

12 - Bingo (Non-Remote)

Table actions: [Turn tags off](#)

Sector rating

Sector	Previous overall risk rating	Current overall risk rating
Bingo (Non-Remote)	MEDIUM	MEDIUM

Existing inherent risk ratings

There has been some change in the risk levels for the inherent risks for the non-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	MEDIUM	MEDIUM	MEDIUM	MEDIUM	No change
Operator Control	Removal of membership schemes	MEDIUM	MEDIUM	LOW	MEDIUM	Decrease
Operator Control	Lack of or inadequate 'know your customer' (KYC) checks conducted resulting in criminals laundering criminal proceeds	MEDIUM	MEDIUM	MEDIUM	MEDIUM	No change
Licensing & Integrity	Gambling operations being acquired by organised crime to launder criminal proceeds	MEDIUM	MEDIUM	LOW	MEDIUM	Decrease
Licensing & Integrity	Employees colluding with criminals	MEDIUM	MEDIUM	LOW	MEDIUM	Decrease
Customer	Anonymous customers laundering proceeds of crime through gaming machines	MEDIUM	MEDIUM	LOW	MEDIUM	Decrease
Means of Payment	Ticket-in-ticket-out (TITO) facilities used to launder funds when used in conjunction with ATR machines	MEDIUM	MEDIUM	MEDIUM	MEDIUM	No change
Product	Electronic Betting Terminals (EBTs) incl. table-top gaming (either traditionally or via EBT content)	LOW	MEDIUM	LOW	MEDIUM	No change
Product	Gaming Machines, Cat B3	MEDIUM	MEDIUM	LOW	MEDIUM	Decrease

Additional inherent risks

Cash payments

Cash is globally recognised as being attractive for money launderers because of its anonymity, being difficult to trace and it is easily transferrable. The Financial Action Task Force (FATF) recognises that cash is widely used in the criminal economy ²⁵. The vulnerability associated with cash transactions include; criminal lifestyle spending, use of Scottish and Irish notes, and fraudulent notes and coins.

However, the shift to cashless payment due to COVID-19 mitigates the risks associated with cash payments to a certain extent. This has been given a medium risk rating in relation to the non-remote bingo sector ²⁶.

Cashless payment

As discussed previously, the use of cashless payments in general has increased in popularity in recent years. This presents a risk where Money Laundering (ML) could be facilitated using fraudulently obtained and stolen cards. Whilst there are controls in place through closed loop systems, this mitigation is wholly reliant on the operator and its employees effective application and there is a monetary cap on each transaction (currently £45).

The associated risks with cashless payment include:

1. operators failing to undertake KYC checks on customers
2. transactions not being monitored in real time
3. ‘smurfing’: a common ML method where a customer will make numerous low level transactions to avoid suspicion.

The above risks associated with cashless payments further increase where a customer uses multiple premises and there is a lack of customer interaction. Due to cashless payments increasing in popularity (especially due to COVID-19), this has been given a medium risk rating in relation to the non-remote bingo sector.

References

²⁵ [FATF Report: Money Laundering through the physical transportation of cash’ \(PDF opens in new tab\)](#) (accessed 27th July 2020, updated October 2015).

²⁶ [Licence Condition 5.1.1. of the LCCP](#) (cash handling) places AML obligations on operators around the use of cash and cash equivalents by customers designed to minimise the risk of crimes such as money laundering.