What is a VIP

• What is a VIP?
  o No standard definition
  o Largest / most important consumers
  o Most operators have a formal VIP programme

• How are VIPs recruited & managed?
  o Algorithms can spot VIPs much quicker than potential PGs
  o Generally looked after by VIP Manager
  o Possible separation of responsibility from compliance
The context

Importance of VIPs goes across the industry......

Although this is not necessarily representative of online industry as a whole
What do we know about the potential risks?

- Estimated 47,000 online VIPs
  - Based on Health Survey participation rates
  - Implied 3,760 PGs in the VIP cohort
    - This would imply that VIPs account for circa 2.3% of all online PGs

- Public statements heavily feature VIPs or very large spending customers
Compliance - What do we already know?

- Different types of VIP programmes
- Checks and balances over VIP staff
- Commercial v compliance
- VIP staff remuneration
- VIP interaction with customers
- What makes a VIP customer?
- We need to know more
Compliance - What do we do now?

- Assess policies and procedures operators have in place
- Assess operator's internal audit processes
- Additional assurance statement questions
- Assurance statement workshops for key individuals
- Assess key persons, marketing, compliance and overall management.
Compliance- What next?

- Q4 - compliance engagement
- Assess VIP managers
- Investigate how VIP staff are remunerated
- Review offers/ incentives given to VIP customers
- Review the checks and balances in place
- How do VIP staff communicate with consumers
- Review relationships between VIP staff and consumers
- How is risk impacted when looking through different perspectives:
  Consumers not currently experiencing harm, consumers experiencing harm, operators, the Commission

- Range of potential actions:

  - Commission further research into VIPs
  - Pressure industry to develop a code of conduct*
  - Mandate VIP definitions
  - Mandate regular (meaningful) interventions with all VIPs
  - Require PMLs for VIP Managers
  - Deposit limits
  - Control VIP manager remuneration
  - Ban VIP status
  - Limit inducements

*Actions in train