as well. The purpose of that evaluation is to better understand what works, to learn from outcomes, and to provide evidence of a credible assessment as a basis for making enhancements and improvements. .

42. It is suggested that evaluation good practice should include:

- A clear policy statement to define objectives and what the evaluation is intended to achieve.

- A governance structure with sign off at a senior level.

- An examination of current measures.

- Methodology for carrying out a robust review whether independent or self – evaluating

- Provision for piloting new measures to test what works/doesn't work.

- A process to verify data and results collected from existing schemes.

- Stakeholder engagement and knowledge sharing.

- Evidence of learning from evaluation outcomes.

- A process to implement any agreed amendments.

- A timetable for further reviews.

43. For more general guidance about how to undertake evaluations please see http://www.rgsb.org.uk/PDF/Evaluation-protocol-April-2016.pdf

Conclusions

44. Safeguarding customers and combating problem gambling present many challenges not just for the gambling industry but for all stakeholders. They require a range of responses. For the online gambling industry in particular, because of the account-based nature of the gambling that takes place and the data that provides, the proportionate and effective use of behavioural analytics presents a major opportunity to improve the way the sector meets these challenges.

45. Much can and should be done already and the intention is that these guidelines will assist all operators to at least have structures and processes in place that begin to make it easier and better to identify and limit problematic gambling behaviour.

46. It is a diverse sector and not all companies will have developed their systems to the same level and, as mentioned in the introduction to these guidelines, it is a subject where research and experience is still emerging and will continue to do so for some time.

47. Despite this lack of certainty about exactly what works best in terms of markers of harm and interactions, every operator should strive to put in place the best system it can and stand ready to reshape it as necessary in the light of any emerging best practice.

48. For the same reasons these guidelines will be reviewed and reissued regularly and at least on an annual basis to reflect any emerging findings and promulgate them.