

2023-10-16

BOS – Branschföreningen
för Onlinespel

The logo for BOS.nu, featuring the text "BOS.nu" in a white, sans-serif font on a dark grey rectangular background.

Reference statement Ju2023/01643, Enhanced consumer protection against risky lending and over-indebtedness

About BOS

The Swedish Trade Association för Online Gambling (BOS) thanks you for the invitation to comment on the inquiry *Enhanced consumer protection against risky lending and over-indebtedness*.

BOS represents about twenty gambling companies that are active in the Swedish gambling market. This makes us Sweden's largest trade association within our industry. All members have a license/permit issued by Spelinspektionen.

BOS's views in brief

BOS chooses to comment on the proposals in chapter 9 – A stricter regulation of the possibility of offering games on credit – as well as the proposal in chapter 12 – A system for debt and credit registers – on the introduction of a so-called Skri register, as the proposals in these chapters has a bearing on the gambling industry.

9.4.1, The credit prohibition in the Gambling Act shall be extended to include third parties

The investigation's proposal: The provision on credit prohibition in the Gambling Act must be extended. It shall be prohibited for a licensee or gambling agent to promote the opportunity for anyone else to offer or give credit for the stakes in gambling.

BOS approves the proposal.

9.4.2, Should credit card gambling be banned?

The investigation's proposal: There are insufficient reasons to introduce a ban on paying for gambling with credit cards.

BOS approves the proposal.

12.4.1, A system for Skri registers shall be introduced

The investigation's proposal: A system for registers of debt and credit information (Skri register) must be introduced.

BOS approves the proposal.

Below follows our reasoning about each proposal.

9.4.1, The credit prohibition in the Gambling Act shall be extended to cover third parties

It is in the interest of the licensed gambling companies that gambling consumers do not spend more money than they can afford. Gambling shall offer excitement, joy and entertainment in safe and secure forms. Gambling should not lead to financial worry or vulnerability. Our member companies have no interest in directly or through agents encouraging their customers to gamble on credit.

It is already prohibited today for licensed gambling companies to offer or promote gambling on credit, and BOS finds it reasonable that the corresponding prohibition be extended to third parties.

Having said this, we agree with the investigation's position that the use of customary means of payment, such as credit cards, should not be affected by the provision. As pointed out in the investigation, the credit card user has already been subject to a credit check. We agree with the inquiry's proposal as a prohibition for third parties to offer or promote credits *specifically* intended for gambling, but not general credits, such as a regular credit card or a general loan.

In this context, BOS wishes to emphasize that licensed gambling companies must have the right to disclose which means of payment are accepted by the gambling company. This is generally done in such a way that the logo of the respective payment provider is displayed on the gambling company's website. This information is important for the gambling consumer and must of course be able to be displayed. In this respect, the

gambling companies' information about accepted means of payment does not differ from other online businesses.

9.4.2, Should credit card gambling be banned?

BOS notes that the investigation understands and takes to heart the consequences of what the payment market looks like today. Hence the inquiry's proposal to reject a ban on gambling with credit cards.

A ban on credit cards would have draconian consequences in the gambling market, especially in the online gambling market where our members operate. There is no cash in the online gambling market. In the online gambling market, illegal off-license gambling will never be more than a few clicks away on your computer or smart phone, and unfortunately these unlicensed gambling companies will probably always be able to offer credit card payments. It is not in Sweden's or the consumer protection's interest to hand over such an obvious competitive advantage to the unlicensed and often illegal gambling market.

12.4.1, A system for Skri registers shall be introduced

As previously pointed out, it is important for our member companies that their customers only spend money on gambling that the customer can afford. The gambling industry is part of the larger entertainment industry where we coexist and compete with entertainment in the broadest sense. This also includes subscriptions to streaming services, cinema visits, concerts, sports events and holiday trips and more. Not a single consumer penny should be spent on the entertainment industry until all the basic expenses of life are paid, such as food and housing costs. Only after these expenses are paid should funds be set aside for the entertainment account.

We believe that a Skri register can improve lenders' assessment of borrowers' financial situation. Hopefully, this can lead to a higher percentage of solid loans and fewer cases that go to debt collection.

We note in the investigation that both what must be reported to the system and who has the right to retrieve information from the system are proposed to be strictly limited. The gambling industry does not belong to either party, neither for reporting nor extracting information in the register. We agree with the balance in this proposal, not least for privacy and GDPR reasons, but at the same time want to highlight the possibility that the register can be expanded in the future. It may apply to an expansion in terms of what must be reported to the register, as well as which bodies have the right to request data from the register.

Gambling companies with a license issued by the Swedish Gambling Authority have a statutory obligation to maintain a duty of care towards their registered gambling customers. This duty of care would probably be promoted if licensed gambling companies were allowed to seek information in the Skri register. In addition, licensed gambling companies have an obligation to take measures against money laundering and the financing of terrorism. These measures would probably benefit if it were possible for licensed betting companies to seek information in the Skri register.

Having said this, we would also like to underline that we are well aware of the integrity review that is necessary before such a possible expansion of who should be given access to the register. We are also well aware that such an examination may very well show that the protection of the individual's privacy outweighs the maximum level of consumer protection in accordance with the gambling act's duty of care.

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