

Gambling Reform APPG Session

Strengthening Consumer Protections – The Need for a Gambling Ombudsman

Date: 10th June 2025

Time: 3:30pm – 5:00pm

Location: Room S, Portcullis House

Chair: Sir Iain Duncan Smith MP

Minutes: Max Strangleman-Sykes, DGA Group

Members Present:

- Sir Iain Duncan Smith MP (Chair)
- Lord Foster of Bath (Officer)
- John Grady MP
- Abtisam Mohamed MP
- Dr Beccy Cooper MP (Officer)
- Sammy Wilson MP

External Guests:

- Tony Parente, GAMLEARN
- Dr James Noyes, Social Market Foundation
- Derek Webb, Campaign for Fairer Gambling
- Paul Kanolik, Ellis Jones Solicitors (Virtual Attendance)

Sir Iain Duncan Smith MP: Welcomed all the attendees, and introduced the speakers present at the session. He outlined that the Department for Culture, Media and Sport, Betting and Gaming Council (BGC) and the Financial Ombudsman Association had also been invited to give evidence to the APPG but were regrettably unable to attend. He asked James Noyes to open the session with introductory remarks.

Dr James Noyes: Outlined that the idea of a gambling ombudsman was first outlined around a decade ago, first talked about by an organisation called Justice for Punters. The idea then gained traction when it became Labour Party policy in 2019. During this period, the relationship between punters and gambling operators was unclear and this led to a series of incidents where complaints were unable to be addressed via the Gambling Commission, and people instead turned to Alternative Dispute Resolution Services (ADRS). These services lacked the full range of power needed to address complaints, leaving the rate of redress low. Approximately 2,000 customer complaints to ADR providers and the Gambling Commission were made a year, but these complaints were not in the scope of what ADR services could help with, and the Commission did not demand that consumers repay individual customers. In the end the only means of redress consumers could pursue was expensive, time-consuming court cases.

Noyes continued by explaining that the integrity of a gambling contract is underpinned by three things under the 2005 Gambling Act: 1) that it is entered into freely 2) that the terms and conditions that define a bet are available and transparent and 3) that a means of complaint is provided to the customer. He summarised that consumer redress in the wake of the Gambling Act has lacked clarity and that despite the 2023 White Paper committing to a fully functioning ombudsman by Spring 2024, this is yet to be set up – two years on. This Ombudsman was set out to be fully independent, and deal with financial redress and failings of social responsibility. The Government tasked the Betting and Gaming Council to set the Ombudsman up. The previous Government also outlined that if the Ombudsman did not attract sufficient cooperation from the industry, or deliver protections expected, then the Government will legislate to put this position beyond doubt.

The Government tasked the industry to do this, explicitly in order for the Ombudsman to be set up quickly (operational within a year of publishing) with lengthier primary legislation needed for a Ombudsman with statutory functions. Noyes set out the following question for the APPG to consider, in light of this; has the self-regulatory approach been quicker than a legislative

alternative? He further inquired at what point the Department for Culture, Media and Sport (DCMS) would intervene, or change course, to ensure that the Ombudsman is set up.

Noyes finished by sharing further light on the complexities of setting up an Ombudsman as it pertains to social responsibility – and how the industry is ill-suited to deliver expertise on these issues. He stated that the Government should honour its pledge to step in and deliver an Ombudsman with statutory footing given the significant delays that have resulted from entrusting the Betting and Gaming Council to do so.

Sir Iain Duncan Smith MP: Thanked James Noyes, and asked Tony Parente to offer his introductory remarks

Tony Parente: Mr Parente outlined that he was signatory to a 2018 Non-Disclosure Agreement (NDA), asked not to report operator crimes to a regulator. Since then, Parente outlined that he (and GAMLEARN) is frequently approached by people seeking for redress – and that the Gambling Commission rejects such people as they are not able to deal with individual cases of consumer redress. He reiterated that many people are unable to pursue claims owed to the money and time needed to do so.

Sir Iain Duncan Smith MP: Asked the panellists three questions: How effective is current consumer redress and how would an Ombudsman improve this? What scope should the new Ombudsman have? and; How should the Ombudsman be structured and is it feasible to inform it from other sectors

Dr James Noyes: From a consumer perspective, public confidence in current ADR schemes is low, as no one knows what to expect due to the absence of a statutory ombudsman. When harm occurs that isn't easily tied to a breach of terms and conditions, the ADR schemes currently in place simply do not have the necessary functions to intervene. As a result, individuals who have suffered harm often find they have nowhere to go. He stated that the Government is seeking to address this issue by introducing social responsibility as a formal function of the ombudsman. This would allow breaches of social responsibility to be properly and transparently dealt with, helping to restore public confidence in the redress system.

Regarding the scope of an Ombudsman, he continued stating that ombudsman schemes need to be members of the Ombudsman Association and have to meet certain criteria that are: independence, fairness, effectiveness, transparency and accountability. Whether an ombudsman has a statutory function or not, it would have to meet these criteria. It's powers, in Noyes' opinion, should be similar to the powers of the Financial Ombudsman Service, a body that offers redress in financial services, underpinned by the 2000 Financial Services Act, and acts in conjunction with the Financial Conduct Authority.

Sammy Wilson MP and John Grady MP: Asked Dr Noyes how an Ombudsman should work alongside the Gambling Commission, and about what redress should look like for differing levels of harms.

Dr James Noyes: The Financial Conduct Authority appoints directors to the Financial Ombudsman Service, and a gambling ombudsman should work in a similar way – with the Gambling Commission doing so. The investigations and functions of a gambling ombudsman in the Government's current proposals would exist to assist and sit alongside the Gambling Commission. The Commission should deal with the operators, the ombudsman should deal with consumers and customers, and the two would work closely with each other. Noyes asked the APPG to consider what redress should look like for differing level of harms and said that this is the most challenging part of setting up the ombudsman – but this is something DCMS should be responsible for, not an industry body.

Sir Iain Duncan Smith MP: Asked Paul Kanolik to offer his introductory remarks.

Paul Kanolik: Introduced himself, and his work as a Partner in the Betting and Disputes team of Ellis Jones Solicitors. His organisation has received hundreds of cases seeking redress, and deal with such cases on a daily basis.

Lord Foster of Bath: Outlined the positive difference an ombudsman would make, where a gambling ombudsman would be able to deal with social responsibility failings and such failings would be made public, in contrast to the current situation where NDAs are a staple of such cases. He asked what the panels opinions were on a non-statutory ombudsman that could be established more quickly, without primary legislation.

Paul Kanolik: Inquired as to how the ombudsman would ensure that operators were compliant with their decisions if it did not have statutory instrument.

Dr James Noyes: Said an interim workable solution – that would not require primary legislation, and DCMS are exploring – would be to ‘beef’ up an existing ADR provider that has to be a member of the Ombudsman Association. This would give it a quasi-statutory footing. There are non-statutory ombudsmen – such as the energy ombudsman and the communications ombudsman – and they are members are the ‘Trust Alliance Group’. These work within a wider framework and must reflect the values of the alliance. This presents a workable solution because if it starts to fail to fulfil its functions, other non-statutory ombudsman – who are members of the alliance – would hold them to account.

Sir Iain Duncan Smith MP, Paul Kanolik and Dr James Noyes: Discussed how it was a mistake on behalf of the previous Conservative Government of tasking the Betting and Gaming Council to set up the Ombudsman.

Dr James Noyes: Expressed how setting up an ombudsman commands widespread political support. For Labour, it is about ensuring that consumers are protected, and for Conservatives – and libertarians – it is about upholding a contract and its integrity. For those who believe in self-regulation, the industry has been given two years to set up an ombudsman, and at some point, Government has to step in.

Sir Iain Duncan Smith MP, Lord Foster of Bath and Sammy Wilson MP: Discussed the appetite of Government to explore reforms via secondary legislation.

Derek Webb: Stated that the background for the current tax review is that the HMRC says there isn’t compliance; and that if licensees are not complaint with paying tax, they should lose their license, and their needs to be more communication between DCMS, the Gambling Commission and the Treasury point on this. Outlined issues with the current system where it is unclear whether settlements have been for the full, or reduced amount of money according to IBAS.

Sir Iain Duncan Smith MP: Thanked all attendees for their contributions and stated that the APPG will look to follow up with government to ensure that these points are considered in future policy making.

SESSION CONCLUDES