



Department for Culture, Media & Sport

Baroness Twycross
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Nick Timothy MP
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Your Ref: NT11294
Our Ref: MC2026/03514/CR

Dear Nick,

Thank you for your correspondence of 15 April to the Department for Culture, Media and Sport, on behalf of your constituents, regarding Financial Risk Assessments and their potential impact on horseracing. I am responding as the Minister for Gambling.

This Government recognises the significant contribution that racing makes to the nation's economy and sporting landscape.

Horseracing is the only sport in receipt of a direct government-mandated levy which helps to drive improvements in the sport. The Horserace Betting Levy is paid by bookmakers with annual gross profits on British horseracing over £500,000, at a rate of 10%. The levy is collected by the Horserace Betting Levy Board (HBLB), and directed towards: supporting breeds of horses, the advancement or encouragement of veterinary science and education, and the improvement of horse racing. For this reason, and its unique heritage, we announced at the last budget that there will be no change to the duty for bets on British horseracing, whether in person or online.

The Government remains committed to supporting the implementation of key measures in the 2023 white paper. Such measures will both strengthen protections for those at risk and reduce gambling-related harm, including in collaboration with industry to ensure responsible gambling. One of those measures was the introduction of Financial Risk Assessments (FRAs) for online gambling. FRAs replace existing burdensome document checks that exist currently. FRAs are frictionless checks that are targeted at individuals who experience significant net losses over a set period. The white paper proposed £1,000 in 24 hours or £2,000 in 90 days, to target those most at risk of financial harm from gambling. The pilot found that only 3% of gambling accounts would be subject to an FRA, of this 3%, 97% would be conducted frictionlessly, without any change to the consumer experience.

The Gambling Commission has undertaken a rigorous and extensive pilot with operators on FRAs, discussing a variety of issues. Following the conclusion of that pilot, the Gambling Commission (GC) has continued to engage with gambling operators on their concerns. As the independent regulator, the GC will decide how to implement FRAs based on the best available evidence.

As set out in your constituent's letter, a number of concerns have been raised during the pilot. Overall, the Government believes that the pilot indicates FRAs will be a useful tool in efforts to tackle gambling-related harm. Findings from the pilot indicate that they target and identify customers who are both experiencing high losses and are in financial difficulties. Such customers are not caught by existing processes and would therefore be at risk of financial harm. As such, we have confidence in the GC's approach to FRAs.

Financial information alone will not determine risk. It will be one of many tools for operators to use when forming an overall risk assessment to protect customers from gambling-related harm. Other indicators - such as escalating or erratic patterns of play, or the times at which someone is gambling - will also form part of that assessment.



As you reference, document checks are common in the sector currently. We believe the status quo is unsustainable, as document checks are burdensome on those who want to enjoy betting as a pastime. Instead, the GC does not believe that document checks will be necessary as part of FRAs, given that operators will be able to rely on Credit Reference Agency (CRA) data to support their risk assessments. This will reduce friction for customers who are low risk and avoids the need to share personal documents. The pilot instead estimates that only 0.1% of all active gambling accounts would experience friction from an FRA check. This figure could be reduced further with improvements to ID and verification processes.

Separately, the GC and operators are aware that CRA data used in the financial sector is never fully aligned due to the different datasets used by different CRAs. This can result in discrepancies in risk flags. However, the GC has been clear that operators would only be expected to make decisions on the data they are given, and should not request documentation from individuals. As in the financial sector, it would be for an individual to contact the credit reference agency about their credit profile.

As the white paper set out, whilst we recognise that the threat of movement to the illegal market does exist, this does not mean that we should avoid appropriate controls on licensed operators. The illegal market is best tackled by improving player safety and managing risk. This is why we are working to give the Gambling Commission increased powers to support disruption and enforcement activity, and why we have announced £26 million of funding over 3 years to the Commission to enable them to increase their activity. We have also set up an Illegal Gambling Taskforce to test what more can be done to tackle the threats posed by the illegal market.

The Government will continue to work with the GC, as it decides how to best implement FRAs; one that minimises industry burdens where possible, while ensuring that protections for those at risk are in place. Further information on the Gambling Commission's approach to FRAs is also available at [this link](#).

Thank you again for your email. I hope that you find this information useful.

With best wishes,



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