



Gambling Related Harm APPG

The Rt Hon. Oliver Dowden CBE MP
Secretary of State for Digital, Culture, Media and Sport
Department for Digital, Culture, Media and Sport
100 Parliament Street
London
SW1A 2HQ

16 March 2021

Dear Secretary of State,

Football Index

I am writing to you on behalf of the All-Party Parliamentary Group for Gambling Related Harm with regards to the recent revelations surrounding the collapse of Football Index.

As you are aware, Football Index had its betting licence suspended last week by the Gambling Commission following a week of turbulence which has forced the company into administration, costing consumers nearly £90m.

The company offered virtual 'shares' in real life footballers, branding itself 'the football stock market'. One of the main draws to the site was their pay-out of 'dividends' based on player performances. It was the company's decision last week to dramatically decrease this dividend payment by 82% that led to a virtual market 'crash' on the site, with average losses of nearly £3,000 per regular customer.

Even more alarming is the fact that merely days before the 'crash', Football Index 'minted' new shares in footballers, enticing consumers to purchase shares that some days later would be worth far less than their former value.

This can only be termed a scandal. It underlines the need for wholesale reform of the gambling industry and raises significant questions of the Gambling Commission, given they saw fit to licence this platform and failed to enact adequate oversight. In a regulated sector, when people gamble, they should have the confidence they are doing so on the basis of the outcome of a wager. It should not be a gamble on the solvency or sustainability of the licensed operator.

We are therefore calling on you to hold an urgent public inquiry into the events which allowed this to happen as well as the conduct and competence of the Gambling Commission.

The debacle also underlines the urgent need for a Gambling Ombudsman to ensure consumers have a clear avenue for redress in circumstances such as these.

We note that the Public Accounts Committee report of September 2020 recommended that your Department report back on new measures within six months to tackle the gaps in existing consumer redress mechanisms in the Gambling sector. That six-month deadline is now upon us and we look forward to hearing further on this imminently – action to protect customers is now evidently more necessary than ever.



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I have copied this letter to the Chair of the Department for Digital, Culture, Media and Sport Select Committee.

Yours sincerely,

Carolyn Harris MP

Chair, All-Party Parliamentary Group for Gambling Related Harm

Ronnie Cowan MP

Lord Foster of Bath

Chair, Peers for Gambling Reform