

11 - Bingo (Remote)

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Sector rating

Sector	Previous overall risk rating	Current overall risk rating
Bingo (Remote)	HIGH	HIGH

The remote bingo and betting sector will be assessed separately for the purposes of this publication as the risks differ for both sectors.

Existing inherent risks

There has been an increase in the risk levels for some of the inherent risks for the remote bingo sector. For further information relating to the inherent risks (including vulnerabilities, consequences and controls), see our previous risk assessments:

- [Money laundering and terrorist financing risk assessment within the British gambling industry: 2019 \(PDF\)](#)
- [Money laundering and terrorist financing risk assessment within the British gambling industry: 2018 \(PDF\)](#)

Vulnerability	Risk	Previous likelihood of event occurring	Previous impact of event occurring	Current likelihood of event occurring	Current impact of event occurring	Change in risk
Operator Control	Operators failing to comply with prevention of money laundering and terrorist financing legislation and guidance	HIGH	HIGH	HIGH	HIGH	No change
Operator Control	Operators staking and winning directly and indirectly on their own products	MEDIUM	MEDIUM	LOW	MEDIUM	Decrease
Licensing and integrity	Gambling operations run by organised criminals to launder criminally derived funds	MEDIUM	HIGH	LOW	HIGH	Decrease
Customer	Customer not physically present for identification	MEDIUM	HIGH	HIGH	HIGH	Increase
Customer	False or stolen documentation used to bypass controls to launder criminally derived funds	MEDIUM	HIGH	MEDIUM	HIGH	No change
Customer	Accessibility to multiple remote accounts	HIGH	HIGH	HIGH	HIGH	No change
Means of payment	Cryptoasset transactions	MEDIUM	MEDIUM	MEDIUM	HIGH	Increase
Means of payment	Pre-paid cards	MEDIUM	MEDIUM	HIGH	HIGH	Increase
Means of payment	E-wallets	N/A (no risk rating provided in previous risk assessment)	N/A (no risk rating provided in previous risk assessment)	MEDIUM	MEDIUM	N/A

The following additional inherent and new emerging risks all highlight the importance of operators conducting sufficient due diligence checks on customers and have all been given a high risk rating due to potential for significant monies to be laundered online.

Additional inherent risks

Poor source of funds checks

There is evidence of instances where customers have used stolen or fraudulently obtained money for gambling with remote bingo operators. Operators need to ensure that they have robust policies and procedures in place to establish source of funds. This has been given a high risk rating.

Smurfing

‘Smurfing’ is a common money laundering method where money launderers break up large amounts of illicit money into smaller transactions to evade suspicion. There is evidence that this has been occurring in the remote bingo sector and has been given a high risk rating due to the potential monies that can be laundered if due diligence checks are not carried out by operators. .

Customers on the sanctions list

The Commission has become aware of isolated instances where remote bingo operators have had customers that have been on a sanctions list, although the sanctioned individual did not deposit monies. Operators must be vigilant in identifying customers who appear on relevant sanction lists and if breaches have occurred report this to the Commission and the Office of Financial Sanctions Implementation (OFSI). They must prevent financial transactions and report suspicions of Money Laundering (ML) and Terrorist Financing (TF) to the UK Financial Intelligence Unit. This has been rated as low risk .

Inadequate/lack of ‘know your customer’ (KYC) checks

There is evidence that remote bingo operators are failing to undertake sufficient KYC checks which can result in operators accepting illicit funds. Failure to undertake adequate affordability checks, including knowledge of customers’ occupations and delayed identification checks, i.e. at the point of withdrawing winnings, all contribute towards illicit finance washing through gambling accounts online. This is viewed as a high risk area.

New emerging risks

Use of third parties or agents to obscure the source or ownership of money gambled by customers and their identities

There have been examples in the remote bingo sector of customers’ gambling being funded by third parties which has facilitated money laundering. This highlights the importance of operators having a robust money laundering and terrorist financing risk assessment in place to mitigate such risks. This has been given a medium risk rating.