

Ian Proctor, Chairman of Flutter UK& Ireland Division, discusses the importance of getting affordability right

LONDON, February 15, 2021 -This week sees the close of the Gambling Commission's consultation on customer interaction, which includes proposals to set stricter affordability assessments for UK online punters. It is an important issue for anyone with a view on gambling and will be a significant part of the Government's review into the Gambling Act which is currently calling for evidence.

At Flutter we believe it is important to ask ourselves the big questions and that the Government's review of the Act represents a chance for real change. Gambling has gone through a technical transformation over the last 15 years, and the rules have not kept pace.

Getting to the right answer on affordability is complex and not without some knotty ethical issues. It requires finding a critical balance which allows us to protect the most vulnerable from potential harm without disproportionately impinging on the personal freedom of the vast majority of the 30 million people who enjoy a gamble in the UK every year. In essence, it is about looking at financial vulnerability in combination with a range of factors, to prevent harm.

Inevitably this complexity makes it harder for us to come up with a neat, one size fits all answer and I recognise that the nuances and tailoring in our response will lead some to cry foul and believe that we are fighting to retain the status quo. We are not, we are looking to drive the right kind of change which works even if it isn't easy.

So what does this mean in practice? We believe the way forward is taking a risk-based approach founded on evidence. This means not considering affordability in isolation, but in the context of many other data points including frequency of bets and deposits, personal circumstances, time, products used and, crucially, changes in usual patterns of behaviour for each customer. When all these inputs are considered together, we can take an impactful approach to player protection.

We have developed a new framework which we believe gets the balance right and are calling it the Affordability Triple-Step – setting out three layers of protection to ensure we can step in and protect the most vulnerable.

Firstly, we believe that our customers' affordability journey should begin at registration where we will apply appropriate spend limits for customers with financial red flags; this is the start of our risk-based approach, using data to ensure we don't put unnecessary barriers in the way of the majority of customers while taking action for customers that might benefit from set limits.

Our second layer is ongoing and real-time monitoring of all customers through our Safer Gambling Controls. We're proud of the progress that's been made at Flutter, and by the wider industry, to take innovative steps to monitor and protect our customers. Through this we can intervene when we see concerning behaviour.

Finally, we acknowledge the need for a spending backstop if, on the rare occasion, the first two layers of protection miss someone at risk of harm. This will ensure runaway losses cannot rack up and we have a mechanism to intervene at the right time. This backstop should be bespoke and tailored to different customers and set by operators to represent the breadth and diversity of their customer bases. There should be lower backstops for younger customers as generally they have lower affordability and higher risk of potential harm.

The Affordability Triple-Step could be a critical piece of the puzzle in reducing gambling harm and we believe it is a valuable tool in helping customers know and keep to their limits. We have shared some of this thinking with the Gambling Commission and will be including it in our submission to the Gambling Act Review.

"What can I afford?" is a key part of preventing gambling related harm – we believe that through the Gambling Act Review in particular there is an opportunity to reset the sector in a way which helps customers stay on the right side of this question.

This article first appeared in City A.M. on February 12, 2021

<https://www.cityam.com/flutter-gambling-industry-is-listening-and-responding-to-addiction-concerns/>

For further information, please contact: communications@flutter.com

About Flutter Entertainment plc:

Flutter Entertainment plc (LSE: FLTR; EURONEXT: FLTR) is a global sports-betting and gaming company and a constituent of the FTSE 100 and Euro Stoxx 50. Flutter Entertainment plc reports as four divisions:

Flutter UK&I

Paddy Power, Betfair and Sky Betting & Gaming make up our combined UK & Ireland business. Creating an even more customer-centric organisation focused on user experience, with a culture that encourages people to be collaborative and entrepreneurial in both spirit and action.

Although the brands mostly operate online, this division also includes 620+ Paddy Power betting shops in the UK and Ireland.

Flutter International

Flutter International operates in a number of territories around the world and is probably best known for its flagship brand PokerStars, the world's largest online poker site. Other notable brands include Betfair International, PokerStars Casino, PokerStars Sports and Adjarabet.

FanDuel Group

Our US division consists of FanDuel, Fox Bet, TVG, PokerStars and Betfair brands. The division has a diverse product offering of online and retail sportsbooks, online gaming, poker, advanced deposit wagering on horse racing and TV broadcasting. It is the market leading online sportsbook and casino operator in the rapidly expanding US market and the group is well positioned to continue to take advantage of this opportunity.

Sportsbet

Sportsbet brand is the market leader in online sports betting across Australia. Sportsbet combines innovative, easy to use products and high levels of targeted promotional generosity to form a leading customer proposition. We are well known for our dynamic marketing campaigns around national sports events.