

Office of Communications (Ofcom) Riverside House, 2a Southwark Bridge Road SE1 9 HA United Kingdom

Att: Tony Close

Our ref.: 15/109-94/LA

Your ref.:

Date: 30.11.2016

Gambling advertisements targeting Norway from British TV channels

Dear Mr. Close,

The Norwegian Media Authority (the NMA) refers to the previous correspondence with Ofcom regarding advertisements for gambling from British TV-channels targeting Norway.

We are writing to you again in order to inform Ofcom about the substantial amount of gambling advertisements from British TV-channels targeting Norwegian citizens. These advertisements are broadcast before the commonly accepted watershed at 09.00 p.m. and do not comply with the British Industry Code for Socially Responsible Advertising.

Legal context

According to our knowledge, broadcast gambling advertisements are largely governed by the Broadcast Committee of Advertising Practice (BCAP), which exercises its role under delegation from Ofcom.

According to the BCAP Code section 32.2 gambling advertisements may not "be advertised in or adjacent to programmes commissioned for, principally directed at or likely to appeal particularly to audiences below the age of 18".

Furthermore, the Industry has agreed upon more detailed rules on the scheduling of gambling advertisements in order to protect minors (soft law). The NMA refers to the Industry Group for Responsible Gambling (IGRG) and the code "Gambling Industry Code for Socially Responsible Advertising" (the Industry Code). Section 31 of the Industry Code states that new gambling products (except for bingo) should not be advertised on television before the "commonly accepted watershed time of 9.00 p.m.".

Study of gambling advertisements targeting the Norwegian audience

The NMA conducted a study of five TV channels under British jurisdiction (FEM, MAX, TV3, Viasat 4 and Eurosport Norge) targeting Norway. We examined both the extent of such advertisements (and sponsorships) and also whether the advertisements are broadcast during daytime before the watershed at 09.00 p.m.

Regarding the extent of such advertisements we found that for the channels FEM, MAX, TV3 and Viasat 4 there has been an increase of 23 percent compared to 2015.

More importantly, the study reveals that 71 percent of all advertisements for gambling on the above mentioned four TV-channels are broadcast during day-time, and before the watershed at 09.00 p.m. These are, according to the NMA's opinion, not in compliance with the Industry Code section 31.

The number of advertisements and sponsorships were divided as follows on the different channels:

	Advertisements			Sponsorships			Total		
	Tot	Day*	Night*	Tot	Day*	Night*	Tot	Day*	Night*
FEM	63	46	17	121	86	35	184	132	52
MAX	73	53	20	137	93	44	210	146	64
TV3	138	104	34	66	46	20	204	150	54
Viasat4	109	70	39	46	36	10	155	106	49
Total	383	273	110	370	261	109	753	534	219

*Daytime between 0530 a.m and 0900 p.m. Night between 0900 p.m and 0530 a.m.

Moreover, the study also reveals that 70 percent of the advertisements for gambling broadcasted on Eurosport Norge was scheduled before 09.00 p.m. All of these advertisements were scheduled around televised sporting events. Several of the advertisements (11 out of 23), however, contained signup-offers and references to sports betting services. These are, according to the NMA's opinion, in breach of the Industry Code section 32.2.

Enclosed you will find a full report from this study.

Dialogue with the Gambling Commission

The Norwegian Gaming and Foundation Authority (NGA)¹ contacted the Gambling Commission in a letter of 11 May 2016. In this letter the NGA raised its concerns about the substantial number of gambling advertisements from British TV-channels targeting Norwegians even before the watershed at 09.00 p.m. The NGA also underlined that those advertisements were high-risk online games such as casino, slots, poker and betting.

The NGA argued that the Industry Code should be regarded as part of the relevant British regulation of gambling advertisements, and as such should be applied irrespective of whether gambling advertisements target Norwegian or British citizens. The gambling advertisements broadcast between 05.30 a.m. and 09.00 p.m. do not comply with section 31 of the Industry Code.

The Gambling Commission has, in an email to the NGA of 19 October 2016, concluded its investigations. The Commission reports that the operators that are within the scope of the Industry Code have interpreted the Code as being applicable only to advertising within the U.K. As this is an Industry Code, it is not for the Commission to mandate compliance.

¹ Lotteri- og stiftelsestilsynet (<u>www.lottstift.no</u>)

Questions for consideration

Both British broadcasters and the betting industry argue that according to the country of origin principle only British regulation, and not Industry Codes, applies to the gambling advertisements targeted at Norwegians. Furthermore, they have in previous correspondence with the NMA argued that they are in full compliance with all relevant British regulation when targeting gambling advertisements at Norwegians. However, as the study performed by the NMA reveals, the broadcasters do not comply with the Industry Code section 31 (and 32) on scheduling for advertisements targeting Norwegian citizens.

First of all, the NMA would like to seek clarification about the statement that the Industry Code only applies for advertisements targeting British citizens and not Norwegian citizens. If this is the case, this raise concerns about whether the objective of the country of origin principle is met.

Secondly, if the Industry Code applies for such advertisements targeting Norwegian citizens, what powers do Ofcom and/or the Gambling Commission have if the broadcasters systematically violate the Code? Does Ofcom have any backstop powers?

Lastly, the NMA would like to request Ofcom to consider ways to secure compliance of the scheduling rules for gambling advertisements broadcast by TV channels targeting Norway.

The NMA will be happy to discuss any inquiries Ofcom might have regarding this matter.

Many thanks in advance for your kind cooperation.

Your sincerely,

Gudbrand Guthus Director Licensing and Supervision Department

Linda M. Andersen Legal Senior Adviser

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This document is electronically approved and does not require a signature

Cc: Lotteri- og stiftelsestilsynet

Postboks 800

FØRDE

Attachments:

Study of the scheduling of gambling advertisements from British TV channels targeting Norway