

Ms Sarah Cremin
Committee Secretariat
Committee of Public Accounts
Leinster House
Dublin 2

30 January 2023

Ref: S1157 PAC33

Dear Ms Cremin,

Thank you for your letter dated 12 January 2023. The further details requested by the Committee are addressed in turn below.

1. Self-exclusion periods by length

I note that the Committee considered my letter of 30 November in response to its request for *“the number of people that commenced a self-exclusion period in the years 2020 and 2021, and if possible, a breakdown of these self-exclusionary periods by length”* and has now requested *“clarification why the breakdown of self-exclusionary periods by length is not available”*.

As per my letter of 30 November 2022, a breakdown by length of the self-exclusionary periods provided was not available within the Committee’s requested timeframe in the format specified. This was because it would take more than the two working days given for response to accurately convert the data into the format requested. The Office of the Regulator routinely receives weekly and quarterly reports which contain information on the numbers of self-exclusions in the period. It wasn’t possible to convert the raw data to annualised figures, and remove overlaps and test accounts, to this level of detail within the tight timeframe requested by the Committee.

I can now provide the detailed information that was requested in November, with figures for 2022 also included. It is set out in the table below.

Note: the ‘exclusion periods’ provided are the periods selected at the point of exclusion and do not include any additional time that any player remained excluded before phoning the National Lottery to re-activate their account (which is a requirement to re-activate the account).

The period of self-exclusion that a player can take ranges from 1 month to 5 years. Players can select a period from 5 set options or customise the period to a length of their own choosing (up to the maximum of 5 years). Players can also opt to be permanently excluded from the online channel.

| Exclusion Period Selected | Number of accounts where this period selected | | |
|---------------------------|---|------|------|
| | 2020 | 2021 | 2022 |
| 1 month | 760 | 595 | 487 |
| 2 months | 9 | 7 | 20 |
| 3 months | | 1 | 7 |
| 4 months | 2 | 1 | 3 |
| 5 months | | | 2 |
| 6 months | 304 | 271 | 218 |
| 9 months | | 1 | |
| 10 months | | | 1 |
| 1 year | 155 | 109 | 91 |
| 15 months | | 1 | |
| 2 years | 1 | | 1 |
| 27 months | | | 1 |
| 30 months | | | 1 |
| 37 months | | 1 | |
| 5 years | 24 | 17 | 27 |
| Permanent | 224 | 317 | 165 |

2. Online Player Welfare Checks

The Committee has requested *“the number of instances in 2021 where players were flagged for high levels of spending, the number of individuals who received alert messages, the number of individuals who received phone calls, and the number of individuals who were excluded from playing”*.

As the Committee already has the figure for the number of individuals who were excluded from playing in 2021 due to opting to self-exclude, and based on the transcript of the Committee meeting of 15th December that your letter referred me to, I understand that the final figure requested in this query is the number of individuals who were unilaterally excluded from playing by the Operator for player welfare reasons (as opposed to at the behest of the player or for any other reason).

In 2021, there were 1,096,478 online National Lottery accounts registered.

Players who are flagged for a high level of spending in any week, month or quarter will receive a message alerting them to this and encouraging reflection on their spending. Other indicators of potential player harm (e.g. frequency of play) are also used to trigger alert messages. Where a player's spending triggers repeat alert messages, the nature of the message changes, e.g. players are encouraged to avail of the online tools to help manage their play. Accounts of players showing signs of harm are reviewed by the Operator's Responsible Play team, who determine the appropriate action to take.

| Player Protection Measure | Number of players | % registered players |
|--|-------------------|----------------------|
| Flagged for high levels of spending | 1,694 | 0.2% |
| The number of individuals who received alert messages | 8,944 | 0.8% |
| The number of individuals who received phone calls | 957 | 0.1% |
| The number of individuals who were unilaterally excluded from playing by the Operator for player welfare reasons | 23 | 0.00002% |

The information in the table above has been recently published on the National Lottery Website (www.lottery.ie) under the heading of [‘Our Commitment to Our Players’](#).

If it is of assistance to the Committee, I can confirm that the level and nature of the online play monitoring activities in question is reviewed periodically by the Regulator with a view to ensuring that the Operator is properly identifying at-risk play, intervening early, and issuing appropriate communications to at-risk players. These periodic reviews are conducted by the Office of the Regulator to ensure that the Operator continuously improves the algorithms and messages in place, in line with the developing research on this topic.

3. Expenditure on Player Welfare

The Committee has requested *“an information note to include details regarding the requirements in relation to expenditure on player welfare and the minimum thresholds, and whether there is an obligation for a minimum spend and if so what that figure is.”*

The Act and the Licence agreement between the Operator and the State include a suite of requirements to protect players and prevent problem gaming that must be adhered to by the Operator. The Licence does not specify a specific amount of money to be spent on achieving these standards (and explicitly states that the operational means by which the standard is achieved is a commercial matter for the Operator alone and therefore not the Regulator) but it makes it clear that it is the Operator’s responsibility to comply with the standards required.

Additionally, the Regulator has used her powers to influence the Operator to add to and improve its player protection measures over time. Further measures to protect player welfare have been introduced, in addition to the explicit Licence requirements, following prompting by the Regulator or directly by the Operator itself.

An information note containing details of the requirements in relation to player welfare is attached to this letter.

4. Breaches of the Act or Licence

The Committee has requested "*clarification regarding whether the Regulator is dealing with further data breaches*".

The Regulator's Office continually assesses the activities of the Operator to verify if any potential breach of the Act or Licence has occurred. If a potential breach is identified investigations are undertaken, by my Office, to confirm if any error or incident may constitute a breach of any aspect of the legal framework.

In circumstances where it has been determined that there has been a breach of the Act or Licence, I review the options open to the Regulator under the legal framework as regards the appropriate next steps. I also exercise my statutory powers to publish details of the breaches. The publication of the details of such breaches can have a significant impact upon the Operator and its reputation both nationally and internationally

Details of any breaches are typically published under my statutory duty to report on the activities of the Office, which must accompany the audited accounts and be submitted to the Minister for Public Expenditure and Reform and laid before the Houses of the Oireachtas. On occasion, details of findings as regards breaches may be published in a standalone manner.

In the interests of fair procedure, the Regulator's Office does not comment on whether potential breaches are under investigation.

I trust the above is of assistance to the Committee.

Yours sincerely,



Carol Boate
Regulator of the National Lottery

Encl: Player welfare requirements of the National Lottery framework

Player Welfare Requirements of the National Lottery Framework

The requirements in relation to player welfare provided for in the Act, the Licence (including Codes made under it) and in schemes of games approved under the Licence, are best understood within the framework of a public health model of preventing avoidable harm.

Primary Prevention measures involve preventing and delaying National Lottery play by minors, limits on product availability, and transparent and informative consumer communications.

Secondary Prevention is focused on screening and monitoring for problems, including during game design, and early interventions with players before indicators of potential player harm translate into problem gambling.

Tertiary prevention is concerned with preventing further or ongoing harm to those already showing signs of problem gambling and includes measures like screening and interventions, self-exclusion support and treatment services.

The legal framework imposes the following requirements. The Operator of the National Lottery must expend resources to ensure that the requirements are met.

Primary Prevention

Minors

1. It is an offence to sell a National Lottery ticket to someone under 18 years old. Alleged offences may only be investigated by An Garda Síochána.
2. The Operator must use its best endeavours to ensure that its retail agents do not sell tickets to minors.
3. All National Lottery tickets must be marked 18+.
4. The Operator must conduct spot checks of its online players to ensure that they are at least 18 years of age and conduct age and identity checks for all prizes over €500.
5. Retail agents must display signage showing that the products are not for sale to those under 18 years of age.

Limits on product availability

6. The product mix is confined to a limited range of specific products.
7. Draw based game tickets must not be sold between 10pm and 7am either in retail or online.
8. Online instant win game tickets must not be sold between 11pm and 7am.
9. Online spend is limited to €75 per day, €300 per week and €900 per month (spending of any winnings is counted in reaching these limits).
10. National Lottery tickets cannot be sold on a premises where alcohol is served.

Consumer Communications

11. Information on how to play and avoid harm is made available to players on lottery.ie.
12. Direct marketing messages may only be sent to players who have actively opted into receiving them and players must be able to opt out at any time.
13. A detailed Advertising and Promotion Code applies to all aspects of advertising, marketing, and promotion of the National Lottery on all platforms and it reflects the nature of the products. The Code must be reviewed annually and must comply with the ASAI and BAI Codes and rulings.
14. The rules of every game on sale must be available on the National Lottery website or in hard copy by request.
15. A statement of the odds of winning must be available for every game on sale.

Secondary Prevention

1. Every proposed new game (or change to an existing game) must be assessed with regard to the risk the game (or game change) may present to a vulnerable player. This assessment must form part of the request to the Regulator for approval of the game prior to launch.
2. Online: In addition to the mandatory spend limits prescribed in the Licence, players must also have the facility to set lower spend limits for themselves.
3. Online: The Operator screens online play for indicators of potential player harm and applies early interventions with players to prevent actual harm.
4. Retail: Retail agents receive training in spotting problem play in retail settings and information to provide to the player.

Tertiary prevention*Self-exclusion and screening - online*

1. The online channel must provide certain self-exclusion options to players such that they will not have access to their account (or to instant win games only) for the period chosen and receive no marketing messages from the Operator for the period.
2. Self-excluded accounts are not automatically re-activated upon the expiry of the period of exclusion. Players must actively request that the account is reactivated. The Operator does not recommence sending marketing messages unless the player specifically opts-in again to receiving such messages.
3. The Operator screens online play for indicators of potential player harm and applies stronger interventions to players showing signs of harm to prevent further harm, up to and including imposing exclusions on a player for their own welfare.

Treatment services

1. The reverse of all scratch cards and draw-based game tickets, and the website and apps, provide a helpline number for players concerned about their gambling.

General Requirements

Certification

In addition to the above specific requirements, the Operator is required to achieve Responsible Gaming Certification from either the World Lottery Association or European Lotteries. This involves periodic auditing and assessment by the relevant body.

Continuous Improvement

The Operator is required by the Licence to operate the National Lottery “*in accordance with responsible gaming practices that prevent problem gaming*”. This principle has been invoked to ensure that the Operator continuously improves and adds to the measures in place.

Examples of further measures to protect player welfare introduced over the term of the Licence to date include:

Online

1. Anyone seeking to register an online account and purchase a ticket must provide a photo of a valid identity document to verify their identity and that they are over 18.
2. Credit cards are no longer accepted as a form of payment online.
3. The odds of winning the top prize in an instant win game are prominently displayed as well as the overall odds of winning any prize.

Retail

4. A Think 21 campaign is in place to prompt retail agents to ask for ID (most retailers have put in automated till prompts in response).
5. Scratch card transactions are limited to 10 scratch cards.
6. The odds of winning the top prize in a scratch card game are now included on the reverse of the card as well as the overall odds of winning any prize.
7. Information on how to play and avoid harm is made available to players on a standalone website (responsibleplay.ie), with the website address printed on the reverse of each scratch card and draw ticket, to avoid directing players to the online sales channel for such information.

The impact of these measures on the National Lottery can be visible in the sales foregone when they are introduced. For example, not everyone is comfortable providing a photo of their passport to a private entity or a State entity and they elect to close their account instead.