



Nick Timothy MP

HOUSE OF COMMONS
LONDON, SW1A 0AA

12 May 2026

Rebuttal Letter – Financial Risk Assessments (Affordability Checks)

Dear Baroness Twycross

Thank you for your response (Ref: MC2026/03514/CR) regarding the proposed introduction of Financial Risk Assessments (FRAs) – better known as affordability checks.

While I welcome the Government’s recognition of horseracing’s economic and cultural importance, I remain deeply concerned that the proposals being pursued by the Gambling Commission are not supported by sufficiently robust evidence and risk causing significant unintended consequences to British horseracing, a crucial contributor to my West Suffolk Constituency.

I would like to challenge some of the assertions that you make in your reply to my initial letter, which are as follows.

1. Evidence base and transparency

You state that the pilot indicates FRAs will be “a useful tool” in tackling gambling-related harm and that only a small proportion of accounts will be affected. However, as it stands, there is very little evidence to back up that statement.

- The **underlying data from the final stage of the pilot has not been published**, nor independently scrutinised.
- **No full independent evaluation (e.g. NATCEN) has been made available**, limiting confidence in the conclusions.
- Key findings (e.g. 3% of accounts impacted; 97% frictionless) are contested by the Betting and Gaming Council, whose operators will be key in making this policy work if it is implemented.
- There has yet to be any evidence produced which supports the assertion that FRAs can tackle gambling-related harm.

Without transparency, it is not possible for stakeholders to assess whether the policy is proportionate or effective, and I have concluded that your Department has been complicit in allowing a trust deficit to develop around this policy.

Clear expectations were set out by previous Conservative Ministers that this would only proceed if the pilot found checks could be “fully frictionless”. You then said in January 2025: “*While I*

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am clear we do want to have these checks to help address problem gambling, I'm also clear financial risk checks need to be and can be proportionate. I believe this is possible – frictionless, near-instantaneous checks, a system which is better for customers, better for the betting industry and better for racing.”

If this position has changed, it should be publicly communicated.

This trust deficit has only been worsened by the Department's failure to engage with very legitimate concerns from colleagues in the APPG for Racing and Bloodstock who fear that, despite being statistically one of the safest gambling products, it is horseracing that is most likely to feel the unintended consequences of this policy.

As this is a policy that looks set to be enacted under your stewardship as Gambling Minister, stakeholders and interested parliamentarians at least deserve the opportunity to discuss it with you.

2. Inconsistency of Credit Reference Agency (CRA) data

You acknowledge that CRA data is “never fully aligned” and can result in discrepancies.

This raises serious concerns because operators may act based on **incomplete or inconsistent data**.

This creates the unacceptable risk that customers may be required to provide personal financial documentation and experience unfair or inaccurate decisions, with operators encouraged to take a safety-first approach if there is any doubt about the financial means of the customer.

While the Government may be satisfied that the “frictionless check” by CRA's meets the requirements set out in the White Paper, what is clear is that no thinking has been done on how operators should treat flagged customers once they receive information from the CRA. A check is clearly not an outcome. It is what follows that matters.

Unless clear, unambiguous guidance is provided to operators as to how they should treat customers who go through this process, we risk driving these customers out of the legal market.

3. Black market and displacement risk

Your letter rightly recognises the existence of the illegal market but disappointingly downplays its relevance.

There is growing evidence that **increased restrictions in the regulated market are driving consumer displacement to the illegal market** and industry analysts Yield Sec now estimate

the illegal market to be around 9% of the legal sector. Analysts H2GC recently warned the illegal sector has trebled in size since 2019.

With the Betting and Gaming Council warning that this policy is likely to increase requests for consumer documentation, customers experiencing friction are **more likely to migrate to unregulated operators**, where there are fewer consumer protections. These operators neither contribute to the Exchequer nor British racing.

Since the 2023 Gambling White Paper, a triple lock of consumer protections has been introduced by Government to help protect customers in the legal market. I pose the question as to whether it would be better for the Department to conduct a proper assessment of the effectiveness of these measures before it risks overregulating by adding in this additional layer of protection.

4. Lack of Parliamentary scrutiny

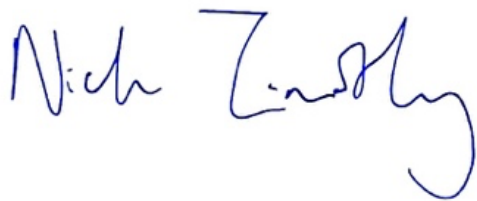
I am staggered that the Commons or Lords are not being provided the opportunity to scrutinise this policy, which will impact on two multi-billion-pound industries. The February 2024 Westminster Hall debate, which was forced by a racing industry petition, was the last opportunity for MPs to give their view on this policy.

It is clearly not appropriate for a decision of this magnitude to have been passed on to a DCMS quango, and especially one currently without permanent leadership, when legislative routes having been used for other aspects of the Gambling Review – e.g. the Statutory Levy. I would appreciate clarification on why the Department has chosen to pursue this policy in this way.

Considering the above, I continue to urge the Department to take back control of this process from the Gambling Commission and stop the implementation of Financial Risk Assessments.

The Department has regularly provided the horseracing industry with warm words in recent years. Now is the time to take the action required to protect a great British sport.

Yours sincerely

A handwritten signature in blue ink that reads "Nick Timothy". The signature is written in a cursive, flowing style.

Nick Timothy
MP for West Suffolk