Evaluation of the Player Protection

Concept 2022

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Diversity is part of Tipico's very identity. Tipico advocates diversity, integration and equal rights. Any male form used throughout this policy is not meant to be gender-specific but merely intended to make for easier reading.

1. Introduction

1.1 Objective of the evaluation report

Trust is one of the most important criteria in consumer decisions. Tipico lives up to its role as market leader in the newly created, regulated market: Customers place their trust in Tipico. Our goal is to offer them the product they want within the framework of legal requirements. And in so doing, one rule applies: Hoping that something will work as well as you expect it to, is not good enough. Evidence is needed in the form of an evaluation.

An evaluation thrives on making it clear right from the start based on strictly defined criteria success will be measured. If those criteria are unclear, the evaluation's objectivity cannot be guaranteed. On this account, we undertook a commitment early on in the course of our license application to evaluate specific criteria. In this report, we are honouring our commitment.

1.2 Scope of the evaluation report

The present report covers the criteria for evaluating the player protection concept, which are applicable across the nation for the online setting and state-by-state for stationary business in betting outlets. In this way, conclusions can be drawn about the implementation of measures under the player protection concept and its state-specific modifications.

Tipico was awarded a nationwide license for online sports betting on 9 October 2020. This license expired on 31 December 2022. The figures provided in the present report thus relate to the entire calendar year 2022. By official notice dated 9 December 2022, the sports betting license was extended for the period from 1 January 2023 to 31 December 2027 for online distribution on the internet and for stationary distribution.

For the organisation of virtual slot machines, Tipico was awarded a license on 6 October 2022. Although the license requirements had been implemented over the entire period in 2022 based on the circular resolution, there are a number of differences. For example, the one-click 24-hour self-exclusion could not be entered in OASIS until after the license had been granted, and, as a result, the mode of operation is fundamentally different. Where possible, the reported figures thus relate to the entire year of 2022.

In the stationary setting, the situation continues to be complex. On the one hand, the states are moving along different timelines in their licensing processes: While many states have already completed the licensing process and some have even received applications for extensions and issued official notices on such applications, other states have yet to issue licenses or, as the case may be, have only processed some of the applications submitted to them.

On the other hand, on top of the mandatory organiser license every betting outlet also needs to be licensed individually. In other words, even in a state where the licensing process has been launched long ago, not all or a majority of the betting outlets have necessarily already received a license.

The licensing process was continued even after 2022 ended. Figure 1 shows the status of the sixteen states in the licensing process.
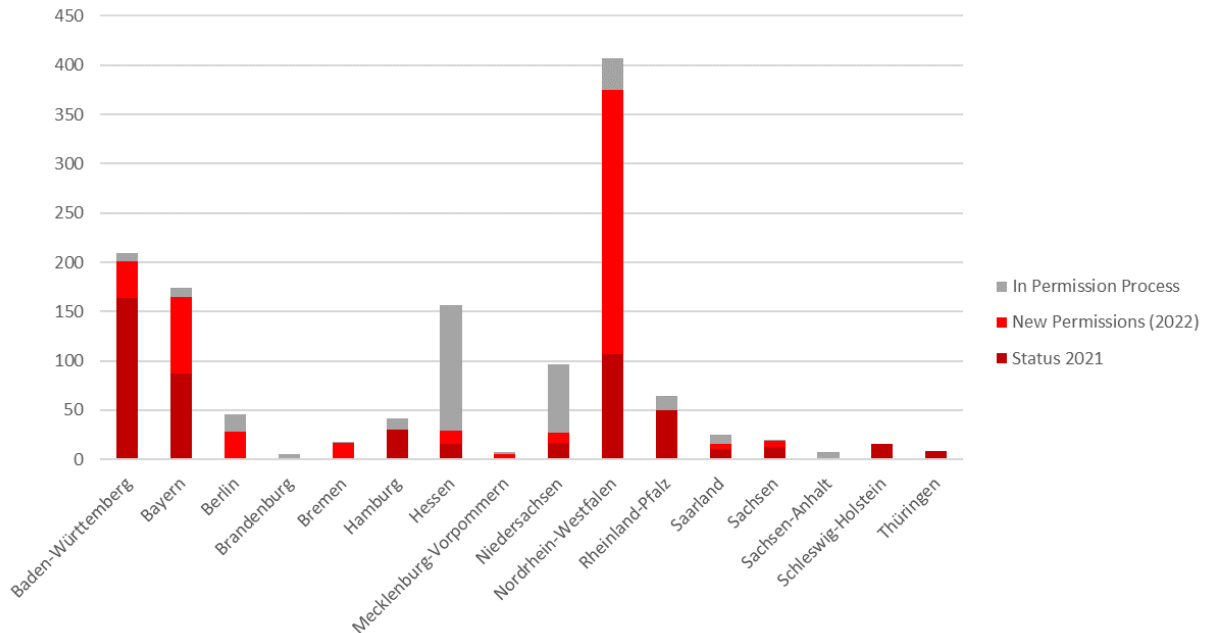

Figure 1: Status of licensing process for the stationary distribution network.

Although the licensing process had made tangible progress by the end of 2022, the process has yet to be completed and has made only limited progress so far in some states. Reports about stationary business will thus continue to include some distortions, which will subside somewhat over the year. As a result, this report will continue to refrain from claiming to be exhaustive, particularly when it comes to the stationary setting.

2.   Player protection resources

A compliance framework only has potential to succeed if responsibilities are clearly defined. This is true for player protection as well. Player protection can only be achieved if it enjoys the full support of the company's management board and sufficient dedicated resources are available to implement and monitor it.

Tipico's player protection is managed centrally by a player protection concept manager. The role of the player protection concept manager is assumed by the Head of Corporate Responsibility, who is part of the Compliance organisation and reports directly to the Chief Regulatory Officer of the Tipico Group.

The player protection concept manager is tasked with developing the player protection concept. Likewise, the manager's job is to gauge the effectiveness of the player protection concept using suitable indicators and submitting regular reports with this data to the Management Board. Based on the findings made, this manager is also charged with further refining the concept on an ongoing basis. The player protection concept manager identifies and defines strategic player protection goals and coordinates efforts made by internal (the Player Protection Team, for example) and external (anyone responsible for player protection at Tipico partners, for example) resources.

Furthermore, Tipico has three player protection managers whose task is to ensure and document the operational implementation of the player protection concept. The Consumer Protection Team supports them in their task and processes all the customer contacts concerned with player protection issues. This team currently comprises 16 full-time staff positions.

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Player protection manager B2C

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Address	Amalienbadstraße 41b 76227 Karlsruhe, Germany

Player protection manager of Tipico Shop Agencies

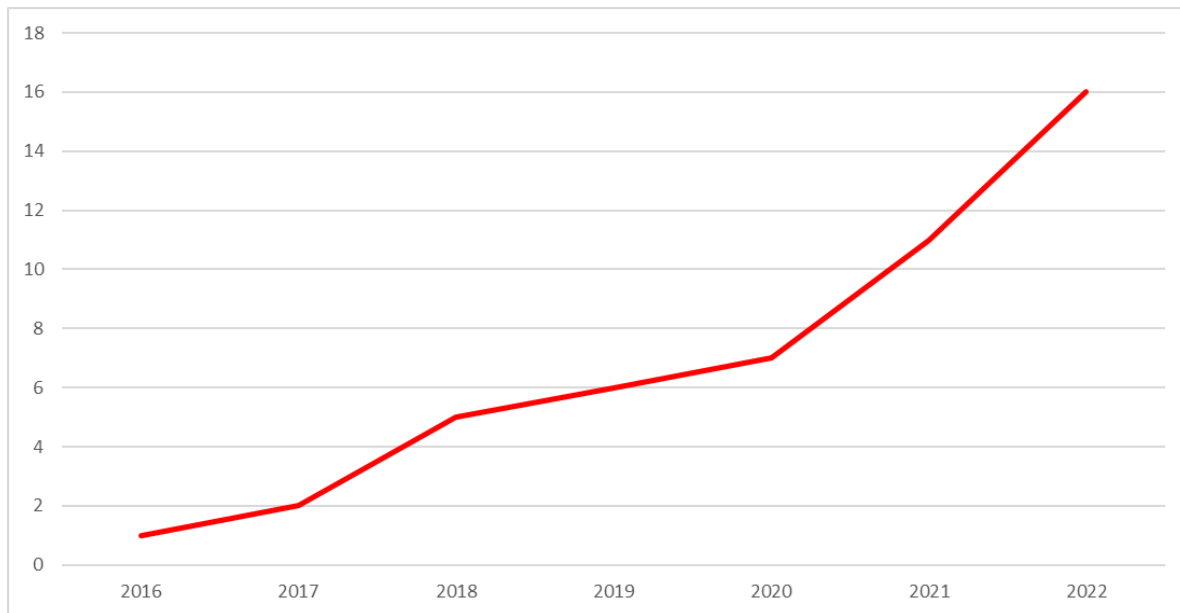|	
Name	Daniel Goldemann
Function	Player Protection Manager
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Figure 2: Changes in the operational Consumer Protection Team since 2016. Player protection concept manager and player protection managers have not been included.

In the stationary setting, every franchise partner (betting agent) is obliged to appoint a player protection manager as well. This player protection manager is charged with the practical implementation of the measures and documentation obligations under the player protection concept. To serve in this function, the employee needs to be given sufficient time resources.

Figure 3 shows the player protection manager appointed for each state. This set-up has remained unchanged for the most part since 2021. On the one hand, differences between the states result from the number of betting shops that need to be managed, On the other hand, the structure of the network also needs to be taken into account. States with a high number of partners that operate only one betting outlet each will give rise to a relatively high number of player protection managers who spend only part of their working time fulfilling this function. States with very few partners, each with their own large network, will give rise to a relatively low number of player protection managers working exclusively in this capacity.
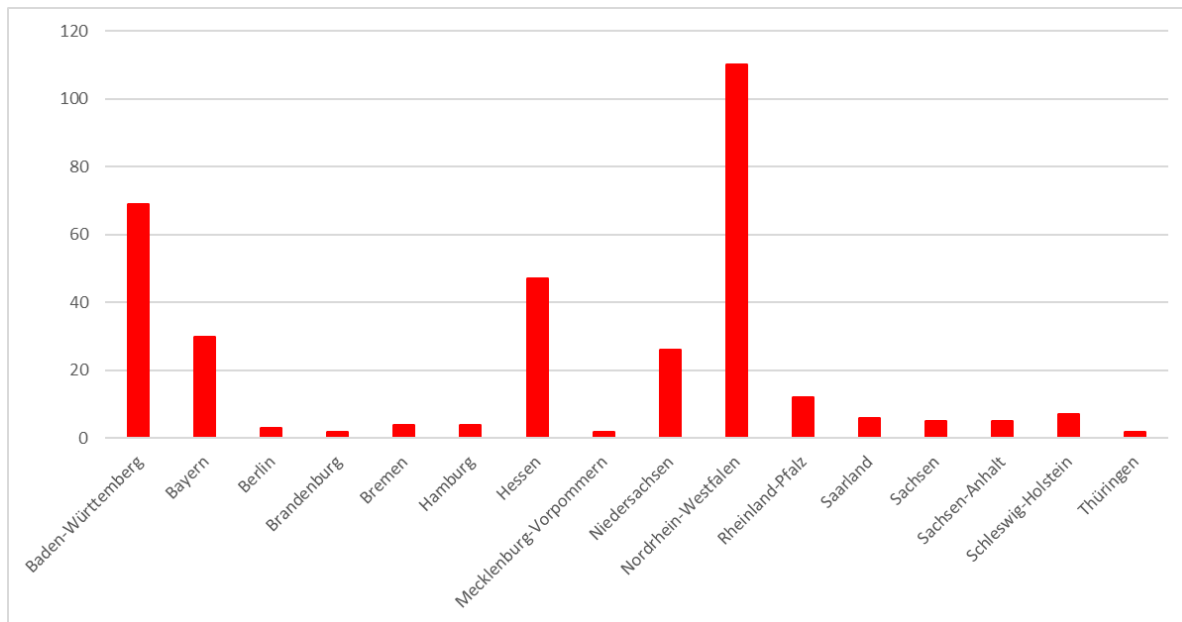
Figure 3: Number of player protection managers in the stationary network.

In 2022, Tipico invested a total of approx. 11,300 working days for IT developers worth around EUR 11.3 million into the technical implementation of consumer protection improvements. This estimate includes only the technical implementation. The planning and evaluation of the measures and expenses at the operational level are separate items.

3.   Cooperation with research, counselling and treatment

Despite the extensive staff and structural resources for player protection, Tipico cannot assume all the responsibilities itself. Especially when it comes to exclusion, the affected persons need as much distance to the gambling offer as possible. The options Tipico has as a company are therefore limited to identifying gambling-related problems, implementing self-exclusion or imposing exclusion and advising the player with respect to counselling and treatment schemes available.

For the German market, Tipico currently cooperates with the following counselling providers:

Spielerambulanz des IFT München• Operation of spielerambulanz.de

• Counselling service for affected persons and family members

• Hotline

Gambling Therapy

• Operation of gamblingtherapy.org

• Online counselling service for affected persons and family members in thirty languages (including relevant

migrant languages)

Glücksfall

• Training for employees of betting outlets

Furthermore, the following support and advice contacts are provided on our product websites and in promotional material in compliance with the ancillary provisions.

www.bundesweit-gegen-gluecksspielsucht.de, www.check-dein-spiel.de

4. Training

Wherever procedures cannot be fully automated, employees play a crucial role in ensuring compliance with the player protection requirements. This specifically applies to any interaction with customers.

As a gambling operator, Tipico has 168 people on its payroll who have direct contact to online customers. One hundred percent of these employees have undertaken the complete player protection training programme.

In the stationary setting, Tipico provides betting agents with accredited player protection training opportunities. In 2022, a total of roughly 17,500 person-hours were completed in face-to-face training courses. That is a 40 percent increase on the previous year. Figure 4 shows how many service employees have completed face-to-face training courses and additional online trainings.
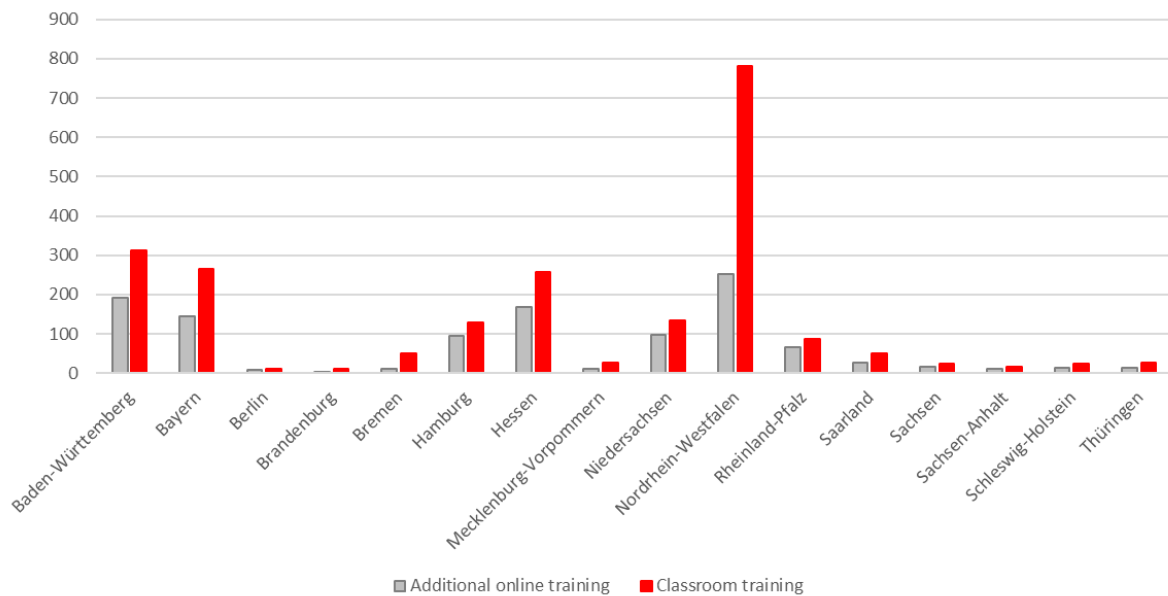

Figure 4: Training of service staff employed in the stationary setting.

5. Audit and mystery shopping

The effectiveness of player protection in the betting shop depends not only on the training status of the shop's employees but also very much on the individual employee's willingness. As a result, close scrutiny is indispensable. In this regard, Tipico seeks to ensure that the inspections conducted are as extensive as possible so that every betting shop must expect to be inspected several times a year. Wherever risks or shortcomings are identified, contractual sanctions are imposed and more frequent and in-depth inspections are carried out. These inspections are conducted by the Quality Assurance Department and Compliance.
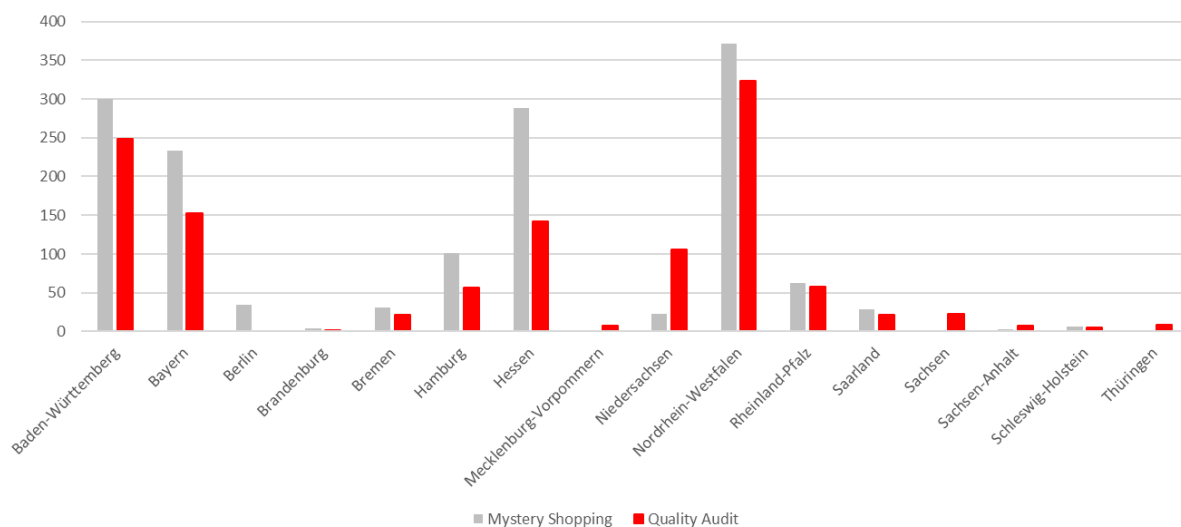

Figure 5: Inspections carried out in the stationary distribution network.

In 2022, the volume of inspections was significantly increased: The number of test purchases were increased by 85 percent; the number of quality inspections by 31 percent. This ensures that no betting agent feels unobserved. In combination with the operating instructions that were provided in the player protection concept, adopted as their own by the betting agents and signed by the service employees, potentially risky practices can be eliminated this way.

6.   Consumer perception

Player protection is not simply a legal requirement set out by the Interstate Treaty on Gambling. Player protection also aims to ensure a tangible improvement in the conditions for consumers. The question of whether player protection in the regulated market is perceived as an asset by consumers has direct implications for the regulatory objective of channelling customer demand into the regulated market.

This is the reason why Tipico conducts an annual survey on perception of player protection among customers as part of its brand tracking efforts. Based on a random sample consisting of 2,000 interviewed customers, the following perceptions were reported.
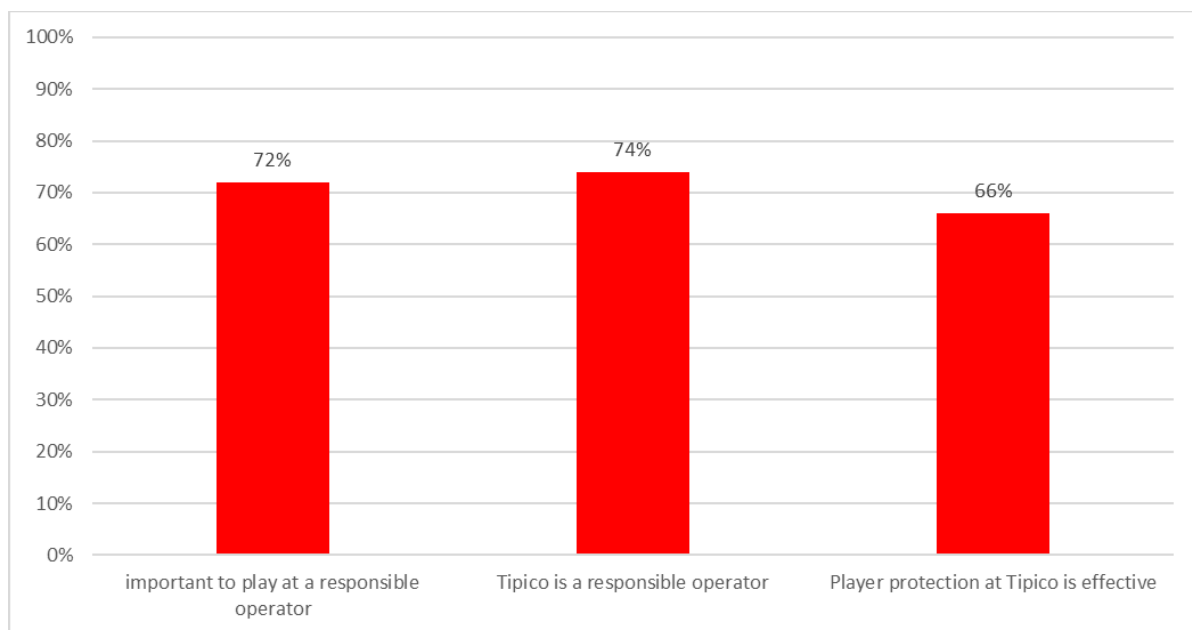

Figure 6: How customers view Tipico's player protection.

Naturally, the effectiveness assessment, in particular, throws up the question of why not all customers consider player protection to be effective. We asked more specifically, particularly about the balance of the intervention. Customers were asked whether they considered player protection measures to be inadequate, just right or patronising. Half the customers find player protection to be suitable. Conversely, the other half that did not consider the measures suitable had a strong propensity to perceive the implemented player protection as too patronising.
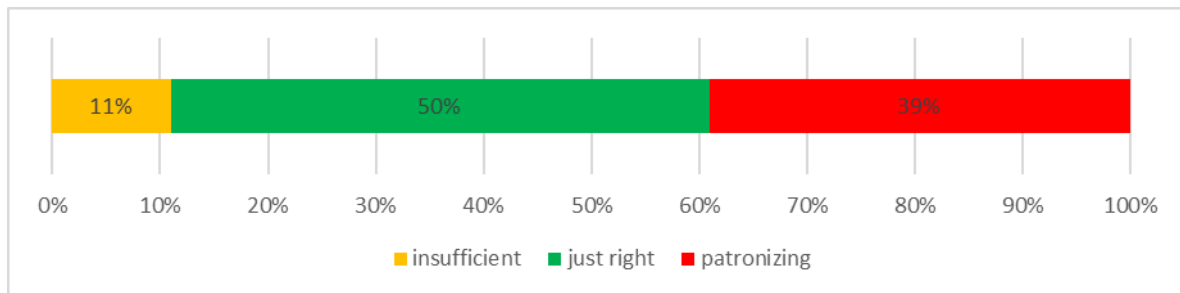
Figure 7: The customers' perceived balance of the intervention on account of the implemented player protection measures.

The main reason, some customers believe our player protection to be ineffective is thus that they consider the measures to be too patronising. These responses give cause for concern that customers perceive the implemented player protection measures to be too restrictive and thus do not see them as an asset of the regulated market.

7. Protection of minors

The protection of minors in the online setting results directly from the age and identity verifications that must be carried out within the first three days. Figure 8 shows at what point a customer's identity is verified in the registration process. If a customer is found to be a minor in this process and attempting to register using falsified identity data, no permanent account is set up or, as the case may be, any existing account is immediately deactivated. Among all the identity and age verifications carried out in 2022, 2.8 percent were discovered to be minors. Their preliminary gaming accounts were deactivated immediately.
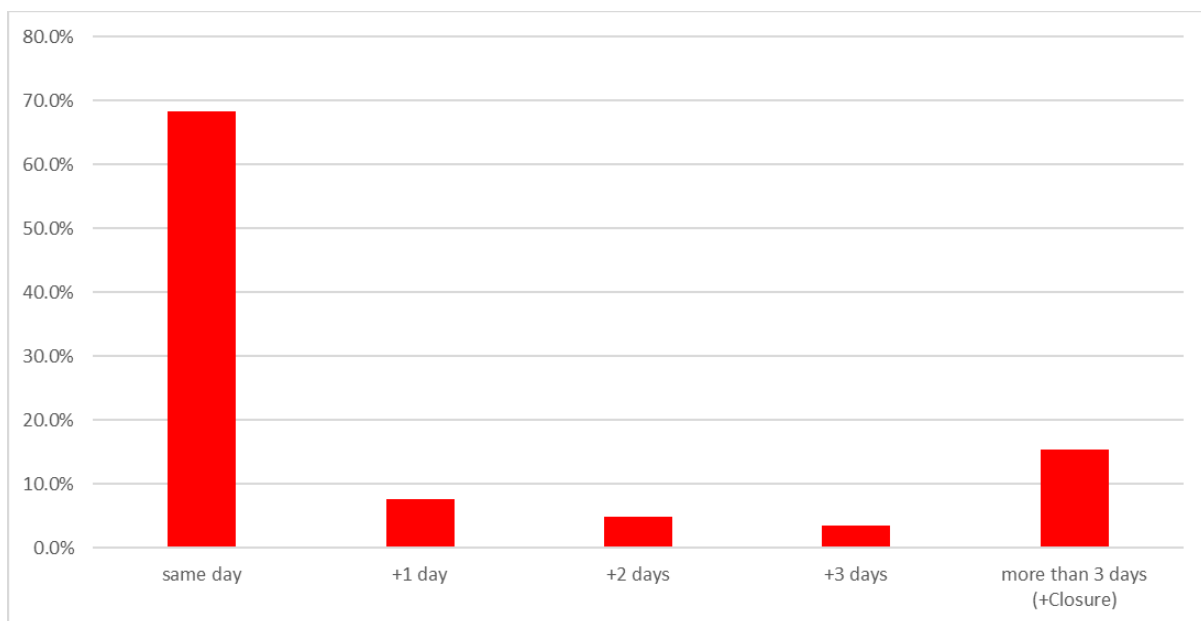

Figure 8: Time of identity verification after registration in the online setting.

The protection of minors in the stationary setting hinges on inspections carried out by the employee. In the past, visual inspections and ID checks were usually conducted with any customers who looked to be under 22. Ever since physical access barriers have been set up, the type of checks have changed. Now, most checks are carried out when persons are unable to clear the barrier with a customer card.

In 2022, over 260,000 such checks were carried out. As a result, the volume of checks has nearly doubled since last year. In carrying out checks, a total of 16,000 people were approached who were unable to identify themselves and thus could not prove that they were of a legal age. They were asked to leave the betting outlet.

Generally, the visual inspections were assessed based on the matchup rate. A high matchup rate indicates a relative high number of attempts by minors to access the betting outlet. Figure 9 shows the matchup rate per state.
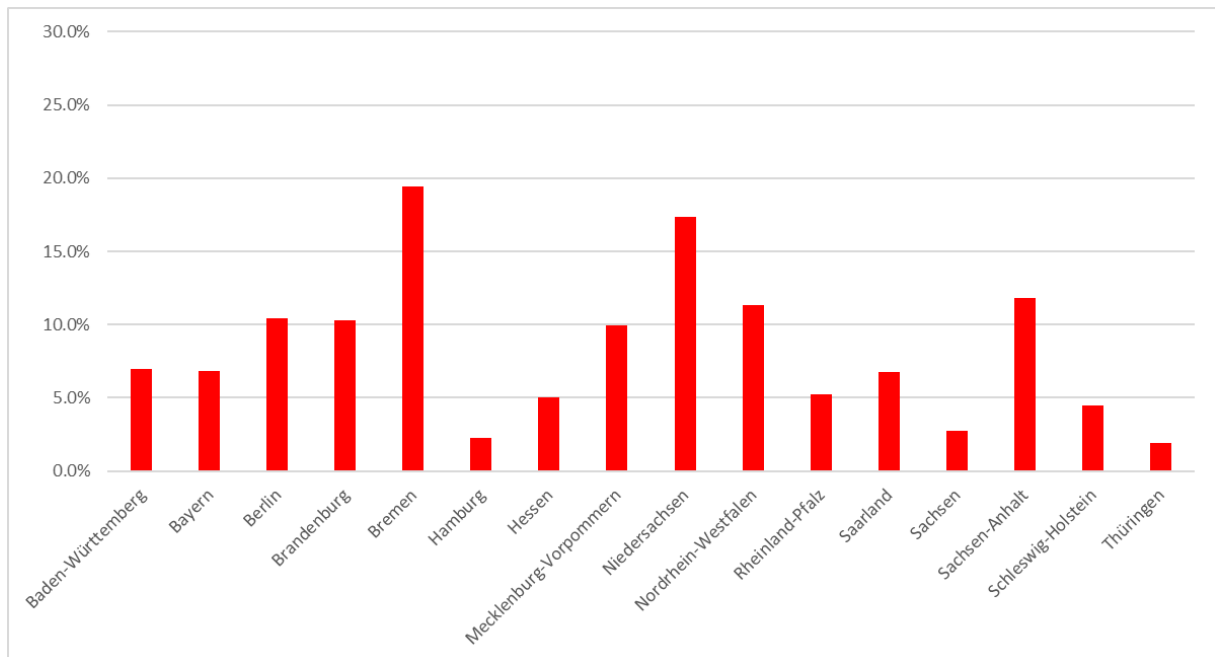
Figure 9: Hit-rate rate in age verifications carried out in the stationary setting.

We believe that the increased hit-rate in Bremen is a result of the minimum age recently having been raised to 21. Naturally, most customers were not aware of the fact that Bremen had gone it alone. However, as a result, a large proportion of the people attempting to access the betting outlet were under the applicable minimum age. This development inevitably also led to an increase in the rate of minors being caught trying to enter shop premises.

8. Raising the limit

8.1 Description of the process

In the case of sports betting, any limit increase above the standard EUR 1,000 deposit limit must follow a set procedure; there was no possibility to increase the limit for virtual slot machines in 2022. Because a very clear picture of the customer is needed to ensure such a process is suitable for the risk at hand, specific data is required for the implementation of a limit increase. The more Tipico knows about a customer and the more this knowledge underpins the customer's financial means, the likelier Tipico can grant such a customer increased limits without exacerbating gambling-related risks as a result. On the other hand, as long as only little is known about a customer, or as long as this knowledge suggests previous or existing risk behaviour or financial problems, the standard limit or even a reduced limit is more appropriate.

Level 0: Standard limit of EUR 1,000

For every online account, the standard deposit limit of EUR 1,000 per month is set as the default. As this standard limit – just like any legally established limit – is inadequate for most customers, the customer is prompted to enter a limit in line with their personal financial resources during registration. This adjusted limit is the one that is transmitted to LUGAS.

If, at any time, a customer applies for limits above the standard EUR 1,000 limit, such a request is subject to the affordability process defined below.

Level 1: Limit increases of between EUR 1,000 and 10,000

The standard limit can only be increased on the customer's explicit request and such an increase is only possible if the customer is found not to have any signs of gambling-related vulnerabilities. Furthermore, Tipico needs a clear, realistic understanding of the customer's financial capacity. For this purpose, information is requested from the Schufa gambling database to assess the customer's financial capacity. Only selected people with a Schufa score of 9,500 or higher (the worst credit standing equates to a score of 1; the best credit standing equates to a score of 10,000) will be granted a limit increase. Furthermore, there must be no negative data whatsoever on the customer in Schufa.

In addition, the customer is once again advised on gambling addiction and briefed that raising the limits will also increase the risk of gambling-related problems. The customer is also referred to Tipico's player protection site.

If it can be assumed that a limit increase will not lead to gambling-related problems, the increase will be implemented as requested by the customer.

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Addendum: On the validity of Schufa gambling data

In July 2022, Schufa gambling data and a document to prove the source of funds were obtained for a sample of N=2972 Tipico customers who had requested their limit to be raised above the EUR 1,000 standard limit. The purpose of the study was to verify whether Schufa gambling data is able to distinguish between customers with high financial capacity and those with low financial capacity. The data showed that such a distinction can be made very clearly. The discrepancy between the group that passed the test in the Schufa gambling query (Schufa score >= 9,500) and the group that did not (Schufa score < 9,500) was highly significant ($p < 0.001$) and resulted in a medium effect size (s=0.5).

This first set of validation data thus shows that the Schufa gambling query is suited to show the customer's credit standing in an initial non-invasive step of the procedure.

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Level 2: Limit increases of between EUR 10,000 and 30,000

When a customer requests that their deposit limit be increased to above EUR 10,000, they will be asked to provide further documentation. Either the customer provides the documents themselves (e.g., account statement or salary slip) or, alternatively, Tipico is granted permission to access the relevant elements in the customer's online banking.
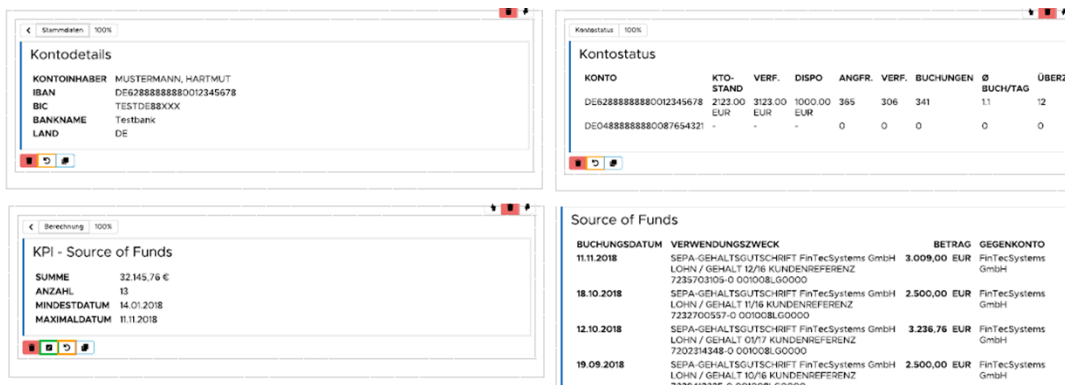

Figure 10: Sample report on a customer's financial capacity.

Based on the financial capacity that has been proven, the customer is granted their individual threshold for their deposit limit, which must not exceed EUR 30,000.

Generally, a limit increase above EUR 10,000 is only granted to customers who are over 21. At the same time, such an increase is granted only to a total of 1 percent of the customer base, which means that no more than 1 percent of the customers – in relation to the average number of active customers in the previous three months – can make a deposit in excess of EUR 10,000 per calendar month.

A customer's limit may be decreased by Tipico along this process even at a later point in time whenever such a decrease appears expedient on account of the behaviour monitoring findings and/or whenever this is deemed reasonable based on information collected in player protection talks. Similarly, customers may also ask for their limits to be reduced again anytime. Any such a limit reduction is implemented immediately.

8.2   Evaluating the limit increase

Data on the procedure to increase the limit for sports betting have been reported since July 2022. The data from this time period clearly show that the procedure does not run counter to the objectives of the Interstate Treaty on Gambling.

Firstly, the fact that a customer requests a limit increase is no guarantee whatsoever that they will be granted their request. In fact, the process is highly selective and the need to provide the required score threshold in the Schufa gambling query (see step 1 above) leads to many customer requests being rejected. In 2022, a total of over 22,000 customer requests for an increase in the deposit limit to over EUR 1,000 were rejected on account of the score resulting from the Schufa gambling query.

In addition, financial capacity documents (see step 2 above) were obtained for over 11,000 customers, and a limit was set based on these documents. In many cases, however, customer requests for increasing the limit to over EUR 10,000 and up to EUR 30,000 were not granted. Quite the contrary: On average, these limits are set to below EUR 3,000 per month.

Any concerns that these people are very young adults can be entirely put to rest. The average age of people with an increased limit is 35, whereas the average age of people with limits over EUR 10,000 is 37. Both these figures are considerably higher than the average age of typical Tipico online customers, which is 31.
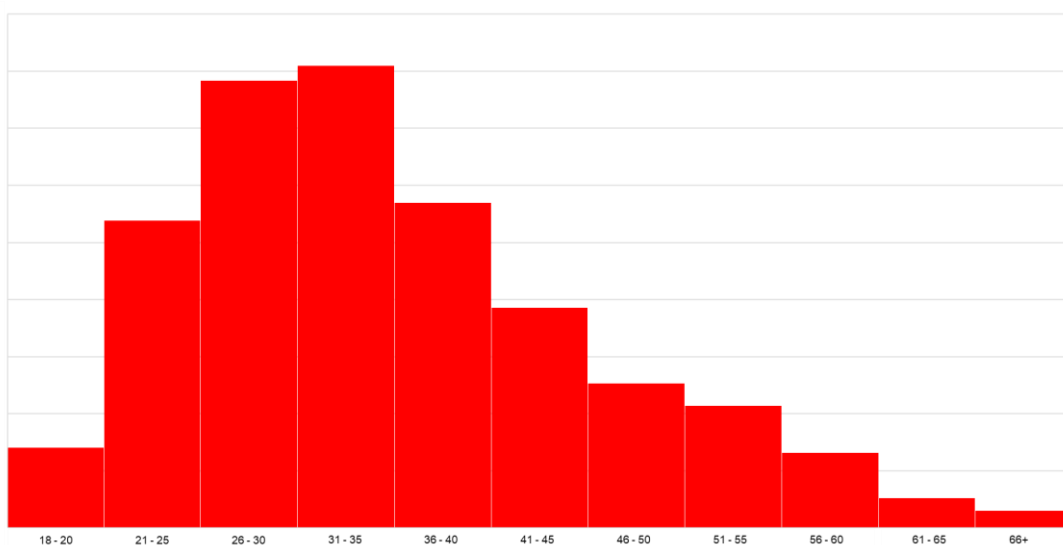

Figure 11: Age distribution of customers awarded a higher deposit limit above EUR 1,000.

Similarly, the limit increase above EUR 1,000 in no way translated into permanent, excessive gambling behaviour or very high spending rates over several months at a time. Quite the contrary: The average gambling-related costs that people incur who requested and were granted a limit increase in this time period was an average of EUR 675 per month between July and December 2022.

Lastly, it can be said that the selection of these customers is very accurate. In this period, customers with increased limits of up to EUR 10,000 make up roughly 11.5 percent of self-exclusions and third-party exclusions. Customers with limits over EUR 10,000 make up less than 0.1 percent of player exclusions. The vast majority, that is 88.4 percent of the exclusions, involve people who use the standard limit of EUR 1,000.

9. Behavioural tracking

9.1 Overall state of the customer base

The approach taken to assess the safety of the gambling offer and changes in customer behaviour entails objective behavioural tracking. Tipico has access to this monitoring at all times and classifies the customer base into four risk classes.

Class 0 represents customers with an average or below-average involvement. Especially because of the skewed distribution, these are customers who play very moderately for low amounts and for whom no discernible risks can be described.

Class 1 describes customers with a slightly elevated involvement. Although all indicators show that these customers are entirely capable of taking responsible decisions, it is necessary – in our view – to ensure that these customers are fully informed about the player protection options that Tipico offers. We do not want to presume that these customers look up the player protection page of their own accord. For this reason, these customers are regularly sent additional information on the player protection options available.

Class 2 describes customers with an elevated involvement. While this classification does not imply that customers included in this class experience gambling-related problems, it must be assumed that they are exposed to higher risks. Therefore, these customers receive regular pop-up reminders that ask about their gambling behaviour and refer them to the self-test.

Class 3 describes customers that are likely to experience the effects of a gambling-related disorder. Each case must be examined individually. If the suspicion of a disorder cannot be dispelled, a player protection talk is scheduled.
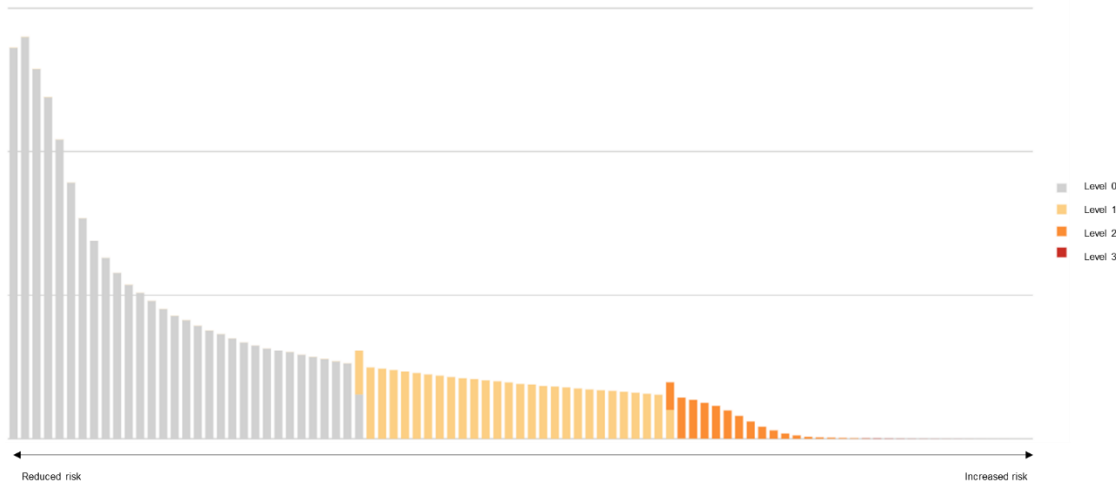
Figure 12: Behavioural risk assessment of German customers. Less than 0.1 percent of the customers belong to Class 3, so that this class fails to appear in the diagram.

This is only a snapshot at a given point in time, however. Every week, the risk level is re-assessed for all customers who have been active during that week. Since the risk of customers cannot increase if they are inactive during a given week, inactive customers are not included in the assessment. Over time, the weekly assessments reveal changes that may occur as the year progresses (cf. Figure 13). As announced last year, the model has been recalibrated in 2022 so as to be more responsive and provide more cases for further examination.
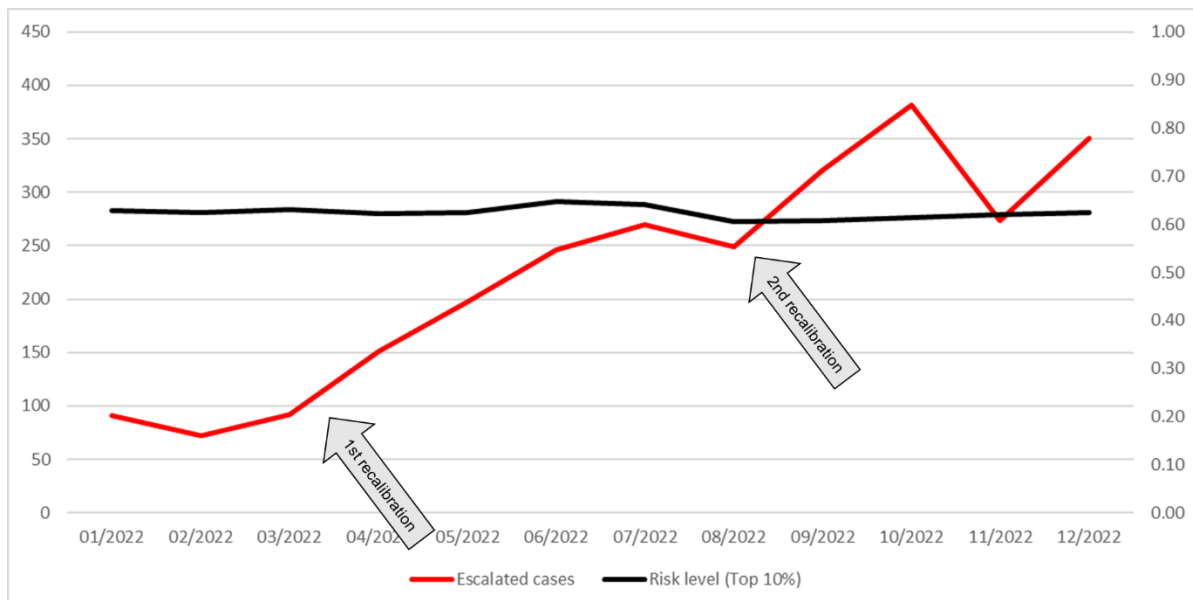
Figure 13: The development of customer risk (right axis) over the course of 2022 and the number of cases escalated by the model (left axis).

The risk of a system can be represented very well via the most extreme cases in this system. This is why we use the 90 % percentile (risk value for the 10 percent of customers with the highest risk) to monitor gambling-related risks in our customer groups. This value remained constant in 2022. On account of the two recalibrations that have been implemented, the model has become more sensitive in its assessment and more cases are escalated for further examination. Currently, roughly three times as many cases are being examined than at the beginning of the year.

9.2 Behavioural tracking in the stationary setting

In the stationary setting, the service staff plays an important role because they can still use their direct observations of customer betting behaviour as an additional source of information. This is why a reporting system was progressively rolled out over the course of 2021 that processes precisely such observations in real time.
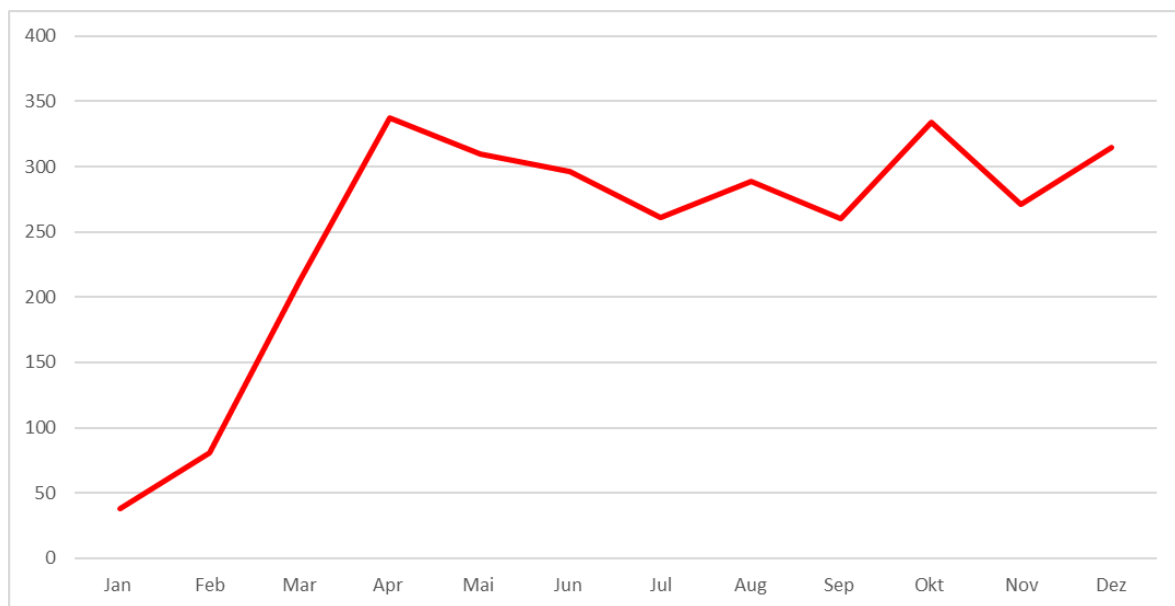
Figure 14: Reported player protection observations in the stationary setting over the course of time.

After a gradual take-up, a total of 3,005 cases were documented in 2022, which proves that, thanks to the selection and training processes they undergo, shop employees are able to properly perform their duties and recognise irregularities and responding appropriately.
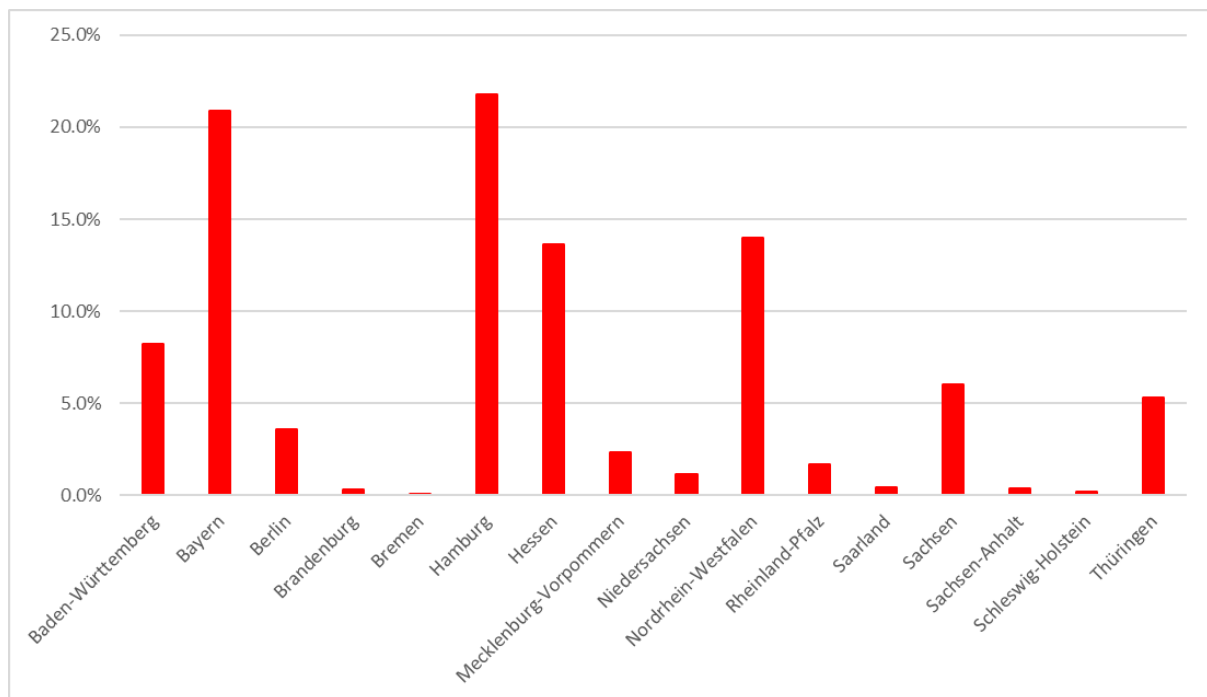
Figure 15: Reported player protection observations in the stationary setting for each state.

Building on the preliminary results from last year, a reassessment has been undertaken to establish which indicators were frequently reported and which indicators do not have the required accuracy.

In our previous report, we had speculated that moderate signs can be observed very early on and easily, whereas signs that are considered to be severe are observed rather infrequently. In view of the distribution and frequency of the various observations, we can only confirm this assumption (see Figure 16).

The results also show that awareness has grown considerably among shop employees. Most observations that were reported related to less conspicuous types of behaviour or to the open admission by customers that they have obvious problems. We can therefore affirm that the reporting system is adequate and workable.
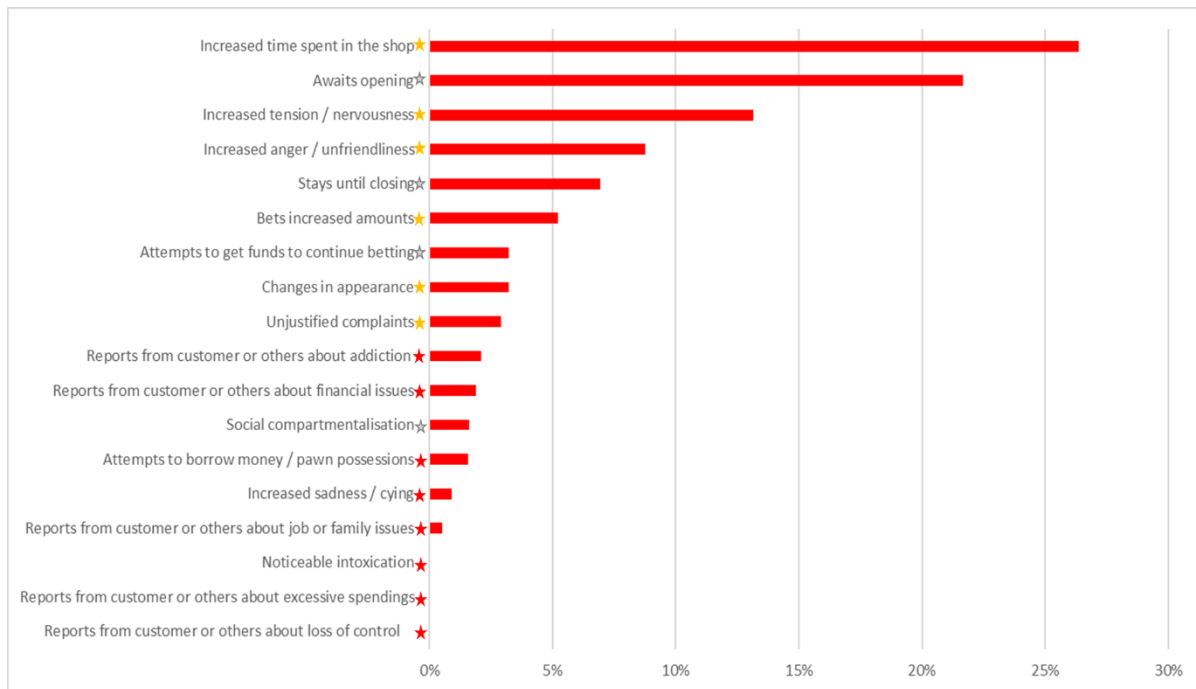
Figure 16: The topics of gambling protection observations in the stationary setting. Grey stars designate moderate indicators, orange stars designate moderately severe indicators.

10. Interventions

10.1 Automated interventions

As a rule, automated interventions have a much greater scalability than interventions that require direct contact between the customer and a staff member. As a result, they lend themselves so well to being implemented early on for a large number of customers.

An argument often put forward is that automated measures are suitable only for the online setting. That is not quite right. Measures can be targeted just as well at customers in the stationary setting and shown on the terminal, for example. Both measures described below target both customers in the online setting and customers in the stationary setting.

Both automated interventions are based on behavioural monitoring as described in Chapter 9. An intervention can be triggered based on the risk assessment.

Player protection email

The player protection email is used at the slightest suspicion of any risk behaviour. In other words, the vast majority of customers who receive this email actually do not require any intervention to make them play safely.

The email ensures that customers who might not have given any thought to player protection measures before, are made aware of the risks and understand how they can protect themselves if need be.

In 2022, roughly 260,000 player protection emails were sent. That corresponds to an increase of about 30 percent. This increase is due to the readjustment of the model described in Chapter 9.1. It is now more responsive to irregularities and triggers interventions much earlier.

The emails sent to customers had an opening rate of 43 percent. We can thus assume that we were able to effectively reach around 110,000 customers with this measure in 2022.

Pop-up

If any behaviour is strongly suspected of being risky, the system intervenes directly in the game. But this measure, too, primarily reaches customers who really do not need any intervention. Nevertheless, it is important to ensure that customers who may be able to benefit from an intervention actually receive such an intervention.
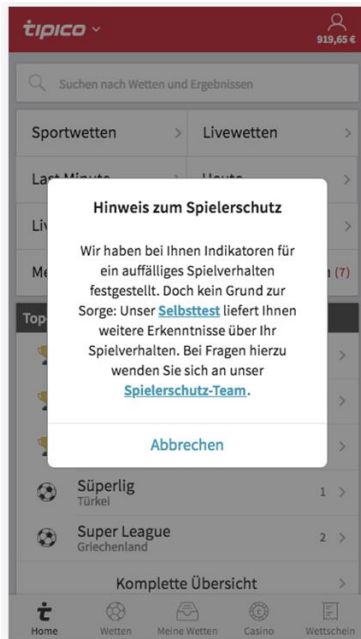
Figure 17: An example of a level-2 intervention.

The purpose of the measures is to directly interrupt the flow of the gambling and to offer the customer a self-test.

The pop-up was shown 70,000 times in 2022. In other words, this measure was implemented twice as often as in the previous year. This increase is due to the readjustment of the model described in Chapter 9.1. It is now more responsive to irregularities and triggers interventions much earlier.

10.2 Evaluation of automated interventions

The validity of behaviour monitoring and early recognition models has been relatively well studied. However, this only shows how accurate the model's predictions were. Based on this, nothing can really be said about whether the interventions triggered by the model were actually effective. An absurd situation has resulted where the commercial suppliers of early recognition models compete over which of the models is likely more valid, while none is able to demonstrate whether players are actually protected by them. Tipico would like to take a very simple approach in order to present an as complete as possible picture:

To evaluate effectiveness, the level-2 intervention (pop-up) was chosen. This choice is supported by the fact that the number of those among the people who receive this intervention who actually require an intervention is sufficiently high. This is not necessarily the case with the level-1 intervention, because the group targeted by this intervention includes customers who receive the email but will most likely not develop any problems. This choice is further justified by the fact that the measure is expected to have an immediate impact, and thus an effect should be observable in the short term.

To evaluate effectiveness, all interventions were considered that were performed between 1 May 2021 and 1 January 2022. Observation of customers then continued for another year until 31 December 2022 to identify any long-term effects. The sample consisted of roughly 23,000 customers.

Monitoring of the direct effect took into account the stakes placed in the six weeks prior to the intervention and after the intervention was triggered.
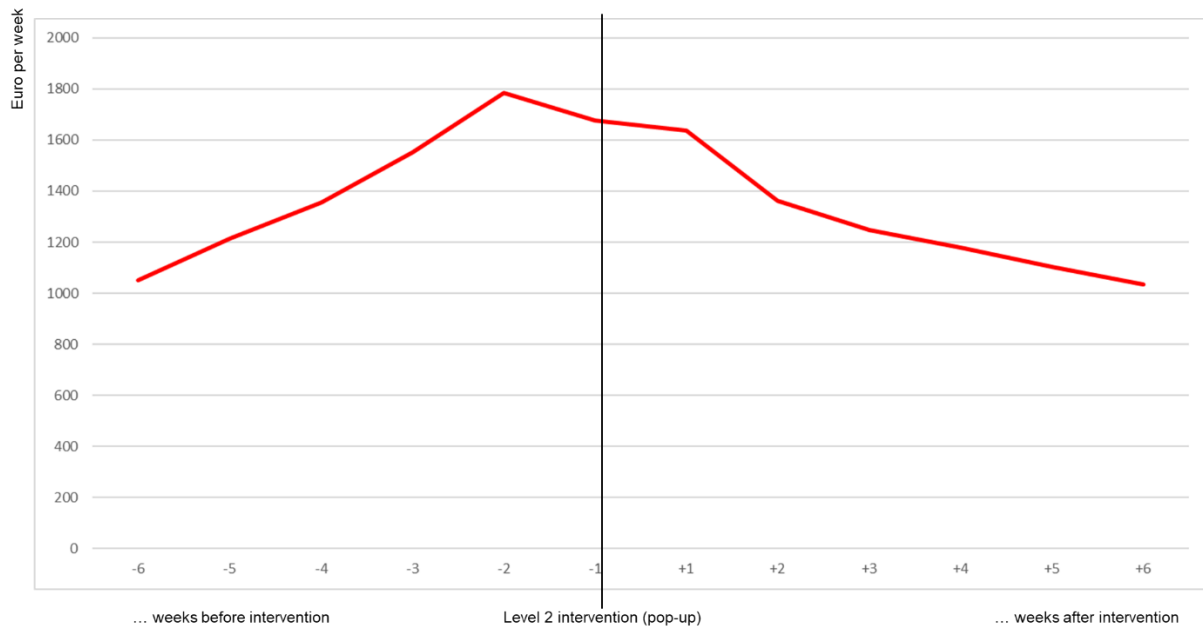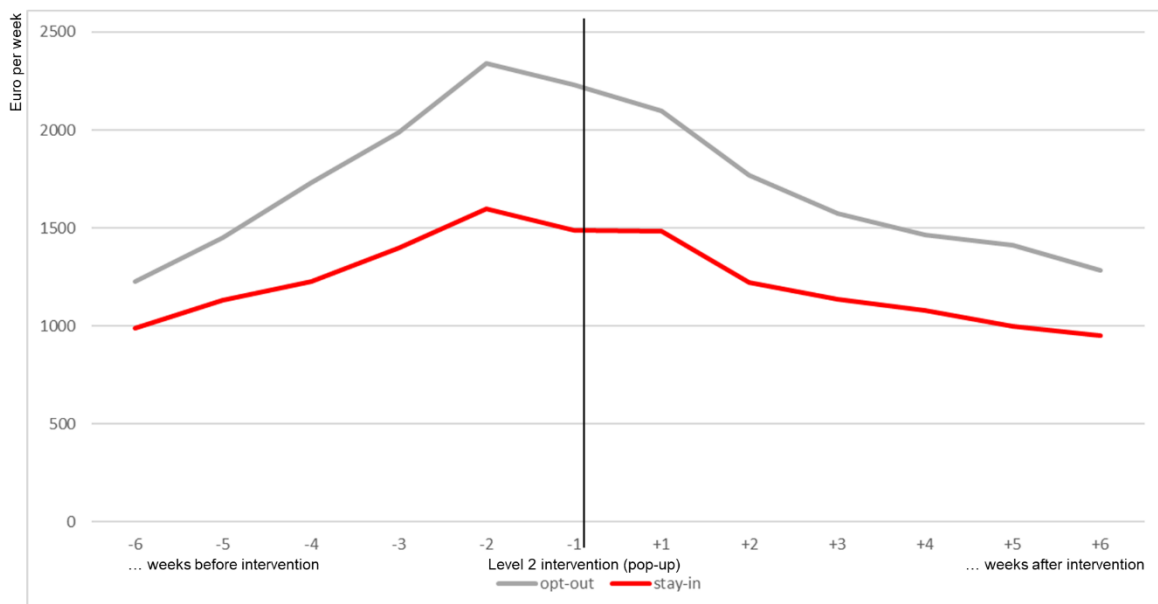

Figure18: Wagering behaviour (weekly sum of stakes) in the six-week period prior to level-2 intervention and six-week period following this intervention.

It is not very surprising that the intensity of the gambling behaviour increased until the point in time at which the intervention was triggered. Behavioural monitoring, after all, responds to precisely this intensity. What is more important, however, is that once the intervention had been triggered, the behaviour normalised and returned to the initial level within a period of six weeks. This demonstrates very clearly that the intervention is capable of stopping an escalation of gambling behaviour and to get it back to the initial level in the subsequent weeks.

In terms of the short-term implementation, the intervention is thus very similar to the one-click 24-hour self-exclusion (see Chapter 12.2). However, the decisive advantage is that one-click self-exclusion can be triggered by the customer whereas this intervention is triggered even if the customer is not aware of any risk themselves.

Opt-in, opt-out and stay-in

Very often, behavioural monitoring is offered to customers in the form of a player protection opt-in that customers can decide to use at their own discretion. In our opinion, this is not expedient since behavioural tracking becomes

most relevant precisely in situations where a customer is not fully aware of their individual risk. But those are exactly the customers who would not actively decide to use the opt-in.

For this reason, all behaviour monitoring interventions at Tipico are activated at the time of registration. However, out of data protection considerations, customers are given the possibility of using the opt-out for level-1 and level-2 interventions as this constitutes a form of customer communication. There is no opt-out for level-3 interventions, however, which entails an inquiry into the gambling behaviour of a customer and to a player protection conversation. In this case, Tipico must ultimately decide how a player's risks can be mitigated.

Around 25 percent of the customers who receive a level-2 intervention decide not to have that possibility displayed any longer (opt-out). Our inquiry is an opportunity to better understand what it means when a customer deselects this intervention.

Figure 19: Wagering behaviour (weekly sum of stakes) in the six-week period prior to level-2 intervention until six weeks after level-2 intervention for customers who deselected the intervention ("opt-out") and customers who decided to retain the intervention ("stay-in").

Even before the intervention, there was a discrepancy between the customers who opt out of the intervention afterwards: they have a higher initial level, and their escalation is steeper. Once the intervention has been administered – although they have then opted out of it – their reaction is very similar to the reaction of the remaining customers. This means that the measure is equally effective for both groups. However, the initial risk of the customers who would then opt out is higher.

In addition, more long-term effects can be checked as well. For this purpose, we established what proportion of the sample was excluded by the end of December 2022.

	Self-exclusion	Imposed exclusion
Stay-in	4.3%	0.5%
Opt-out	9.0%	0.9%

Figure 20: More long-term effects in customers who opt out of level-2 intervention after presentation and those who retain level-2 intervention.

The risk of being excluded in the subsequent twelve months is consistently twice as high in the group that opts out of the intervention. The causality is unclear. We know that the initial risk for this group is already elevated. This higher risk could explain why these customers reject the feedback. By opting out of the intervention, these customers have a less effective protection going forward. This could also explain why these customers are more apt to experience problems and be subject to level-3 intervention, which can end in third-party exclusion or self-exclusion.

The effectiveness of such a level-2 intervention, which is automatically triggered by behavioural tracking, was successfully demonstrated for its field of application. This is a requirement that has hardly been met by any of the commercial products for gambling behaviour monitoring. The next step should be to find ways to improve the effectiveness of the intervention. In this connection, modifications in intervention potency, frequency and dose could be tested and compared in order to find an effective combination for this target group. Furthermore, the long-term effect of more invasive interventions (e.g., level-3 intervention including a player protection talk) should be explored.

10.3 Player protection dialogues

Player protection dialogues have three aims.

On the one hand, of course, to advise the player, thus facilitating an informed decision. However, as stated earlier, Tipico does not limit itself to leaving the final responsibility to the customer in all cases.

Therefore, the second aim of the player protection talk is invariably to collect further information about the player's situation in an effort to fine-tune the assessment made by Tipico.

Ultimately, appropriate player protection measures are agreed based on this assessment (e.g., limitation or exclusion). If the player refuses them, protective measures can also be imposed in order to avert damage to the player.

Naturally, the player protection talk takes a different form in the online setting. Communication usually takes place in writing, and therefore the player protection talk is also conducted in writing. That changes the manner in which a topic is approached, for example, but it does not change the above-referenced aims. Figure 21 shows the different courses the player protection talk can take and presents the consequences it can lead to.
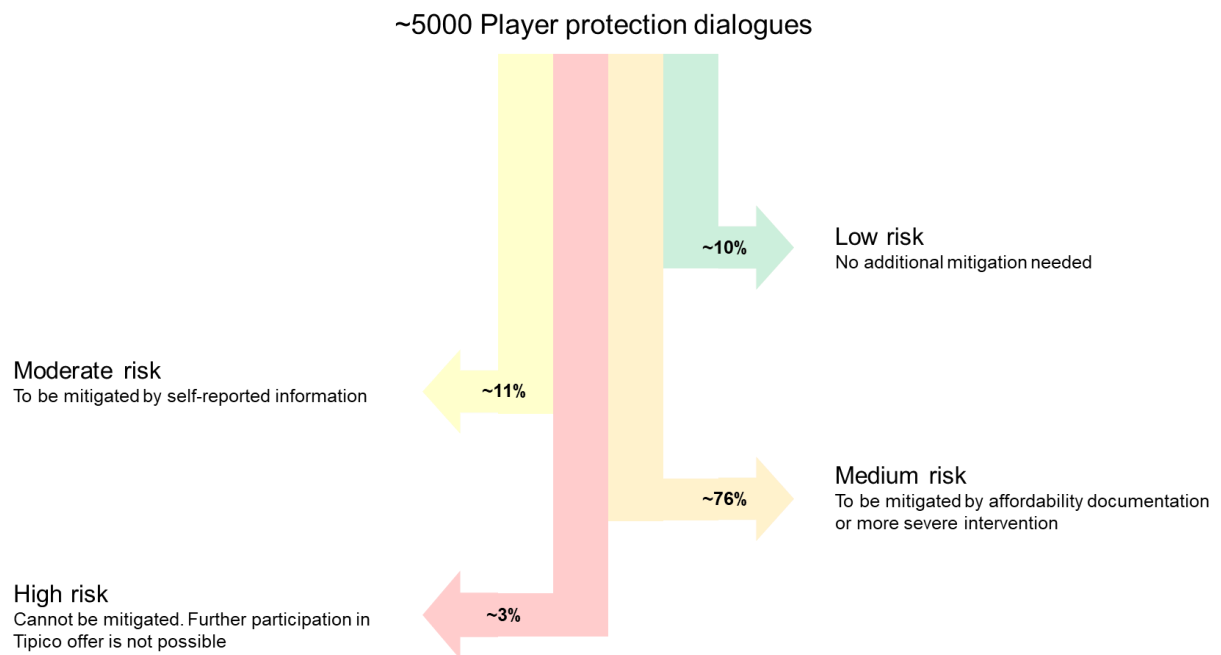
~5000 Player protection dialogues

Low risk
No additional mitigation needed
~10%

Moderate risk
To be mitigated by self-reported information
~11%

Medium risk
To be mitigated by affordability documentation
or more severe intervention
~76%

High risk
Cannot be mitigated. Further participation in
Tipico offer is not possible
~3%

Figure 21: Procedure followed and decisions taken in the player protection dialogue in 2022 for the online setting.

Compared to the previous year, the expected increase in the number of player protection dialogues actually materialised. At the same time, a redistribution took place. As processes to check a customer's financial capacity are readily available, they are more widely used in the player protection talks than in the past. Therefore, the financial capacity check is becoming less of a specific path through the player protection talk. Rather, it has been establishing itself increasingly as a standard process that takes place in nearly every player protection dialogue held in the online setting.

Naturally, in the stationary setting, the player protection dialogue is more like a conversation in the conventional sense. The player protection manager – but also every service staff member – is obliged to start a player protection dialogue whenever an observation that has been made necessitates such a talk. Player protection dialogues are always held in the situation where the observation is made.
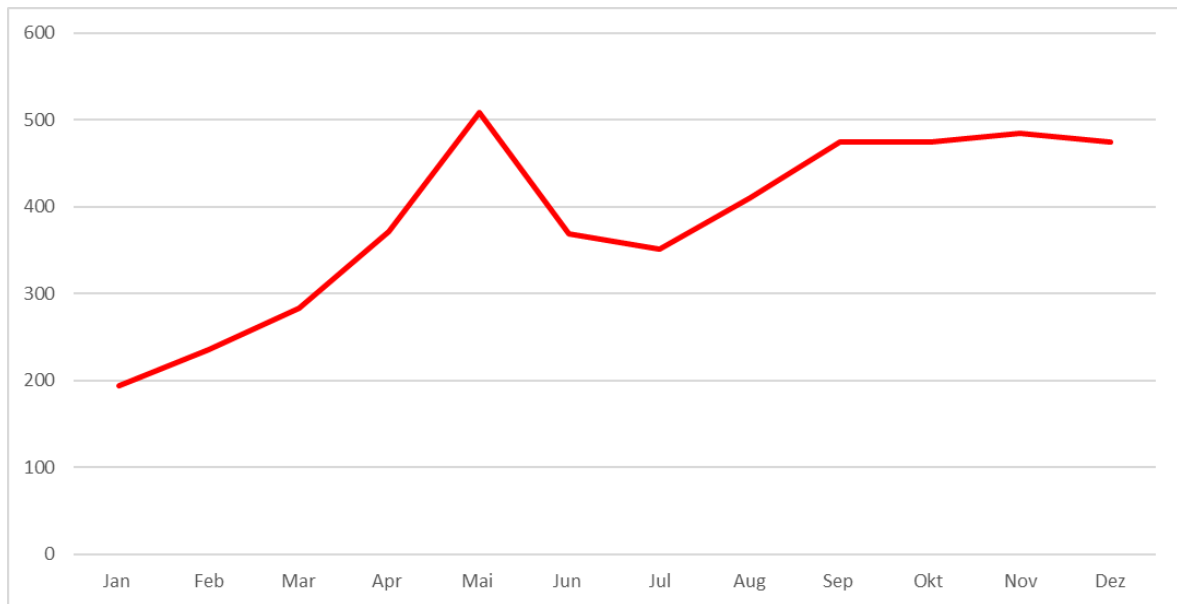
Figure 22: Player protection dialogues in the stationary setting over the course of time.

In the last evaluation report, we had expected the number of documented player protection dialogues to increase considerably. As a matter of fact, 4,630 player protection dialogues were held, which represents an increase of over 300 percent on the previous year. This leads to the conclusion that the player protection process is being actively implemented in betting outlets.
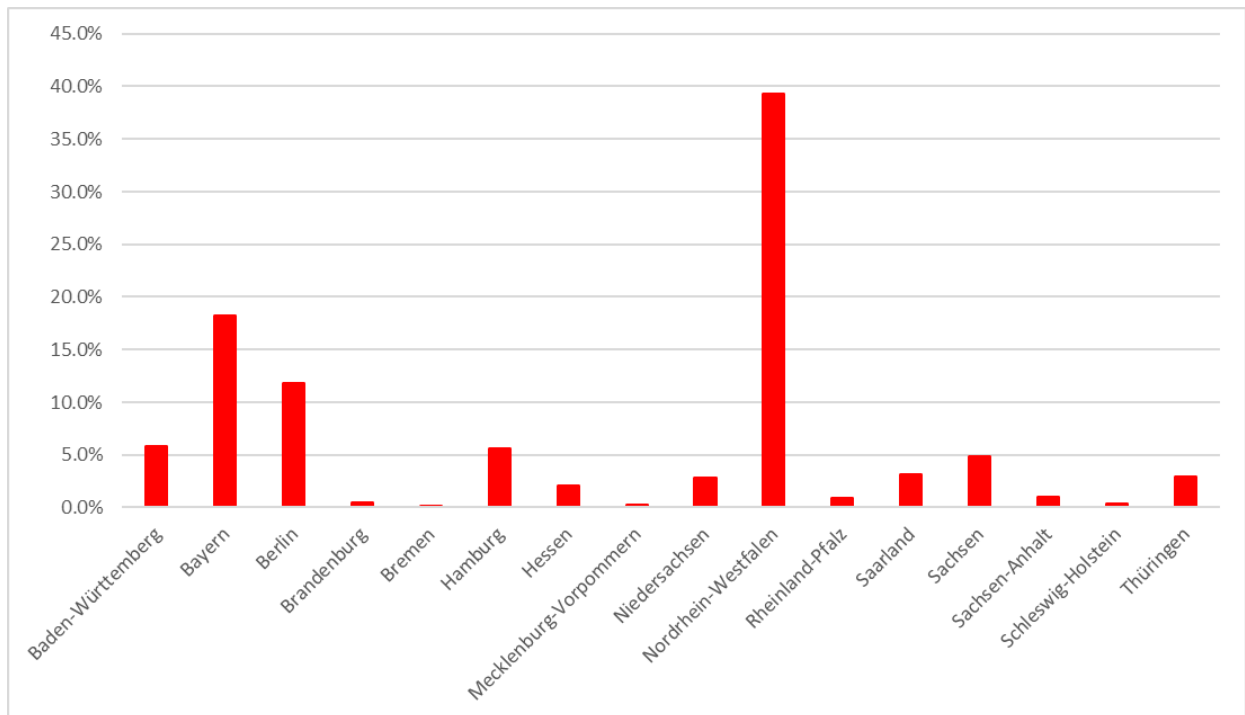
Figure 23: Player protection talks in the stationary setting for each state.

11. Universal prevention

The purpose of universal prevention in player protection is to ensure that no information imbalance occurs between providers and customers. It is thus our goal to provide customers with all the information about gambling-related risks and protection methods in an easy-to-find and easy-to-understand manner.
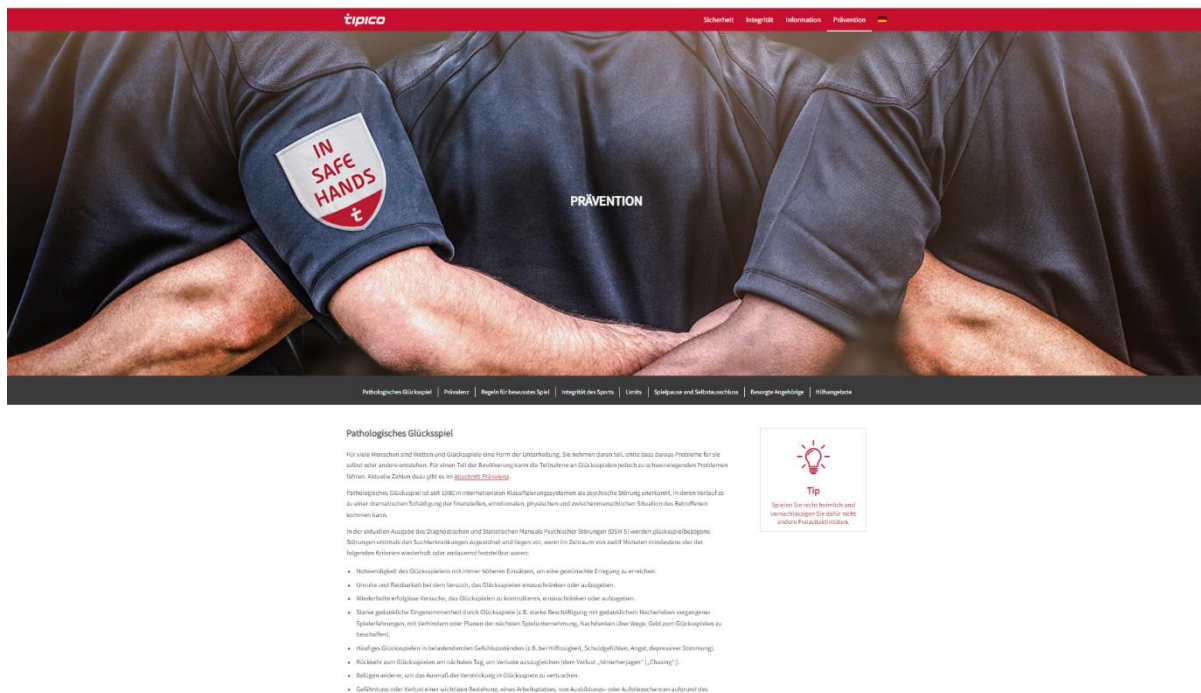
Figure 24: Starting page of the player protection site.

Tipico operates the player protection site risk-in-safe-hands.com. This site can be accessed directly from the footnote in the online lineup. It can also be accessed directly using a QR code that customers can scan at the betting outlet, for example on the player protection poster.

Overall, 65,850 customers visited the player protection site in 2022. That represents a 10 percent increase on the previous year. The player protection site thus continues to be one of the most frequently clicked links in the footer on Tipico's website.

Additional printed matter as information for customers is available at the betting outlet. Customers actively use this printed matter as well. In 2022, customers took roughly 15,000 player protection fliers with them. On account of this, the fliers had to be re-ordered.

Figure 25: Player protection posters in a betting shop.
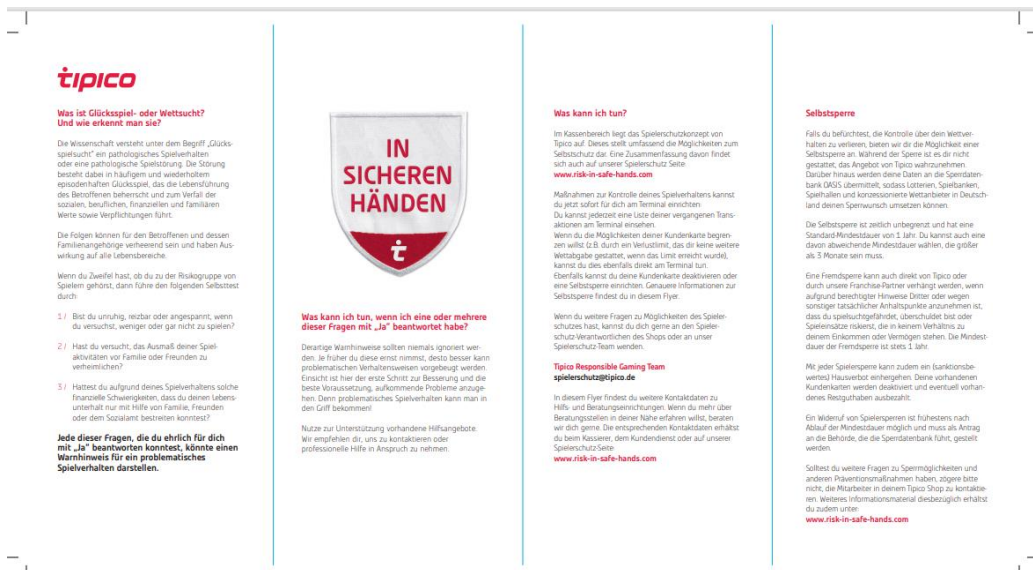
Figure 26: Inside page of a player protection flyer.

12. Selective prevention

12.1 Limits

Limits are a relatively well understood instrument that is used to distribute responsibility between the customer and the provider. While the customer sets a reasonable limit, the provider implements an external control measure to ensure that this limit is not exceeded. Limits are checked via LUGAS, however. Therefore, Tipico cannot have full transparency on the use, amount and utilisation of limits by Tipico's customers.

But we obtained use data from LUGAS. Since June 2022, Tipico has entered over 750,000 limits in LUGAS. The standard limit of EUR 1,000 is usually the most popular, but a growing proportion of customers is opting for a lower limit.
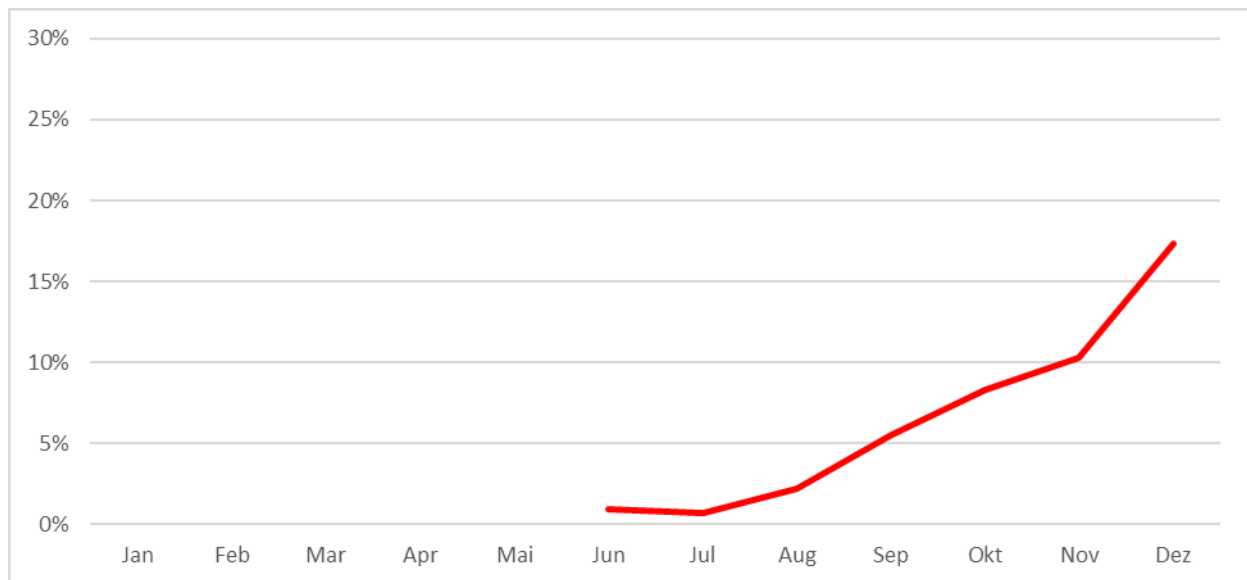
Figure 27: Share of limits under EUR 1,000 entered in LUGAS over the course of time.

Also, more than 17 million limit queries were made in LUGAS in the same period. Some of these queries failed because the customer had already exhausted their limit. Figure 28 shows this share in the course of 2022.
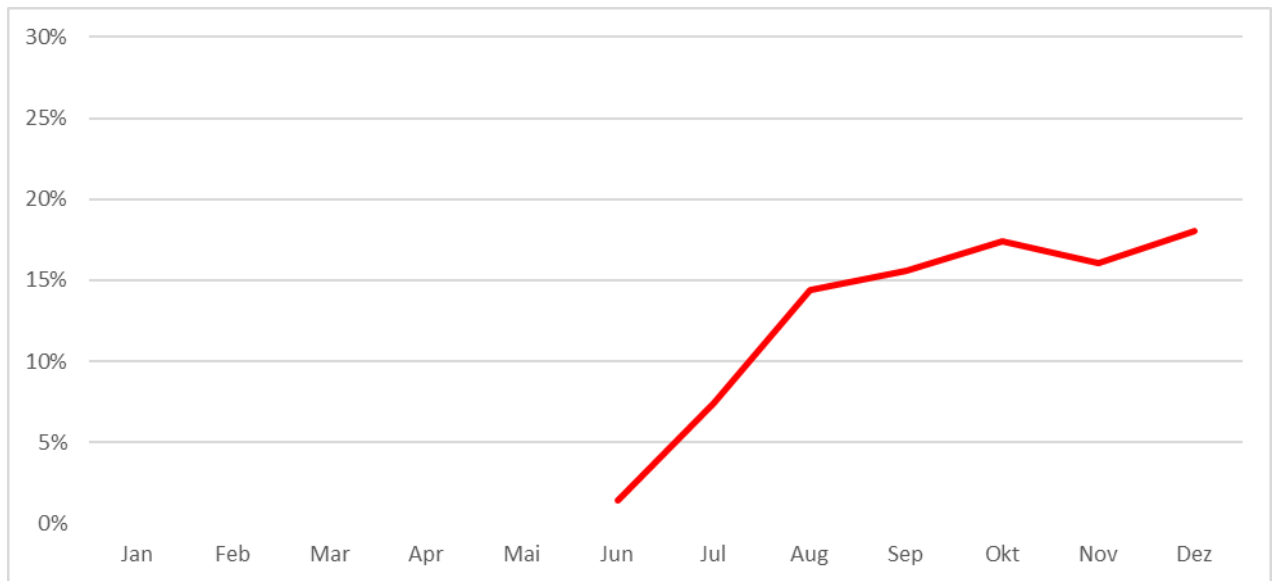
Figure 28: Proportion of rejected LUGAS inquiries over the course of time.

No stable use behaviour can be deduced from the developments shown. A stable baseline is expected to establish itself in the course of 2023 which can then be used to identify and report about changes.

12.2   One-click 24-hour self-exclusion

The option of a one-click 24-hour self-exclusion ("panic button") was introduced in July 2021 as a quick, unbureaucratic player protection measure that was intended to allow customers to exclude themselves from gambling for a period of 24 hours without having to provide any further declarations or confirmations. All other connected providers are informed of this self-exclusion via OASIS.

As the effects of this form of self-exclusion are manageable, this option was used very frequently right from the start. It can thus not be excluded that customers simply wanted to test how it works. Since July 2021, there has been a slight decline in the use of this possibility. It is as yet unclear at what level of usage will stabilise over the long run.
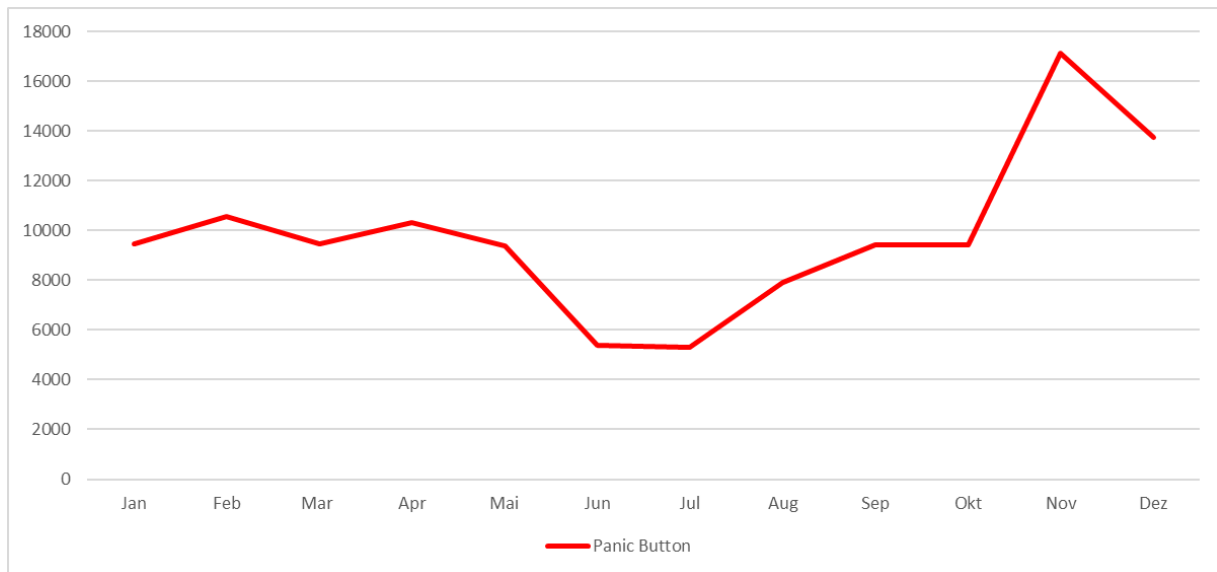
Figure 29: Use of the one-click 24-hour self-exclusion over the course of time.

Similarly, the effectiveness of the one-click 24-hour self-exclusion option can be examined more closely. While the fact that the customer is unable to take part in games of chance during the self-exclusion period is of little relevance, the behaviour exhibited after expiration of the self-exclusion period can be considered an effectiveness indicator.
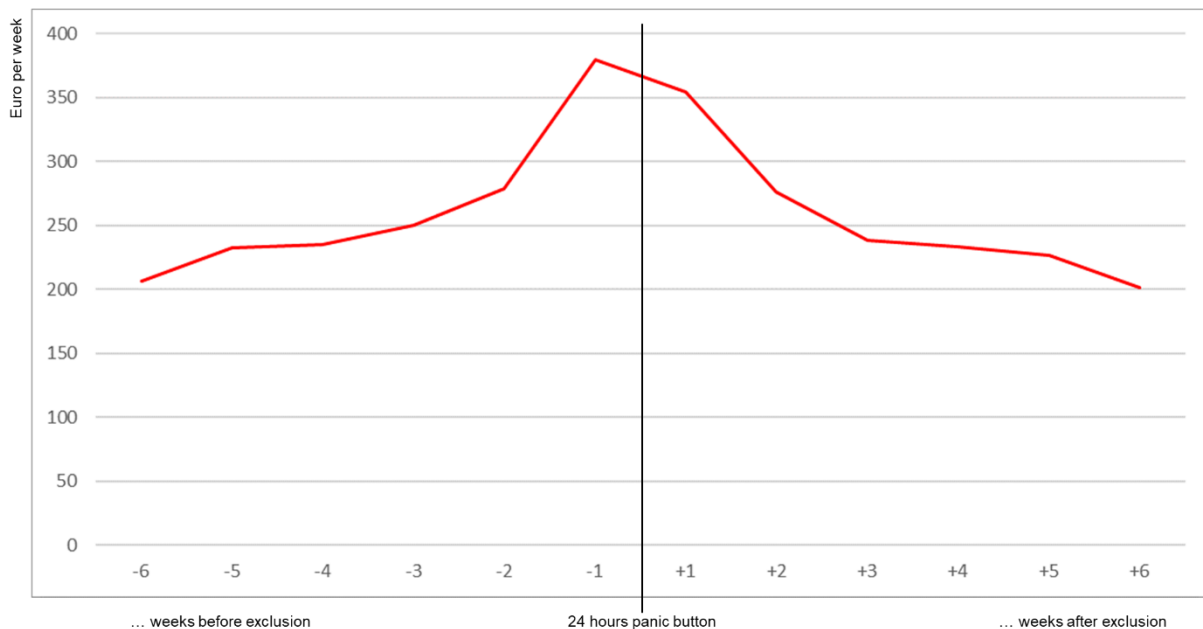
Figure 30: Wagering behaviour (weekly sum of stakes) in sports betting in the six-week period prior to activation of one-click 24-hour self-exclusion until six weeks after activation.

In sports betting, the familiar, previously documented pattern revealed itself. Directly after returning from the one-click self-exclusion, stakes decrease until they return to the initial level. This confirms the effectiveness of the intervention.

The same process can also be probed among virtual slot-machine gamers. A very similar turn of events takes place. However, this process is based on only around 3,500 customers who had used the one-click self-exclusion option for gambling. This is due to the fact that the license was not obtained until relatively late in 2022. On account of the small sample used, the process assessment is less accurate.

The basic characteristics are the same, however: The wagers threaten to escalate right before the one-click 24-hour self-exclusion option is used but returns to the initial level again after this option has been used.
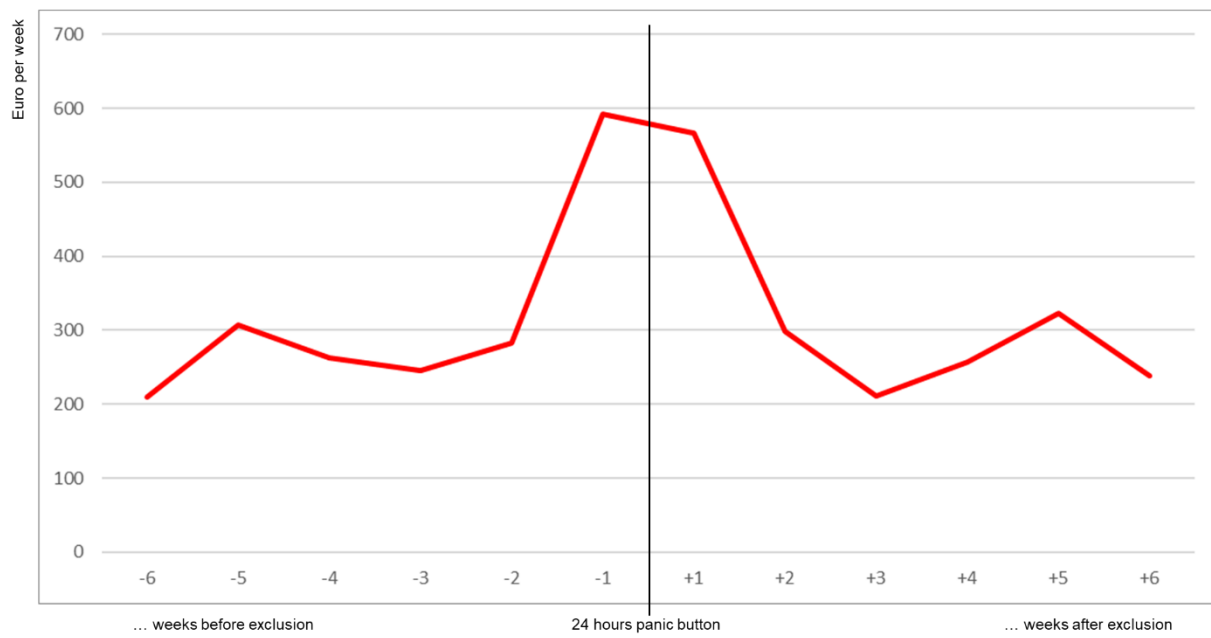
Figure 31: Wagering behaviour (weekly sum of stakes) in games in the six-week period prior to activation of one-click 24-hour self-exclusion (panic button) until six weeks after activation.

Both for sports betting and for virtual slot-machine games, proof of the effectiveness of one-click 24-hour self-exclusion is provided by the fact that it is easily accessible, manages to stop escalations in gambling behaviour and returns playing behaviour to a low, safe initial level once self-exclusion ends.

13. Indicated prevention

13.1 Use of exclusion options

Tipico makes player exclusion available to customers in various ways: the self-exclusion option on its website, submission of a simple application to customer service, submission of a request at the betting terminal and request for exclusion using a self-exclusion form. In addition, Tipico customers can self-exclude by submitting self-exclusion requests to competitors or the supervisory authority – however, Tipico does not have any related figures. Utilisation of the self-exclusion option can generally be seen as an indicator for the low threshold at which the protective function is made available to customers. The simpler and less invested with feelings of shame the self-exclusion option is, the earlier customers will self-exclude and thus avoid any self-harm.
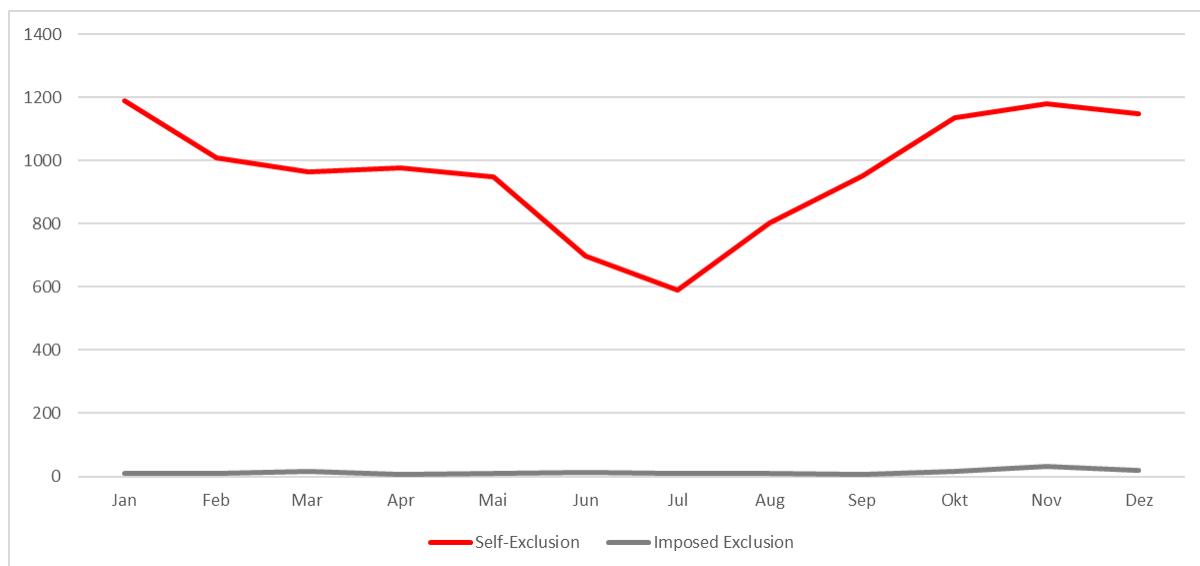
Figure 32: Use of self-exclusion and third-party exclusion over time.

At the same time, use of imposed exclusion has decreased. On account of the dramatic effects of an imposed exclusion, such an exclusion can only be implemented against the player's will and despite the player's objection if the evidence available is substantial. If, however, a suspicion exists and the customer refuses to take part in a player protection dialogue, such evidence cannot be obtained. Tipico will be able to deny the customer access to the betting offer; it is often impossible to arrive at an indisputable justification for imposed exclusion.

When a customer refuses to use recommended protective measures, for example, it may be sufficient for Tipico to simply no longer accept the customer – but this does not suffice for a third-party exclusion if none of the suspicions can be substantiated.

In the stationary setting, the inhibition threshold to exclusion is traditionally very high. Especially, if self-exclusion forms are available in plain sight and the process is complicated and involves a lot of interaction with staff. To

remediate this, Tipico has introduced the possibility of requesting self-exclusion at terminals as well. Just like with online self-exclusion, it only takes several clicks to have a self-exclusion entered in OASIS. Ever since this option has been introduced, self-exclusion turns out to have been used much more often and earlier in the stationary setting as well. This is possible only if customer authentication is performed at the terminal (e.g., using the customer card). The same cannot be done in states where the terminal can only be used to prepare a bet. It is thus rather difficult to make paperless self-exclusions available there.
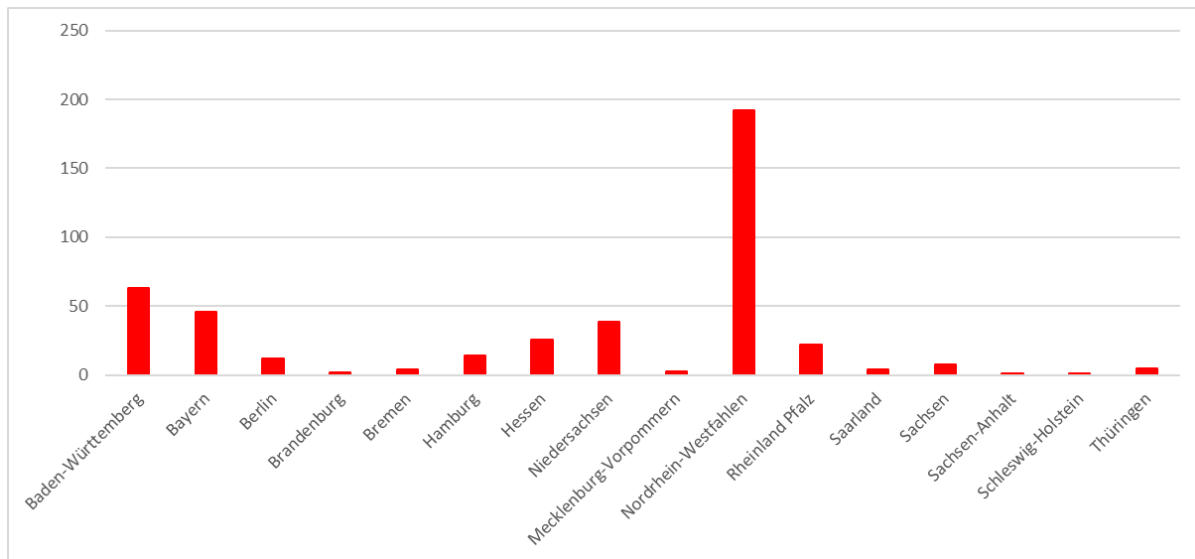
Figure 33: Use of player exclusions in the stationary setting.

Use of player exclusion is expected to increase in the stationary setting.

13.2 OASIS queries

The possibility of querying the player exclusion database OASIS is imperative for player exclusions to be effective. The query must be timed in such a manner that customers can only access the product lineup after the OASIS database has been queried.

In the online setting, queries are performed during log-in, and the following functions are blocked:

- Creation of a new player account
- Log-in prior to making a deposit or placing a bet/playing

In the stationary setting, queries are performed at the following occasions:

- Physical access barrier
- Registration of a new customer card
- Deposit to customer card
- Placement of bets using a customer card

Overall, Tipico performed 400 million OASIS queries in 2022. Out of these queries, around 47,000 resulted in matches. These can occur on account of self-exclusions, imposed exclusions or one-click 24-hour self-exclusions implemented by other providers connected to OASIS. Therefore, there was a match in about. 0.01 percent of the queries. The increase in the number of matches indicates that there have been data availability and data quality improvements in OASIS.

What needs to be taken into account in this regard is that OASIS queries performed manually using OASIS WEB are not covered by the present report. However, their number is negligible compared to the automatically implemented exclusion queries.

In many cases, a person can prompt several queries over the course of a day. To gain a better understanding of the social reach of OASIS queries, we have converted this figure into single weekly queries. Every customer for whom an OASIS inquiry was performed is counted only once per week, even if queries were in fact made several times a day for the same customer. This provides an indicative figure of around 10 million single weekly OASIS queries over the entire year.
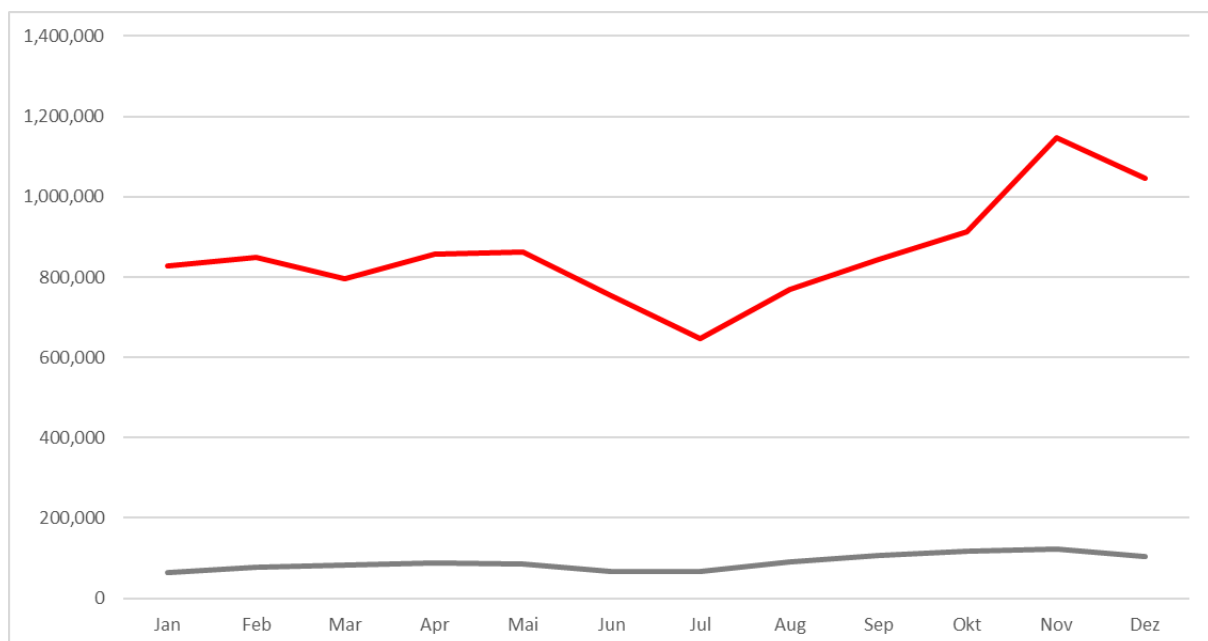
Figure 34: Single weekly OASIS queries in the online setting (red) and in the stationary setting (grey). Customers for whom inquiries were performed several times a week were counted only once per week.

The volume of OASIS queries in the online setting remained constant for most of 2022 (-6 percent) and follows seasonal trends that govern the sport betting lineup. This notably explains the peaks ahead of large-scale events at the end of the year.

Compared to 2021, the volume of OASIS queries in the stationary setting increased by 115 percent and has thus more than doubled. This development was primarily driven by the ongoing licensing process for access to OASIS by virtue of which a growing number of betting outlets have obtained a license. The effect has also become manifest in the distribution of queries among the different states (see Figure 35): states that are further ahead in the licensing process are overrepresented.
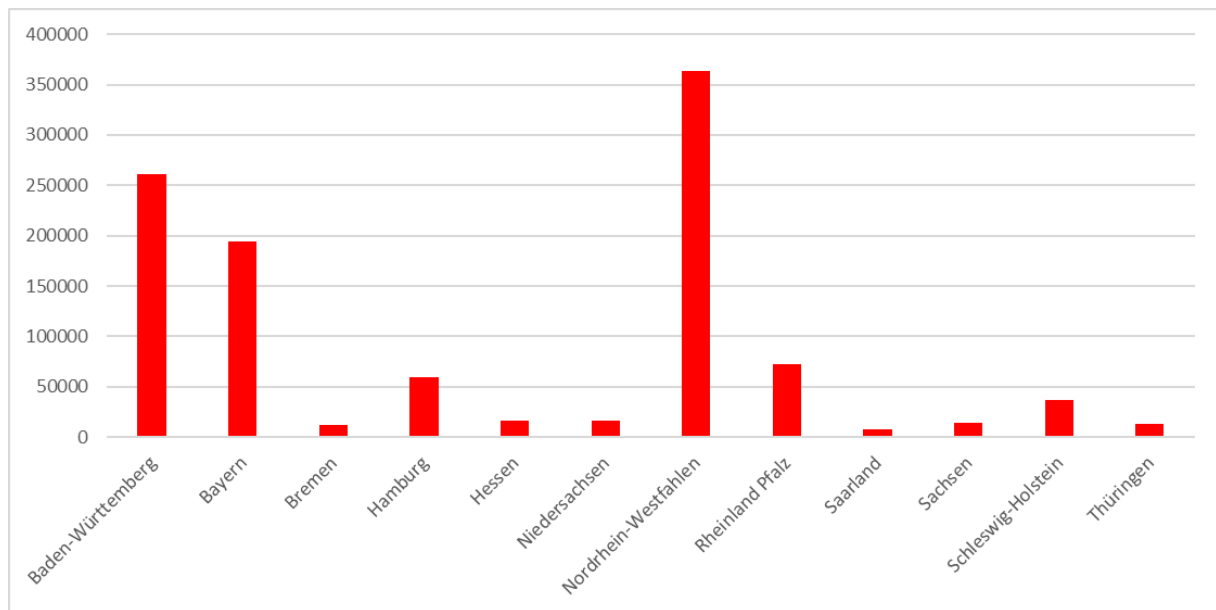
Figure 35: Single weekly OASIS queries in the stationary setting. Customers for whom queries were performed several times a week were counted only once per week.

13.3 OASIS marketing queries

An OASIS query is also necessary before market communication measures can be implemented and bonuses as well as discounts can be awarded. As a consequence, customers found in OASIS are filtered out of the customer selection. Around 0.3 percent of the approx. 170 million queries resulted in a matches in OASIS. This means that around half a million promotional mailings were not sent in order to protect people listed in OASIS at the time or for whom exclusion had just recently expired.
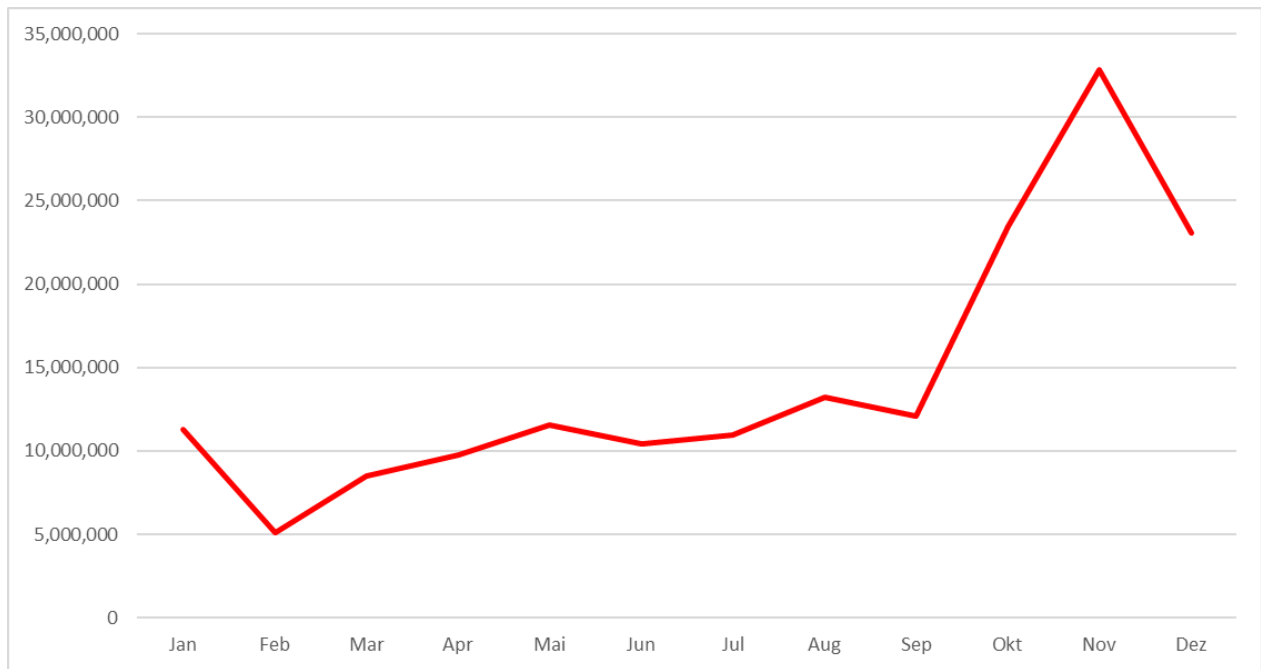
Figure 36: OASIS queries relating to the customer selection for targeted promotional campaigns.

14. Summary

The evaluation has established the following:

- As progress was made in the licencing procedure in the stationary setting and for virtual slot machines in 2022, the data set available for this evaluation can, by and large, be considered complete. In writing up this report, we have created a baseline that can be used as a benchmark for future reports.
- The link-up with OASIS has progressed at the highest speed possible in the licensing process for betting shops. In fact, in many states, this process has largely been completed.
- A state-by-state assessment is doable and will ensure fulfilment of the evaluation obligations set forth by legislation in the individual states.
- The methods described in the player protection concept are being implemented and have been accepted by the customers.
- As a result, the overall risk measured in Tipico's customer base has decreased further. In a second step, Tipico then enhanced the responsiveness of its early recognition model in accordance with last year's plans.
- The indicators used to make player protection observations in the stationary setting are useful and accurate.
- The player protection measure triggered by behaviour monitoring has been shown to be effective in stopping the player's behaviour from escalating and in pushing the behaviour back to the initial level within the weeks that follow the implementation of the measure.
- The procedure that needs to be followed to raise a limit constitutes a valid process of selecting customers who can afford to spend more and exhibit the necessary maturity to be aware of the consequences of such a spending decision.
- Any concerns that these customers are very young adults can be entirely put to rest (the average age is 35 or, as the case may be, 37).
- The findings made with regard to one-click 24-hour self-exclusion for sports bets were successfully replicated in a larger sample. Initial data on the one-click 24-hour self-exclusion option for virtual slot machines indicate comparable effectiveness.
- Initial data on the effect of OASIS marketing queries is available. In 2022, OASIS inquiries prevented half a million targeted promotional mailings from being sent to excluded players.
- Owing to the serious legal consequences for customers, the threshold for third-party exclusions is very high. As a result, a third-party exclusion is only possible if a clear justification can be provided for such an exclusion.

List of Figures