



Department
for Culture,
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Rt Hon Sir George Howarth MP
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Dear Sir George,

Thank you for your correspondence of 16 February to the Secretary of State for Culture, Media and Sport, the Rt Hon Lucy Frazer KC MP, on behalf of your constituents, raising concerns relating to affordability checks and the potential impact they may have on horseracing in Britain. I am replying as the Minister for Sport, Gambling and Civil Society.

Firstly, I would like to reassure you that the government recognises the significant contribution that racing makes to British sporting culture and its particular importance to the British economy, especially in rural areas.

I am aware of the ongoing discussion around affordability checks, and we continue to work closely with the Gambling Commission on both the current requirements and our future proposals in the forthcoming gambling White Paper. However, some recent media coverage has misrepresented the Gambling Commission's existing requirements. The regulator expects operators to have proportionate and effective approaches to managing financial risk as part and parcel of preventing gambling related harm and operating a sustainable business. It has not imposed blanket checks on spending levels for any form of gambling, but has challenged the industry to prevent the recurrence of the types of extreme cases below:

- A customer who spent £245,000 in three months despite the operator knowing she was an NHS nurse earning £30,000;
- A customer being allowed to lose £70,000 over a 10-hour period just a day after opening the account;
- Giving a customer the operator knew was earning £1,400 a month a monthly deposit cap of £1,300.

It is a licence condition that operators monitor play to spot when customers are at risk of harm, and intervene. It is recognised that the financial circumstances of individuals vary greatly, but right that checks are made to ensure that unusually high levels of spend are not themselves a sign of harm.

More broadly, the Gambling Act Review is a comprehensive look at regulation to make sure it is fit for the digital age and we want to make sure we get the right balance between respecting freedom of choice and preventing harm. Through the review, we are considering whether the right protections are in place to protect people who gamble online and whether there are sufficient controls to prevent unlicensed gambling. Proposals in the White Paper will be proportionate and targeted to prevent harm, impacting a small minority of customers and with



as little disruption as possible. The government is giving full consideration to the impact of proposals, including on horseracing.

We will publish the White Paper setting out our conclusions and next steps in the coming weeks. There will be further consultations as policy details are refined, and I encourage everyone with an interest to feed in their views.

A key source of support for the sector is through the Horserace Betting Levy (HBL), a statutory levy on the gross profit of betting on British horseracing collected for the benefit of horseracing. The HBL is collected by the Horserace Betting Levy Board and the money raised is applied for one or more of the following purposes: supporting breeds of horses; the advancement or encouragement of veterinary science and education; and the improvement of horseracing. In April 2017, government made significant reforms to the HBL by fixing the rate at 10% and extending the scope to include offshore online bookmakers for the first time. These reforms resulted in levy income to support the racing industry totalling £83 million in 2018/19. In 2019/20 the levy returned £97 million to racing and even with the suspension of racing for a period due to COVID the levy returned £82 million in 2020/21. In 2021/22 the levy returned £97 million to racing.

The government is committed to review the HBL by 2024. It meets regularly with racing stakeholders and will consider carefully any information they provide. In the meantime, we will continue to work with racing and the Horserace Betting Levy Board to make sure the benefits of the levy are maximised.

Thank you again for your letter.



Rt Hon Stuart Andrew MP
Minister for Sport, Gambling and Civil Society