

# Customer interaction: formal guidance for premises-based operators

Formal guidance note for premises based on customer interaction under SR Code 3.4.1

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Online version: <https://www.gamblingcommission.gov.uk/licensees-and-businesses/guide/customer-interaction-formal-guidance-for-premises-based-operators>

Overview: > This guidance applies to premises-based operators and is currently in effect.

This is an HTML version of this guidance. You can also view or download the [original customer interaction guidance for premises-based operators \(PDF\)](#) published in July 2019.

Premises-based licensees are required to interact with customers in a way which minimises the risk of customers experiencing harms associated with gambling, as set out in [Social Responsibility Code Provision 3.4.1](#) of the Licence Conditions and Codes of Practice (LCCP).

A requirement to LCCP with effect from 31 October 2019 (as amended 12 September 2022) requires premises-based licensees to take into account the Commission's guidance on customer interaction. This guidance is structured along the three key outcomes operators are expected to meet.

These are, to:

- **identify**
- **interact**
- **evaluate.**

This guidance sets out why customer interaction is a requirement, makes our expectations clear, and suggests ways you could meet them. This includes learnings from research and some ways that gambling operators have found worked for them and their customers.

## How to use this guidance

The purpose of this guidance is to share knowledge based on research, current practice and lessons learned in order to support licensees in determining how they can meet the outcomes. It sets out why customer interaction is important and makes our expectations clear. Not all of the content of the guidance will be relevant to all operators, but licensees must take it into account and be able to demonstrate how they have done so.

Following the guidance is no guarantee that all customers experiencing or at risk of harm will be identified. The guidance is not the only source of information which operators should use to help them develop their own processes, and licensees should also keep up to date with published research and other sources.

## How we will use this guidance

For compliance and enforcement purposes, we will expect licensees to demonstrate how their policies, procedures and practices meet the required outcomes. This can be through implementing relevant parts of the guidance or demonstrating how and why implementing alternative solutions equally meet the outcomes.

Our understanding of gambling harms and how they manifest is constantly evolving, so for the purposes of raising standards, protecting consumer interests, and preventing harm to consumers, we will update and re-issue guidance where new evidence or risks emerge which may have a meaningful impact on how the outcomes can be met.

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## Identifying the right customers

You need to know:

- the types of markers and behaviours that could indicate harm relevant to the type of gambling you offer, the product and the place
- how to spot when those indicators should trigger an interaction.

You need to put together what you know about the customer, with the relevant indicators of harm, to decide whether you need to interact. More knowledge about what to look for, with effective processes for monitoring customer behaviour, can mean quicker and better-informed decisions.

Some indicators of harm, such as high staking behaviour, can look similar to VIP and high-value customer activity. Even if you think the customer can afford it, they may still be experiencing gambling harms. Your enhanced contact with your VIPs means you have many opportunities to get to know them well and make better informed decisions.

### Identify

We expect you to:

- Use a range of indicators relevant to your business that you can observe and monitor. Do not rely on financial indicators alone. Where trigger points or thresholds are used, they should be realistic, and remember that not every customer who is experiencing or at risk of harm will trigger every indicator.
- Monitor customer activity and behaviour so that you are able to interact early and quickly. Invest in appropriate systems and staff to manage your customer interaction process effectively.
- Make sure your process keeps pace with any increase in demand – through general growth or seasonal, promotional or other variations which might mean you are busier than usual.

- Train your staff to know their roles and responsibilities, and ensure they are supported and given the tools and skills they need to be able to act promptly when they spot or are alerted to indicators of harm, including those among your VIP and monitored customers.
- Ensure that your customers are not put at any greater risk of harm as a result of your premises being busier or quieter than usual. You need to protect your customers regardless of these factors.
- Think about the protection of new customers – you know less about them, so you may not know what their regular gambling pattern looks like. This means that alternative measures must be applied.
- Take safer gambling seriously for all customers including VIPs and not let commercial considerations override customer protection.
- Make meaningful records of all interactions with customers. Make these records available to staff and use them to aid decision-making. This should also take place in circumstances where an interaction has been ruled out. For example, because the customer is displaying signs of agitation.
- Even if you think your sector is 'lower risk', all forms of gambling present risks and you should understand the prevalence of gambling harms for the type of gambling products you offer and implement appropriate processes.
- Actively promote tools such as voluntary machine alerts, and ensure all your customers have access to information about safer gambling and the support available.

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## Understanding the impact of gambling harms

In 2018 the Gambling Commission published research (Wardle et al 2018) on understanding the full range of gambling harms and the impact this can have on society. This research defined gambling harms as the 'adverse impacts from gambling on the health and wellbeing of individuals, families, communities and society'. This can include loss of employment, debt and crime – gambling harms can also have detrimental impacts on physical and mental health and relationships, and at its worst, gambling can contribute to loss of life through suicide.

Gambling harms cannot be solely measured in terms of finance and resources. This is why we expect you to use a range of indicators in order to identify customers who may be experiencing harms.

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## Using the right indicators for your business

Change compared with previous gambling activity is a general trigger for customer interaction. Building up your knowledge of your regular customers is key to helping you spot changes in their behaviour.

You should use a range of indicators. This is not an exhaustive list, but your indicators should include the following.

### Time indicators

Amount of time spent gambling, visit frequency or length of stay on the premises, leaving and then returning to the premises.

## **Spend**

Amount and frequency of deposits, large losses, using multiple or more expensive payment methods, declined payments, appearing to spend more than they originally intended.

## **Behaviour or appearance**

Such as signs of distress, agitation, or changes which could be an indication that gambling is having a negative impact on a customer's wellbeing.

## **Use of gambling management tools**

Previous self-exclusions or previous customer interactions, or playing through machine alerts.

## **Customer-led contact**

Information or hints from the customer, frequent complaints about not winning, or talking about the negative impacts of their gambling.

## **Play indicators**

chasing losses, erratic betting patterns and gambling on higher risk products, or unusual markets or outcomes on which the customer is unlikely to have been able to make an informed choice. People who bet in-play may place a higher number of bets in a shorter time period than people who bet in other ways, as [in-play betting](#) offers more opportunities to bet.

## **A 'big win' or a windfall**

Research (Parke and Parke 2017) shows high staking following a win could hide or even lead to harmful behaviour. Suddenly having more money than usual can lead to increasing staking, which can lead to harms not associated with wealth or resources.

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# **Affordability and a customer's personal circumstances**

Historically, gambling operators have not systematically considered customer affordability when developing their customer interaction policies. Many have used deposit or loss thresholds as a main or sole prompt for a customer interaction, but these have often been set at levels that were inappropriately high, in comparison to the average amount of money that the majority of people have available to spend on leisure activities.

This has led to a number of examples of customers spending more than they could afford, and this not being identified sufficiently early, as seen in much of the Commission's compliance and enforcement casework since 2017.

Operators should aim to identify those experiencing or at risk of harm and intervene to try to reduce harm at the earliest opportunity. Reliance on deposit or loss thresholds that are set too high will result in failing to detect some customers who may be experiencing significant harms associated with their gambling. It is therefore imperative that threshold levels are set appropriately.

Open source data exists which can help operators assess affordability for their British customer base and improve their risk assessment for customer interactions. Thresholds should be realistic, based on average available income for your customers. This should include the Office of National Statistics (ONS) publications on levels of household income. See the [ONS information on personal and household finances \(opens in new tab\)](#).

In considering these thresholds, you should be aware of the difference between 'disposable income' and 'discretionary income' which refers to the amount left after living costs are taken into account, but it does still include many other unavoidable costs. Most people would consider it harmful if they were spending a significant amount of their discretionary income on gambling.

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## Vulnerability

Life events or changes to an individual customer's circumstances may mean that a person becomes more or less vulnerable to experiencing gambling harms. Those circumstances could include bereavement, loss of income or other factors, as follows. It will not always be obvious or clear to an operator when such events have occurred, but knowing your customers, and ensuring staff ask questions when there are potential signs of vulnerability, will help to determine whether those individual circumstances present an increased risk.

As part of 'know your customer' and developing customer interaction policies and procedures, operators should consider the factors that might make an individual more vulnerable to experiencing gambling related harms.

Factors include:

- **personal and demographic** - if the individual is experiencing poor physical or mental health, physical or cognitive impairment, suffering side effects from a brain injury or medication or has an addiction
- **situational** - if the individual is experiencing financial difficulties, is homeless, is suffering from domestic or financial abuse, has caring responsibilities, experiences a life change or sudden change in circumstances
- **behavioural** - if an individual has a higher than standard level of trust or high appetite for risk
- **market-related** - if an individual is engaged in an activity which is highly complex; that they have a lack of knowledge and/or experience of the market
- **access** - if an individual has difficulty accessing information because of poor literacy or numeracy skills, knowledge, dyslexia.

We have seen examples through our casework of customers who should have received some interaction but did not, including customers who were particularly vulnerable, and more susceptible to experiencing gambling harms.

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## Spotting harmful gambling

How you monitor activity depends on your business. For some very small operators, manual monitoring may work. Larger operators will need comprehensive systems, which could include a mix of automated and manual processes and should draw on all available sources of data to give a comprehensive picture of the customer's gambling.

Options for spotting harmful gambling include:

- Reports on activity where relevant, for example from observation or loyalty carded play, particularly if the play is linked to online play
- Sharing of information by staff about concerns
- Customer interaction forms, day diary with flags
- Utilising back office systems and alerts where they exist.

The right information can mean better and quicker decisions. The customer interaction records you keep should give staff a more complete picture of the customer's previous activity, which will help to inform decisions.

Your customers should not be at more risk because your premises are either busier or quieter than usual. You should ensure you have appropriate levels of well-trained staff on duty to meet the licensing objectives.

Because VIP customers can also experience harm, it is good practice to carry out a safer gambling check when upgrading customers to VIP status and keep this under review. You should also use these opportunities to carry out checks for Anti-Money Laundering (AML). This could also help you to support customers who have had major wins.

## The role of staff

It is important that all staff receive training so that they are aware of the signs that could indicate that a customer may be experiencing harms associated with gambling.

This is not an exhaustive list, but you should ensure that:

- Staff are trained to identify the signs of harm and refer back to documents that include the types of behaviour that may trigger customer interaction at an appropriate moment. Staff should know how to escalate a situation if they are unsure or require support.
- Staff understand how indicators of harm could be displayed differently in VIP or 'high-value' customers and know how to spot the signs.
- As a minimum, staff receive training at induction as well as refresher training.

## Identify: questions to consider

These include:

- Are you curious about your customers?
- Are your indicators relevant to your gambling facilities and customers?
- How do you decide the right level of your thresholds?
- Do all appropriate staff have access to customer interaction records?
- How do you assess the risks posed by new and unfamiliar customers?
- Is staff training on customer interaction meaningful and engaging?
- Do you take into account all relevant information and act quickly?
- Does the structure and layout of your premises help or hinder identifying customers you need to interact with?
- Do you have any blind spots which mean that you are unable to monitor all customer activity?
- Is spend monitored across different products for individual customers?
- Do you offer the same level of protection for all your customers, no matter how long they have been a customer, or whether they are VIPs?

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# Interacting with the customer

When you are concerned that a customer may be experiencing harm, acting early and quickly could help stop or prevent the harm worsening. It is important in a premises environment that you interact with the customer in a timely manner whilst the opportunity presents itself.

For some customers, making them aware of why you are concerned may be enough to prompt them to think and make a change. Some customers will need more support or advice.

Your interactions should have an outcome. Knowing what impact your interaction has had will help you support the customer and help to keep improving your approach. To achieve this, it is vital to keep good records and make them available to staff to inform decisions.

## Interact

We expect you to:

- Be curious, and if you spot behaviour or vulnerabilities that could indicate harm, to act on it.
- Ensure your staff have access to the information and support they need, such as customer interaction records, so that they are able to make decisions about how to interact and can do so discreetly.
- Interact in a way that is appropriate to the severity of the potential harm. You should trial and evaluate different approaches to achieve this. **Importantly, this may include refusing service or ending the business relationship.**
- Think about what information you should give the customer to help them understand why you are interacting with them, such as describing the type of behaviour they display or practical help or support where appropriate.

In gambling premises, many of your interactions are likely to be face-to-face, so it is important for staff to be prepared in advance of carrying out a customer interaction.

You should consider:

- What do you need to know from the customer and what do you already know about them?
- What information do you want to give them?
- How many times have you already interacted with the customer?
- What outcome do you want to achieve?
- Is the customer behaving in a way which might inhibit an interaction at this point?

## A customer interaction has three parts

These are:

1. Observation – behaviour or activity you have spotted or something the customer tells you.
2. Action – contact to prompt the customer to think about their gambling, for you to find out more, and an opportunity for you to offer information or support.
3. Outcome – what you or the customer did next. In some cases, you may need to monitor the customer's gambling to spot any change which may prompt further action.

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# Offering help and support

Encourage customers to think about their gambling. Their responses will help you work out the right kind of help and support to offer.

You will need to direct some customers to information about safer gambling and/or suggest appropriate gambling management tools. You might need to signpost them to sources of help and specialist support from organisations which deal with advice and treatment for problem gambling.

You must also make information about safer gambling readily available to customers, as well as information about problem gambling.

You will need to interact with some customers a number of times. Your records of previous interactions with customers will help you decide how to provide the right help and support.

Feedback from consumers shows that they often respond better to being informed about their behaviour and why, rather than being “told” what to do. But for some customers, and particularly if the behaviour continues to cause concern, you may need to take a more proactive approach. In some cases, you may need to take action for the customer, which could mean refusing service.

## The role of staff

You should ensure that your staff:

- understand the types of interaction that could take place and how to interact appropriately. For example, they may only need a brief intervention.
- know the type of help or support to offer, such as information, signposting customers to specialist support or the gambling management tools which are available. These may be the minimum required under the LCCP or tools you offer which go beyond minimum requirements.
- know the circumstances and process for refusing service to customers, such as requesting a customer to leave or barring a customer.
- understand their respective responsibilities and who is designated to carry out customer interactions, if only certain staff members are authorised to interact.
- are advised how to deal with situations where customers demonstrate signs of agitation, distress, intimidation, aggression or other behaviours that may inhibit customer interaction, and what to do if the interaction does not take place at that time.

Whilst training on the legislative framework is important, staff also need to be trained on the skills and techniques they need to help them carry out customer interactions.

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## Keeping records

Good record keeping allows you to demonstrate when and why you have interacted with customers and helps with ongoing monitoring of customers.

You should:

- Keep records of all customer interactions and, where an interaction has been ruled out, the reasons for this. Where an interaction has taken place at a later date, this should also be recorded.



- Make use of all relevant sources of information to guide and deliver effective customer interactions, including your records of previous interactions.

Good records should include:

- the behaviour or activity before the interaction.
- the change in behaviour or prompt for the interaction.
- how you interacted and what was said or done, for example advice or suggestions to help the customer manage their gambling, or to take a break from their gambling, and
- what happened next.

You should also record situations where an interaction was prompted but did not take place, and how you followed that up.

In some cases, you will need to monitor the customer's gambling to spot behaviours which could indicate further harm.

## Interact: questions to consider

- Where concerns arise, are you able to intervene early and engage with a customer at the right time?
  - How do you ensure your staff are prepared and able to carry out interactions?
  - Are your staff able to carry out customer interactions discreetly?
  - Are your staff aware of and trained to carry out different levels of interaction?
  - Have you allocated the right level and kind of resources to be able to interact with customers effectively when you have concerns?
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## Evaluate

By evaluate, we mean to understand impact and effectiveness in two ways:

- did an individual customer interaction have a positive outcome for the customer, and
- does your overall approach to customer interaction work?

To help with the latter, the Advisory Board for Safer Gambling published an evaluation protocol in 2016 for the industry to use when designing evaluations.

Find out more about the [National Strategy to Reduce Gambling Harms](#), including the [evaluation protocol](#) and further research on gambling-related harms.

## Evaluate

We expect you to:

- Understand the impact of individual interactions on a consumer's behaviour and whether, or what, further action is needed.
- Evaluate the effectiveness of your approach by trialling and measuring impact.
- Embed lessons learned and best practice across the business and collaborate to share across the industry.

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# Understanding the impact of individual interactions

In this context, by impact we mean a change in the customer's gambling activity which could be attributed to the interaction. An important part of this is whether the customer has understood the information or advice you gave.

Not every customer who receives an interaction will require active follow up, but many will. In these cases, follow up activity should be proportionate to the severity or extent of the harm being displayed. This approach will help you target your resources where they are most needed.

Understanding the impact of the interaction on the customer includes being able to look at and compare:

- the behaviour before the interaction.
- the change in behaviour or prompt for the interaction.
- how you interacted – what was said or done, and
- what happened next.

Some ways to work out impact include:

- Did the customer start using gambling management tools independently or following your advice?
- If you use email, did the customer click through to safer gambling information from your tracked links?
- Was there a positive change in behaviour? Did the customer's gambling seem to change after the interaction?
- You could also follow up and ask the customer whether they found the interaction helpful or not.
- Is there a need for further or follow up action?

You may already quality assure individual customer interactions by spot- checking records. As well as checking that customers are getting the right support, this can also identify staff development needs and highlight good practice that you can share across your business and across the industry.

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## Evaluating the effectiveness of the approach

Records of interactions can provide useful evidence of what types of indicators, methods of interacting and options for providing support work well for customers. They will help to inform an evaluation of the effectiveness of your overall approach to customer interaction. Good evaluation helps you to understand which aspects of your approach are the most effective at identifying the right customers, and the types of tools or support that work well to help customers manage their gambling in a way that works for them.

The following measures could help to work out whether your approach is working well:

- Customer retention.
- Reduction in complaints.
- The appropriate number of customer interactions in relation to the size of your customer base or footfall, and the type of gambling you offer, as follows.

You should know and understand the prevalence of at-risk gambling among your customer base. A starting point is the [combined health surveys](#) of England, Scotland and Wales (Gambling Commission 2018). This data is broken down to gambling activity type, and by region.

However, rates will vary significantly between geographical areas and localities, and research shows that problem gambling rates in urban areas are likely to be higher than the national average. Further information on this topic can be found in the Research Report Problem Gambling in Leeds (Kenyon et al 2016). When looking at the potential percentage of your customers who may be experiencing harm, remember to consider the percentage of gamblers participating in that activity and not the percentage of the adult population.

Currently the only industry-wide quantitative measure of identifying and interacting with customers who may be experiencing harms associated with gambling is data on the numbers of customers who received an interaction, submitted to the Commission as part of regulatory returns. We have clarified the definitions in regulatory returns to offer guidance on what should be included in a customer interaction (incident) log and make clearer what should be recorded.

Your log should include as a minimum:

- the identity or other identifier of the customer involved
- the behaviour or activity that prompted the interaction
- the advice or support given, and
- the outcome of the interaction.

Keeping your policies and procedures under review and up to date by taking into account research and industry best practice will help you to identify customers you should be interacting with, which will help you target your resources where they are most needed, in ways which may lead to better outcomes.

You should also review your internal controls following the publication of a regulatory settlement, to address any similar weaknesses which could exist in your own processes.

## The role of staff

Your staff have an important role to play to understand whether your approach works.

As a minimum, you should:

- Ensure that records of all customer interactions are made by staff and used to aid decision making. Such records should be used for evaluation purposes, for example, dip sampling for quality assurance purposes. Or, to assess whether a customer changed their behaviour as the result of an interaction.
- Train staff to recognise when follow-up activity to an interaction is required.
- Ensure that staff use customer interaction records as a decision-making tool.
- Ensure that staff are properly supported in carrying out effective interventions.

## Evaluate: questions to consider

- Do you know how many of your customers may be experiencing some level of harm associated with gambling?
- How do you know you are delivering positive outcomes for your customers?
- How could you improve on your policies and procedures?
- How could you share your good practice with the industry?