Evaluation Report 2023

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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 scope of legal requirements. In so doing, the following applies: Hoping that something works 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 how success is benchmarked. If unclear, the evaluation's objectivity cannot be guaranteed. On this account, we undertook early on in the course of our license application to evaluate specific criteria. In this report, we are honoring our commitment.

1.2   Scope of the evaluation report

The present report covers the evaluation criteria that are applicable across the nation for the online setting and state-by-state for the retail business. In this way, conclusions can be drawn about the implementation of measures under the player protection concept and its country-specific modifications.

For online sports betting, Tipico was awarded a nationwide license on 9 October 2020, and this license was extended until the end of 2027 by way of an official notice dated 9 December 2022. Tipico was awarded a license on 6 October 2022 for the organization of virtual slot machines.

In the retail setting, the situation continues to be complex. On the one hand, the states are on different timelines in their licensing processes: While man 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, not only does the current organizer license needs to be awarded but every individual betting outlet needs to be issued their own separate license. In other words, even in a state where the licensing process was launched a long time ago, not all or a majority of the betting outlets have necessarily already received a license.

The licensing process was continued even after 2023 ended. Figure 1 shows the status of the sixteen states in the licensing process.
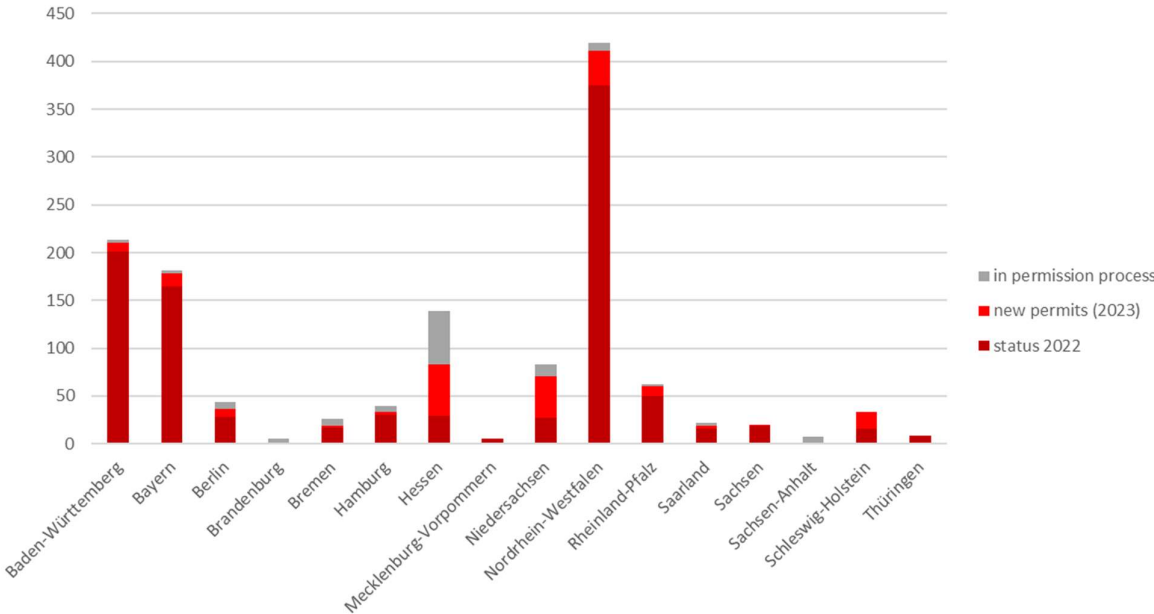
Figure 1: Status of licensing process for the retail network.

At the end of 2023, the licensing process can now be considered to have been for the most part completed. Some states have yet to receive their licenses. What also needs to be ensured in every betting outlet, however, is that important player protection means, including the connection with the player exclusion database OASIS, are facilitated by the authorities as well. Four years after the option of granting licenses to individual betting outlets was made legally possible, around 90% of the betting outlets for which applications have been submitted have actually been assessed and approved, and we can now consider the retail market to be for the most part regulated. For this reason, this will be the last time the Evaluation Report includes the present chapter.

2. Player Protection Resources

A compliance framework can only hope to succeed if the responsibilities are clearly defined. The same applies for player protection. 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 officer. The role of the player protection concept officer is assumed by the Head of Corporate Responsibility, who is part of the compliance organization and reports directly to the Chief Regulatory Officer of Tipico Group.

The player protection concept officer is tasked with drawing up the player protection concept. The officer's job is also 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 officer is also charged with further refining the concept on an ongoing basis. The player protection concept officer 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 officers 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. It currently comprises sixteen full-time staff positions.

The player protection concept officer for Tipico's digital lineup

Name	Michael Schindler
Address	Tipico Tower Vjal Portomaso St. Julian's STJ 4011 Malta

The player protection officer for Tipico's digital lineup

Name	Christian Bajada
Address	Tipico Tower Vjal Portomaso St. Julian's STJ 4011 Malta

The player protection concept officer for Tipico's stationary lineup

Name	Anna Simon
Address	Amalienbadstraße 41b 76227 Karlsruhe Germany

The player protection officer for Tipico shop agencies

Name	Daniel Goldemann
Address	Nagelsweg 12 20097 Hamburg Germany
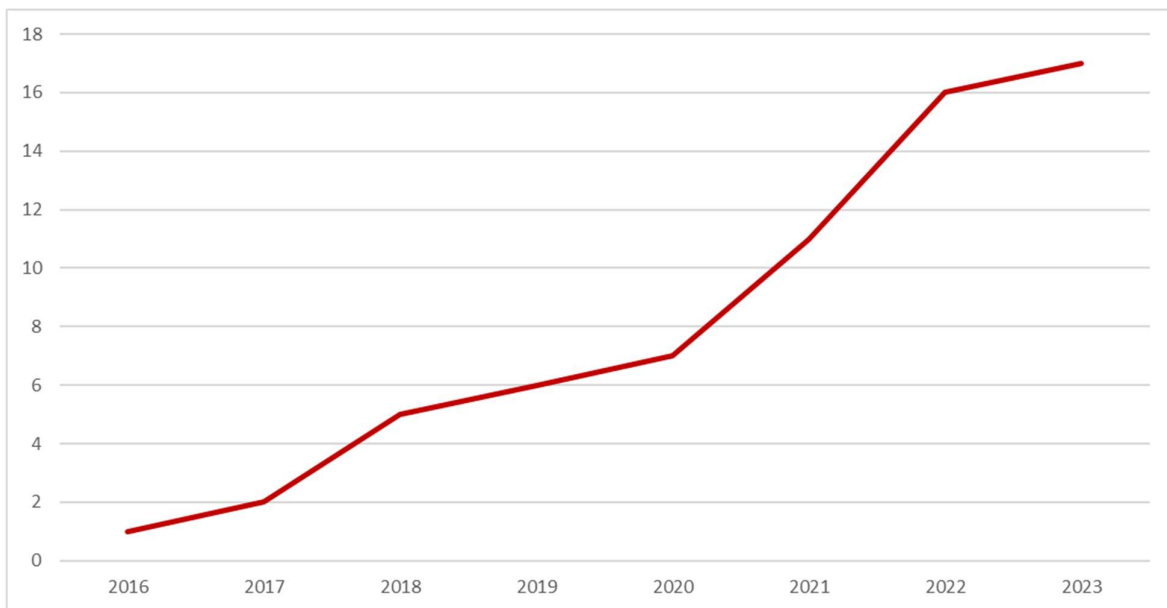
Figure 2: Changes in the operational Consumer Protection Team since 2016. Player protection concept officers and player protection officers have not been included.

In the retail setting, every franchise partner is obliged to appoint a player protection officer as well. This player protection officer 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 officers appointed for each state. This setup 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 very many partners that operate only one betting outlet each will have a relatively high number of player protection officers who spend only part of their working time fulfilling this function. States with very few partners, each with their own large network, will have a relatively small number of player protection officers working exclusively in this capacity.
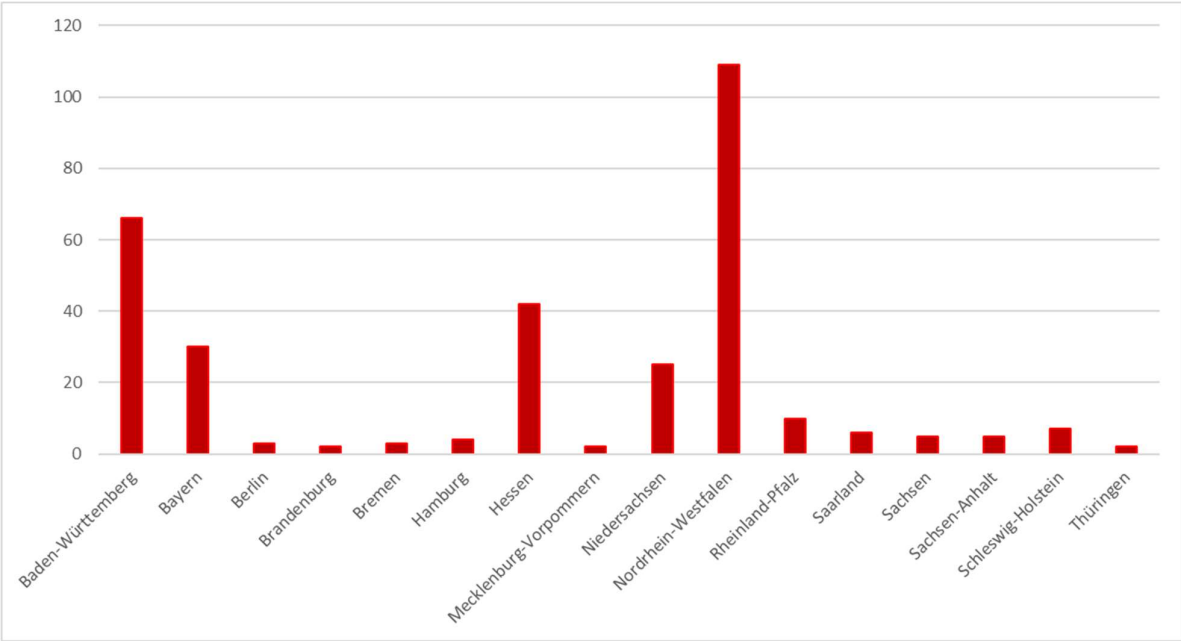
Figure 3: Number of player protection officers in the retail network.

In 2023, Tipico invested a total of approx. 7,900 working days for IT developers worth around EUR 8.7 million into the technical implementation of consumer protection improvements. This estimate takes into account only the technical implementation. The planning and evaluation of the measures and expenses at the operational level are separate items.

3.   Cooperation with Research, Advice and Assistance

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 lineup as possible. The options Tipico has as a company are therefore limited to identifying gambling-related problems, implementing self-exclusions or imposing third-party exclusions and advising players with respect to the professional support schemes available.

For the German market, Tipico currently cooperates with the following support and counselling services:

Gamblers' Outpatient Clinic run by the IFT, Munich

• 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 shop employees

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 when it comes to ensuring compliance with the player protection requirements. This specifically applies to any interaction with end customers.

As an organizer, Tipico has 170 people on its payroll who have direct contact with online customers. One hundred percent of these employees have undertaken the complete player protection training program.

In the retail setting, Tipico provides betting agents with accredited player protection training opportunities. In 2023, a total of roughly 16,100 person-hours were spent in face-to-face training courses.
Figure 4 shows how many employees have completed face-to-face training courses and additional online training.
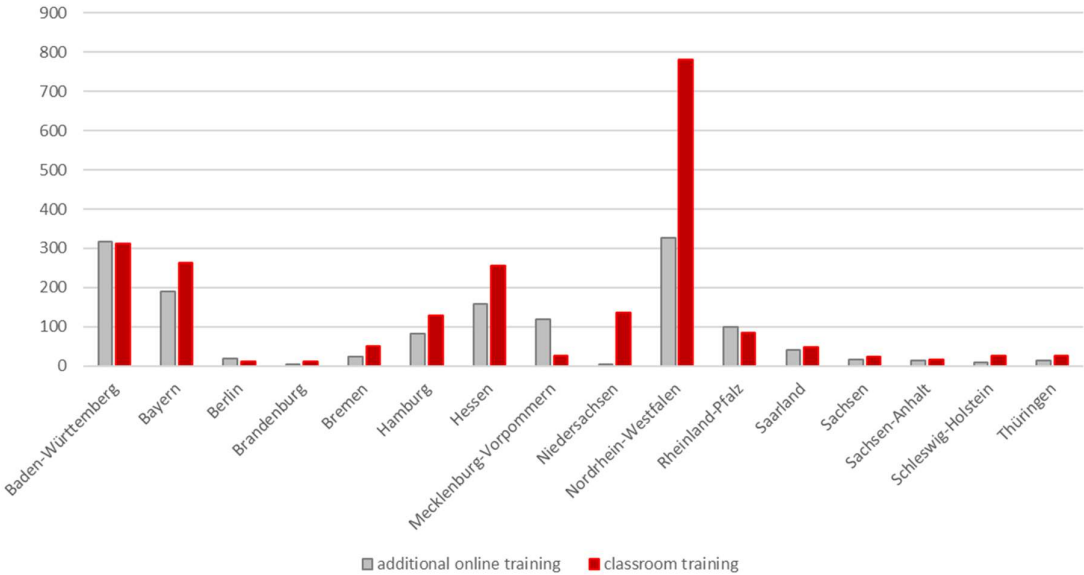

Figure 4: Training of cashiers employed in the retail setting.

In 2023, 53% of the player protection officers attended further advanced training on player protection.

5. Mystery shopping and quality audits

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 controls are conducted by the Quality Assurance Department and by Compliance.
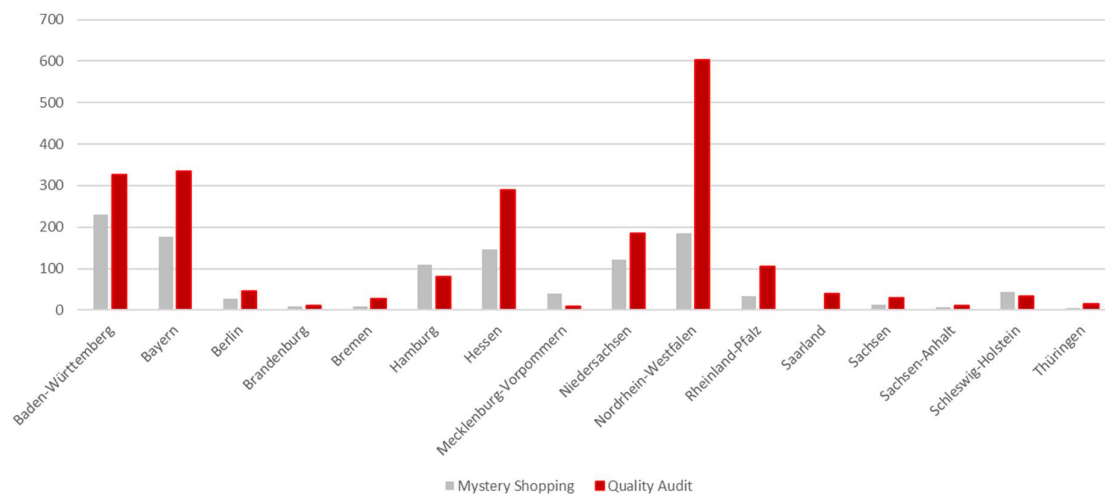

Figure 5: Inspections carried out in the retail network.

In 2023, the volume of inspections was considerably increased. The overall number of inspections rose by 24%. Along with this increase in the volume of inspections there was a shift in the main focus of quality audits, making them easier to standardize and allowing for higher inspection volumes. This ensures that no shop employee 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, any practices that are identifies as potentially risky can now be corrected this way.

6. Consumer Perception

Player protection is not simply an objective set out by the Interstate Treaty on Gambling. Player protection also aims to ensure a tangible improvement in the conditions for consumers. Whether player protection in the regulated market is perceived as an asset by consumers has direct implications for the channeling objective.

For this reason, Tipico conducts a survey on the perception of player protection among customers as part of its brand tracking efforts at least once annually. Based on a random sample consisting of around 1,500 interviewed customers, the following perceptions were reported.
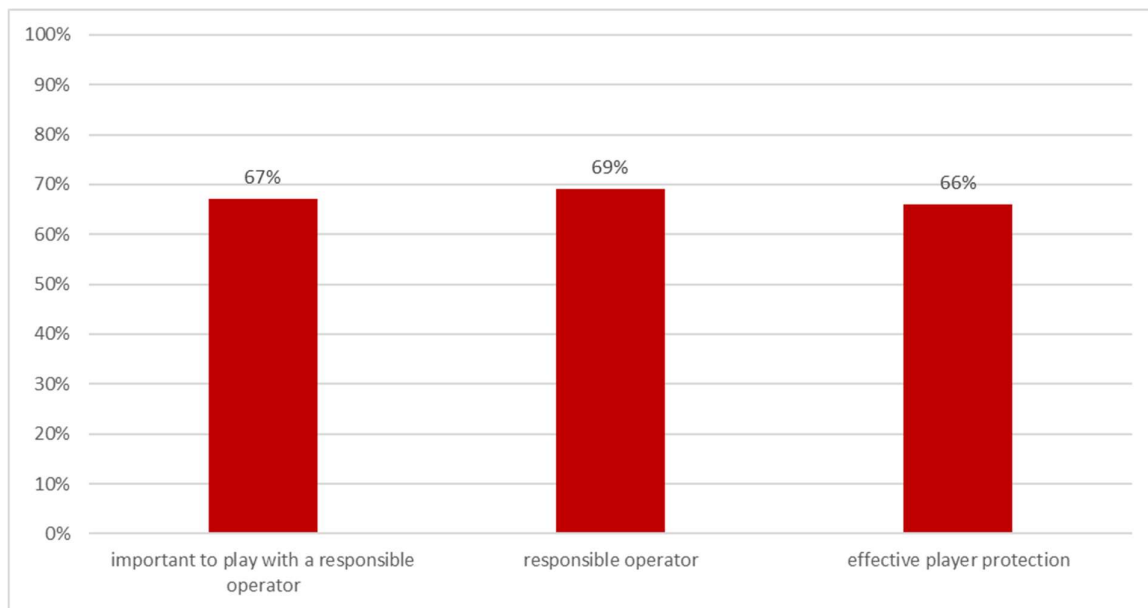
Figure 6: How customers view Tipico's player protection.

It is only natural that the effectiveness assessment, in particular, throws up the question of why not all customers consider player protection to be effective. We thus addressed this more fully, asking specifically about the balance of the intervention. Customers were asked whether they considered player protection measures to be inadequate, exactly right or patronizing. Half the customers find player protection to be suitable. Conversely, the other half that did not consider them suitable had a strong propensity to perceive the implemented player protection as too patronizing.
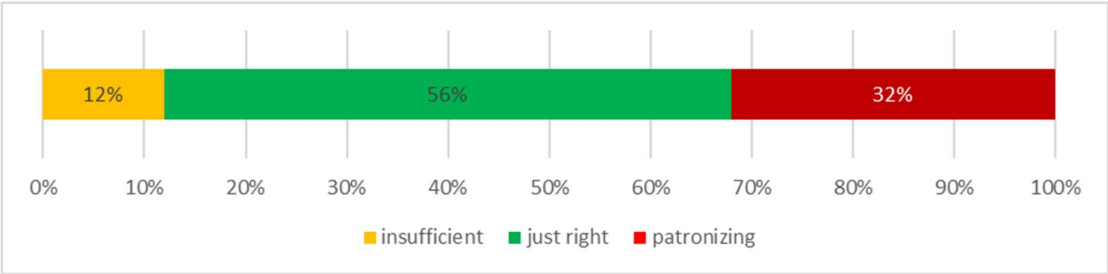
Figure 7: The customers' perceived balance of the intervention on account of the implemented player protection measures.

The main reason why our player protection is deemed ineffective is thus that customers consider the measures to be too patronizing. 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 a benefit of the regulated market.

7. Identity Verification and Authentication

The protection of minors in the online setting is ensured directly by the age and identity verification 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. Compared to previous years, the share of verifications that were completed on the same day increased – from 68 to 77 percent. In contrast, the number of verifications not completed within the 3-day time window declined from 16 to 12 percent.

If a customer is found to be a minor in this process and to be attempting to register using falsified identity data, no 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 2023, 2 percent were discovered to be minors. Their preliminary gaming accounts were deactivated immediately.
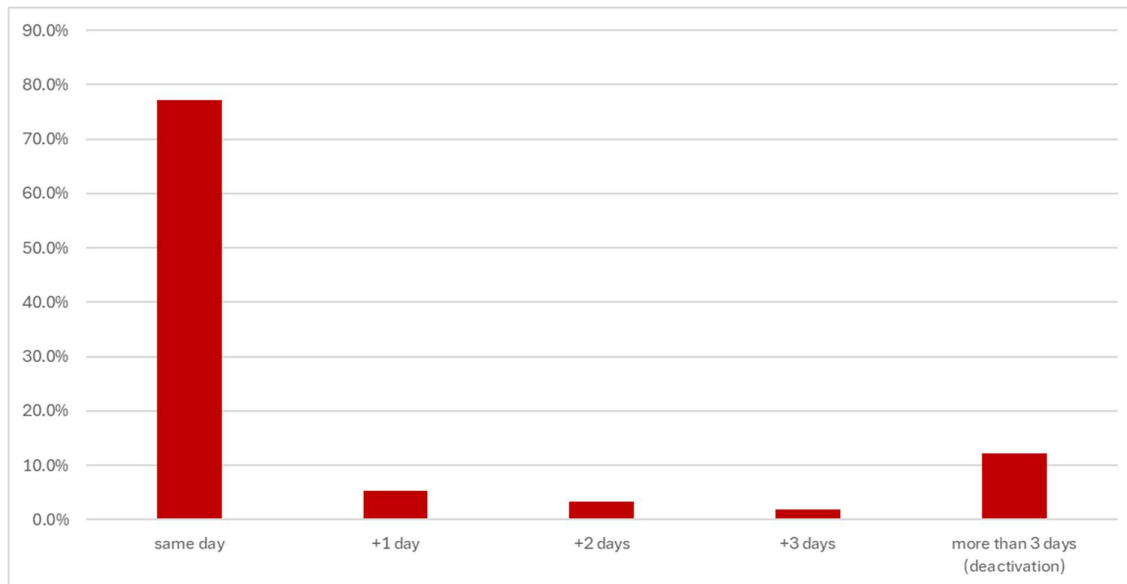
Figure 8: Time of identity verification after registration in the online setting.

The protection of minors in the retail 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 twenty-two. Ever since physical access barriers have been set up, the type of checks has changed. Now, most checks are carried out when persons are unable to clear the barrier with a customer card.

In 2023, over 380,000 such checks were carried out. Thus, the inspection volume has increased by another 45% compared to last year.
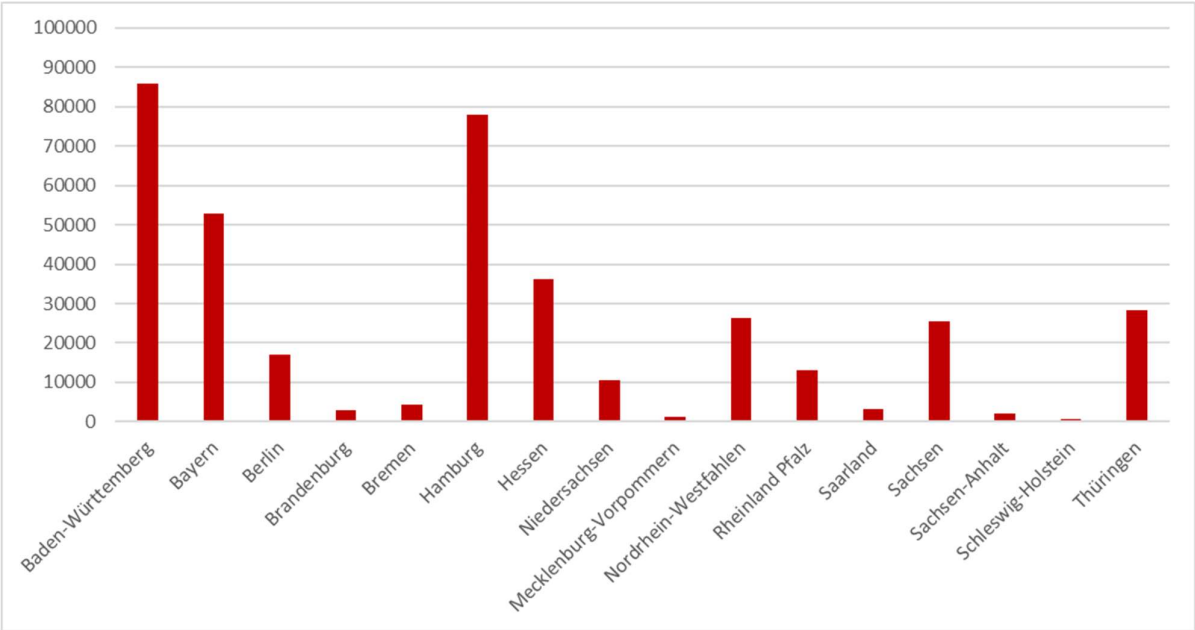
Figure 9: Number of ID checks by employees per state. In states where the customer card is mandatory, the number of ID checks was lower since the customer card provides identity details.

During the ID checks, over 25,000 persons were addressed and were asked to leave the shop premises as a consequence. Figure 10 provides the various reasons why people were banned from the betting shop premises.
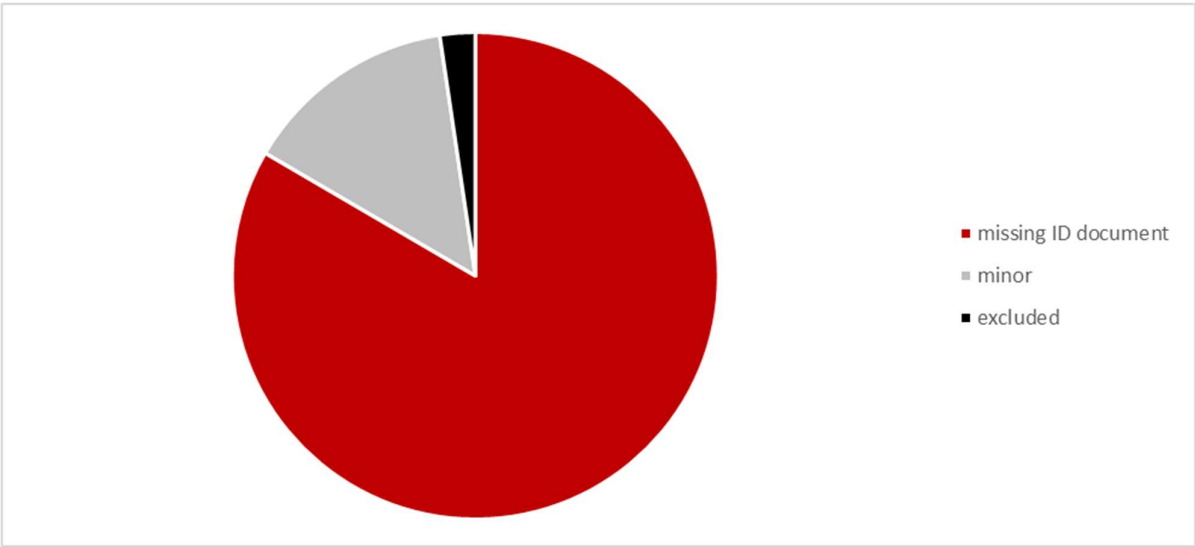

Figure 10: Reasons for refused access to the shop premises.

8.   Raising the Limit

8.1   Process description

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 certain knowledge of the customer is required to ensure such a process is suitable for the risk at hand, specific data is needed 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 more likely can Tipico grant such a customer higher limits without increasing 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 behavior or financial problems, the standard limit or a reduced limit is appropriate.

Level 0: Standard limit of EUR 1,000

For every online account, the legal deposit limit of EUR 1,000 per month is set as the default. As this standard limit – just like any legally established limit – cannot be personalized and is thus inadequate for most customers, the customer is asked 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, their request is subject to the verification 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 exhibit 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) are granted a limit increase. Furthermore, Schufa must have no negative data whatsoever on the customer.

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 per the customer's request.

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=2,972 Tipico customers who had requested their limit to be increased 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.

In addition, the Schufa score can be 'enriched' with player behavior data so that the score subsequently represents only one influencing factor in a complex model. A 2022 study involving N=1,699 customers demonstrated that the financial capacity established by way of a bank account inquiry has greater validity.
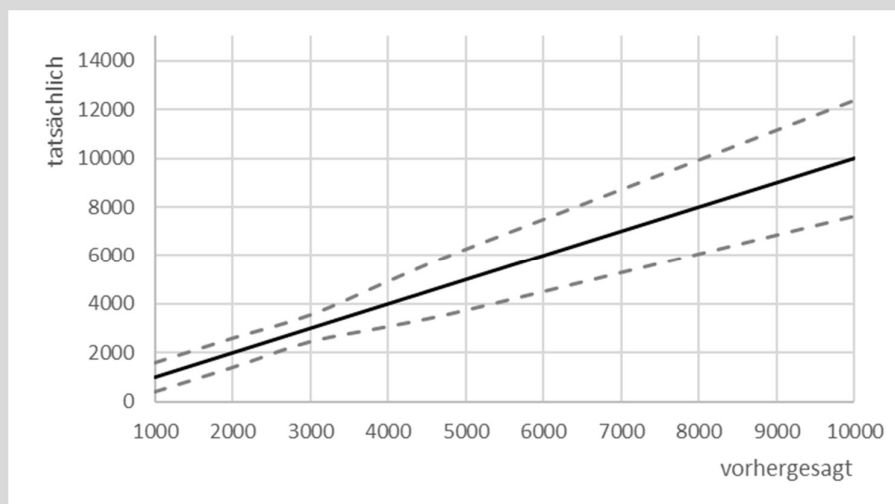
Figure 11: Error corridor for the prediction of actual financial capacity based on the Schufa score and transaction data from player and payment behavior.

Especially when it comes to limits up to EUR 5,000, the enriched Schufa score is a highly reliable alternative to an inspection of the bank account. When it comes to higher limits, it may be appropriate in many cases to make not only a gambling-related Schufa inquiry but also to obtain documents demonstrating a customer's financial capacity and the source of funds.

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.
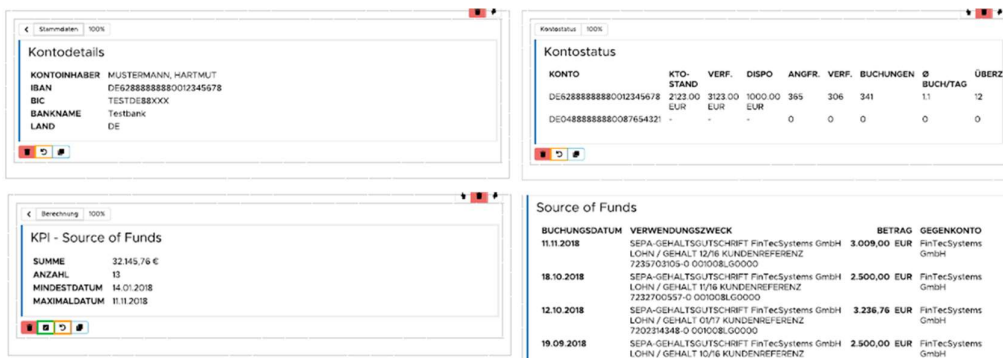

Figure 12: Sample report on a customer's financial capacity.

Based on the financial capacity that has been proven, the customer is granted an 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 years of age. Likewise, 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 during this process even at a later point in time whenever such a decrease appears expedient on account of the behavior monitoring findings and/or whenever this is deemed appropriate based on information collected in player protection dialogues. Similarly, customers may also ask for their limits to be reduced again anytime. Any such a limit reduction is implemented immediately.

8.2   Description of customers with increased limits

In 2023, 47,549 customers used an increased limit in at least one month and deposited over EUR 1,000. As indicated previously by data from 2022, an increased limit does not mean that a customer regularly deposits and loses exorbitant amounts of money. Customer behavior has shown that an increased limit offers the option of depositing very high amounts of money – but customers use this option only on special occasions. Figure 13 shows average monthly gambling-related costs of customers with increased limits in 2023.
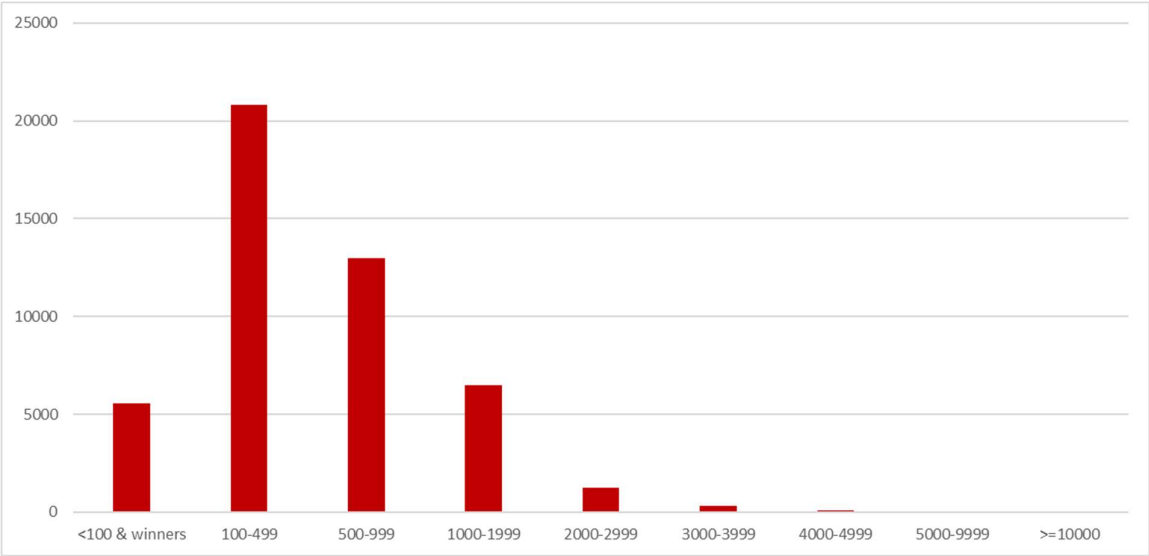
Figure 13: Incidences in various groups of customers with increased limits stratified by average monthly gambling-related costs in 2023.

The trend identified early on in 2022 that customers with increased limits tend to be higher has also been confirmed. Figure 14 compares the average age in the total population with various groups of customers with increased limits, again stratified by gambling-related costs.

Every limit increase is based on proof of a customer's financial capacity. For this purpose, two methods are used in practice; these are described in Chapter Raising the Limit. Table 1 provides the average Schufa score for a gambling-related inquiry for customers in the respective stratus. The delimitation between a gambling-related Schufa inquiry and document-based proof for the origin of funds is thus markedly more fluid. Thus, proof for the origin of funds is usually requested on a risk basis long before a customer reaches the EUR 10,000 limit. Table 1 also shows the share of document-based proofs for the origin of funds in every group.
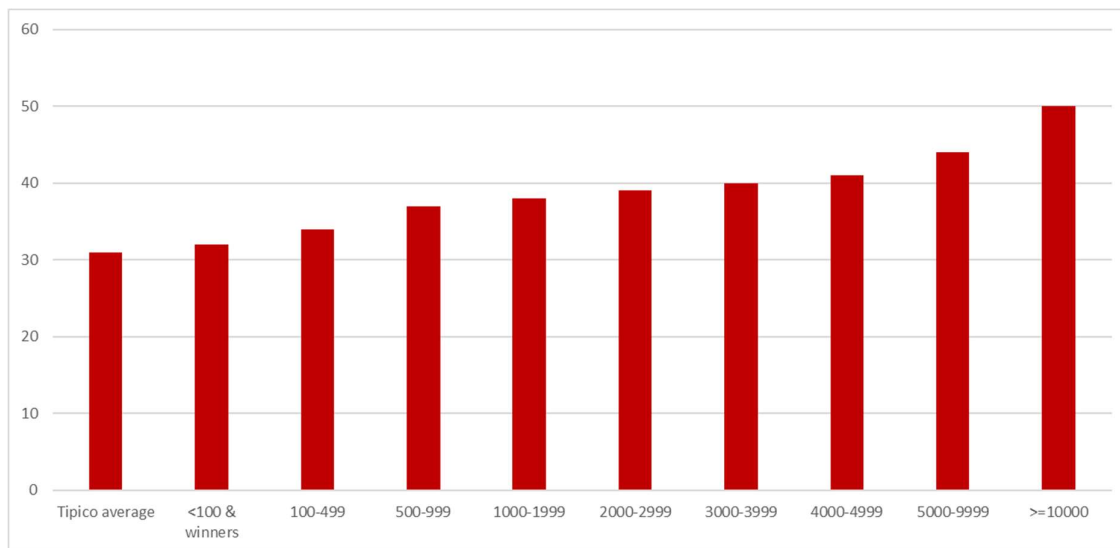
Figure 14: Average age in years in the total population of sports bettors compared to various groups of customers with increased limits, stratified by average natural monthly gambling-related costs in 2023.

Table 1: Characteristic data for proof of financial capacity in various groups of customers with increased limits, stratified by average monthly gambling-related costs in 2023.

Group	Average score in gambling-related Schufa inquiry	Share of document-based proofs for the origin of funds
< 100 & winners	9863	25%
100-499	9862	29%
500-999	9872	31%
1,000-1,999	9877	27%
2,000-2,999	9881	29%
3,000-3,999	9877	37%
4,000-4,999	9885	48%
5,000-9,999	9907	60%
>= 10,000	9957	100%

Naturally, document-based proof is mandatory for customers with a deposit limit of EUR 10,000 and over. However, the number is markedly higher even in the customer groups that incur monthly gambling-related costs of over EUR 3,000. The assumption that customers were systematically allowed regular costs of up to EUR 10,000 because of a Schufa query is thus incorrect. Rather, the exhaustion of the EUR 10,000 limit leads to further inspections that may also include document-based proof for the origin of funds.

Finally, the likelihood of self-exclusion and third-party exclusion can be juxtaposed. Population-based comparisons usually show that groups with higher financial involvement also have a higher risk of developing gambling-related

issues. Even if this trend does not suffice to make a case-by-case prediction, we would expect customers with higher limits to have a higher exclusion risk as well. It continues to be unclear, however, how large this risk actually is. Table 2 compares various groups with increased limits with Tipico's average.

Table 2: Share of customers who self-excluded in 2023 in Tipico's sports betting population and in various groups of customers with increased limits, stratified by average monthly gambling-related costs in 2023.

Group	Share of exclusions in the group	Share of panic buttons in the group
Tipico average	1.0%	8.8%
< 100 & winner	5.2%	8.1%
100-499	5.2%	7.7%
500-999	3.1%	7.8%
1,000-1,999	2.5%	8.2%
2,000-2,999	2.2%	7.8%
3,000-3,999	2.3%	8.2%
4,000-4,999	0.0%	14.1%
5,000-9,999	0.0%	11.3%
>= 10,000	0.0%	0.0%

It does not come as a surprise that the likelihood of an exclusion is higher with customers who have an increased limit. The stratification, however, is counterintuitive. Although one would expect exclusions to be higher among players with the highest activity, the data indicate quite the opposite. Exclusions are most likely to occur among players with the lowest of the increased limits and among customers who hardly manage to exhaust their limits. This may result from the fact that the groups with high monthly costs also exhibit a certain constancy, whereas the groups with average costs of EUR 1,000 also includes customers who may have use an increased limit perhaps once and then realize that they are unable or unwilling to afford such an increase over the long run.

8.3 Player monitoring for customers with increased limits

In 2023, players with increased deposit limits were subjected to a special monitoring based on criteria that had originally been formulated by the Darmstadt Regional Council with a view to ensuring earliest possible detection of potentially self-harming behavior.

These criteria include:

- Number of set limits
- Amount of set limits
- Utilization of set limits
- Number of active days per month

- Variation in stakes
- Behavior after average losses (proxy for chasing or recouping losses)
- Number of limit increases
- Number of failed deposits
- Number of payouts
- Number of payouts revoked by customer
- Number of payment instruments used
- Average daily time in product lineup
- Average daily time in product lineup between 00:00 and 06:00

In addition, the following were taken into account based on rules:

- Risk value of the early recognition model used with every customer
- Deposit total in current month

Since the criteria for this purpose and in this connection have not previously been empirically validated, an assessment method was used that does not formulate any – perforce highly speculative – fixed limits but is based instead on an ongoing comparison with the total population of Tipico customers and selects behavioral patterns that are particularly conspicuous in their divergence from the common behavior of roughly 1.5 million customers. The uncommonness of the behavioral patterns in itself in no way implies a risk of developing a gambling addiction. However, the uncommonness is certainly a suitable occasion to study the behavior and ask more questions.

Based on this model, a study involving 1,048 people was carried out in 2023. In the course of the study, decisions were taken as to whether:

- No further steps are necessary
- A player protection dialogue needs to be held
- A player protection dialogue and further proof for the origin of funds are needed

Further proof for the origin of funds serves to ensure optimum data quality when assessing a customer's financial capacity. For this purpose, a document-based process is implemented for limit-level-1 customers which is similar to the one followed for limit-level-2 customers.

Table 3:Processes implemented in response to an irregularity in the monitoring of customers with increased limits.

Process	Quantity
Case investigation	250
and player protection dialogue	249
and extended proof for origin of funds	549

As monitoring is not an end in itself, any process that is implemented must also have a consequence. The initial situation that presents itself after monitoring is that the customer has exhibited irregularities which may be indicative of elevated risks. If these initial concerns can be put aside, then the review would be concluded without any further intervention. If the initial concerns can be put aside but there are indications that the current limit is too high for the customer, the limit is reduced. Either to the standard limit or to a level (lower than the current limit level) that appears reasonable based on the available documents. Ultimately, namely if concerns cannot be put aside, the gambling account is deactivated. Deactivation may also involve the player's exclusion in OASIS if indications of gambling-related problems are found in the course of the review. However, deactivation does not necessarily have to involve OASIS-based player exclusion, for example if the customer refuses to cooperate and the required proof is unavailable.

Table 4: Consequences resulting from reviews prompted by the monitoring of customers with increased limits.

Consequence	Quantity
No intervention	283
Limit reduced	318
Account deactivated	447

As a rule, every review process can lead to any of the consequences. In practice, however, there is a certain contingency between processes and consequences. This contingency is shown in Table 5.

Table 5: Contingency between review process and the resulting consequences.

	Case review		Player protection dialogue		Extended proof for origin of funds	
Consequence	Quantity	%	Quantity	%	Quantity	%
No intervention	169	68%	75	30%	39	7%
Limit reduced	74	30%	123	49%	121	22%
Account deactivated	7	2%	51	21%	389	71%

Finally, an assessment can be made of the extent to which the different predictors contributed to the predictions. Naturally, this approach is unable to say anything about the validity of the predictors. What can be established, however, is whether certain predictors have no variance and are thus unsuitable for classification purposes, for instance due to their distribution properties in the relevant field.

An example: The predictor "number of set limits" would be noticed if the customer sets substantially fewer limits than all the other customers. This approach becomes problematic when the majority of customers sets exactly the minimum number of different limits allowed. When over 80% of customers set the minimum number of limits

allowed, the fact that a certain customer sets the minimum number of limits allowed would not be considered irregular but expected. Hence, the predictor is useless.

Table 6: Share of different indicators among the indicator patterns that prompted a review and the share of indicator patterns that did not suffice to prompt a review.

Indicator	Share within detected cases	Share within undetected cases	Odds ratio
Number of set limits	0%	0%	1.0
Amount of set limits	36%	5%	10.7
Utilization of set limits	34%	8%	5.9
Number of active days per month	6%	5%	1.2
Variation in stakes	44%	20%	3.1
Behavior after above-average losses	2%	1%	2.0
Number of limit increases	17%	2%	10.0
Number of failed deposits	22%	7%	3.7
Number of payouts	0%	0%	1.0
Number of payouts revoked by customer	37%	13%	3.9
Number of payment instruments used	13%	5%	2.8
Average daily time in product lineup	17%	6%	3.2
Average daily time in product lineup between 00:00 and 06:00	17%	5%	3.9

This assessment does not suffice to substantiate the validity of an indicator. Among other factors, validity is demonstrated by whether an indicator can distinguish between customers who develop problems and customers who do not.

In the present case, however, only the extent to which an indicator contributes to the model's overall merits. The contribution of indicators that distinguish sharply between detected and undetected cases (high odds ratio) to the model is greater than that of indicators that do not make this distinction. However, this data cannot be used to determine whether the model as such has the predictive ability to identify gambling-related risks.

The monitoring described hereunder will be replaced by a hitherto untested monitoring on 1 April 2024 with criteria that have been defined by the Joint Gambling Authority (GGL). Going forward, evaluations will allow a comparison between the methods.

9. Behavior Observed

9.1 Overall state of the customer base

The approach taken to assess the safety of the gambling lineup and changes in customer behavior entails objective behavior monitoring. 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 above-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 information on the player protection page of their own accord. For this reason, these customers are regularly supplied with 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 behavior 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 dialogue is scheduled.
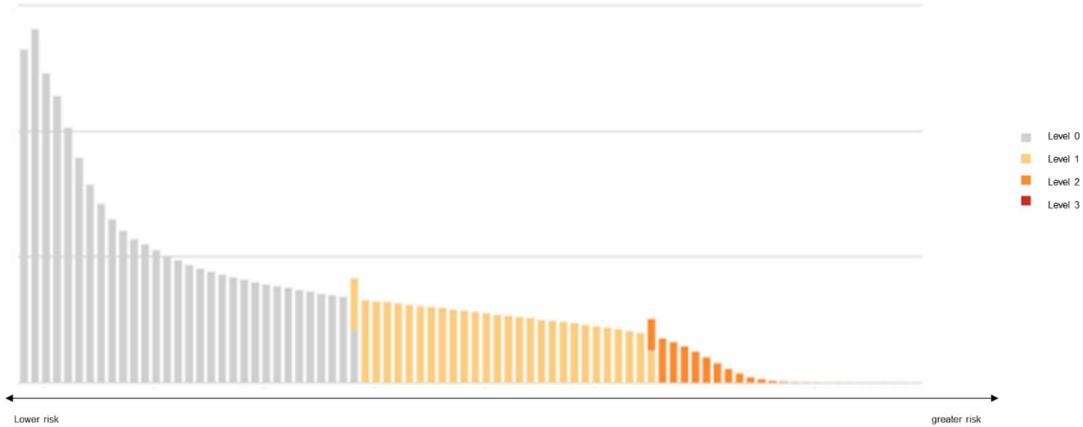
Figure 15: Behavior-based risk assessment of German customers. Less than 0.1 percent of the customers belong to Class 3, so that this class fails to appear in the diagram.

This is only a snapshot at a given point in time, however. Every week, the risk level is reassessed 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 16).
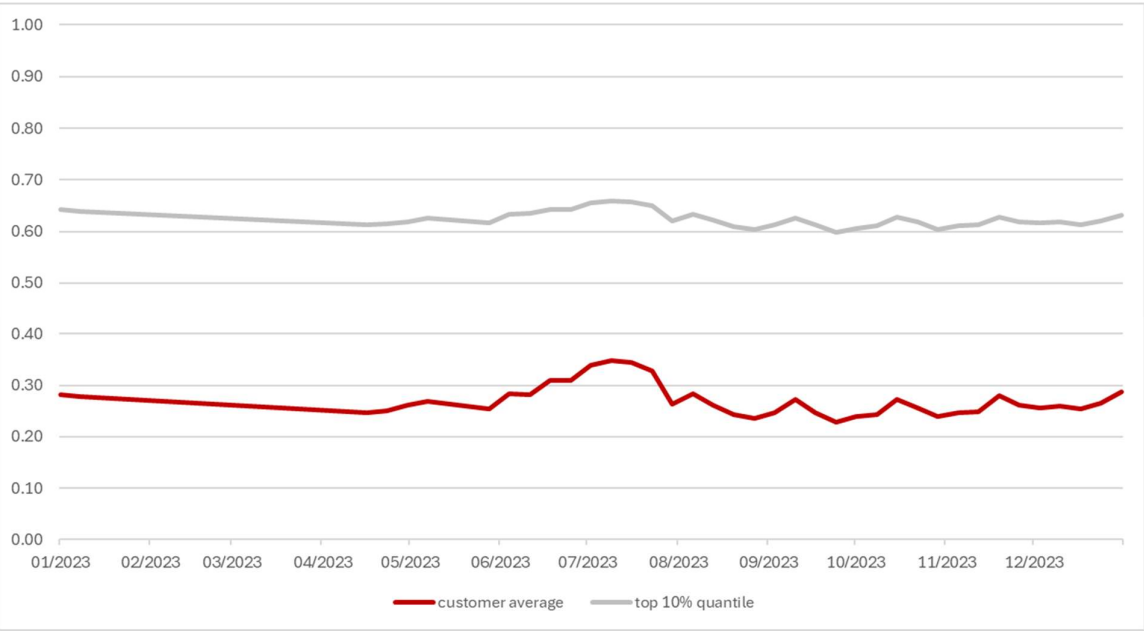
Figure 16: Development of the customer risk over time on a z scale (as a rule, variables are between -3 and +3) for the average Tipico customers and for the average customers among the 10% with the highest risks.

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% tile (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 2023.

9.2   Behaviors observed in the retail setting

In the retail setting, service staff plays an important role because they can still use their direct observations of customer betting behavior as an additional source of information. This is why a reporting system was progressively rolled out that processes precisely such observations in real time.
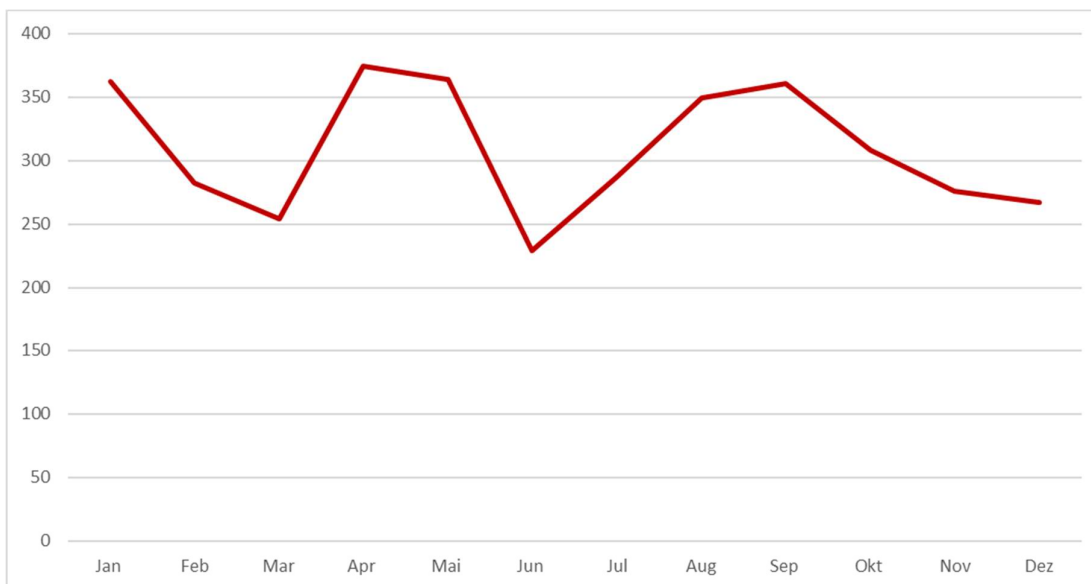
Figure 17: Reported player protection observations in the retail setting over the course of time.

In 2023, a total of 3,713 player protection observations were documented. That is 24 percent more than last year. This proves that, thanks to the selection and training processes they undergo, shop employees are able to properly perform their duties and recognize irregularities and respond appropriately.
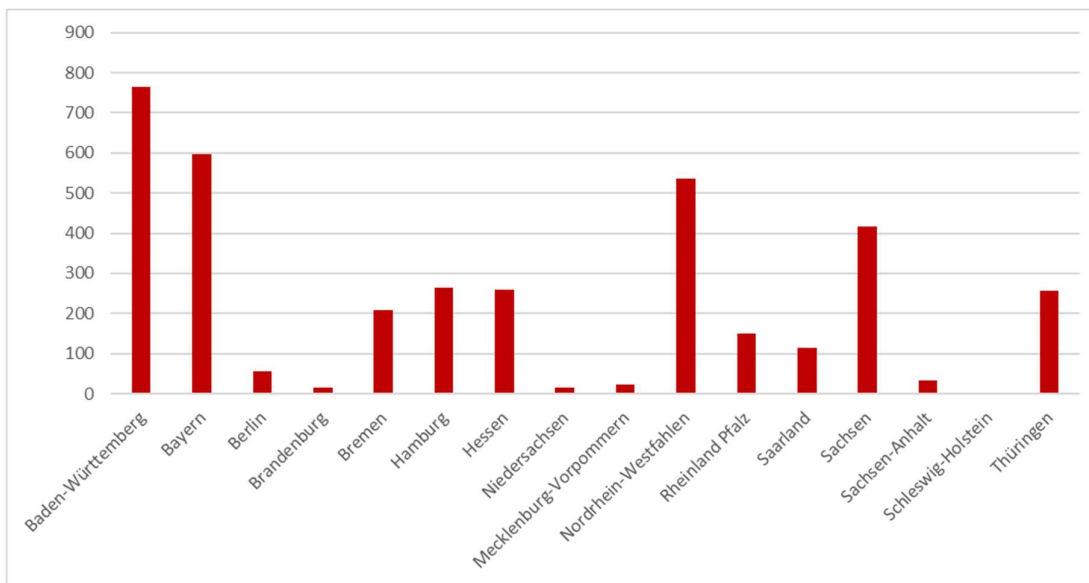
Figure 18: Reported player protection observations in the retail setting for each state.

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 less frequently. In view of the distribution and frequency of the various observations, we can only confirm this assumption (see Figure 19).

The results also show that awareness has grown considerably among shop employees. Most observations reported were made in relation to less conspicuous types of behavior or to the open admission by customers that they have obvious problems. We can therefore affirm that the reporting system is adequate and workable.
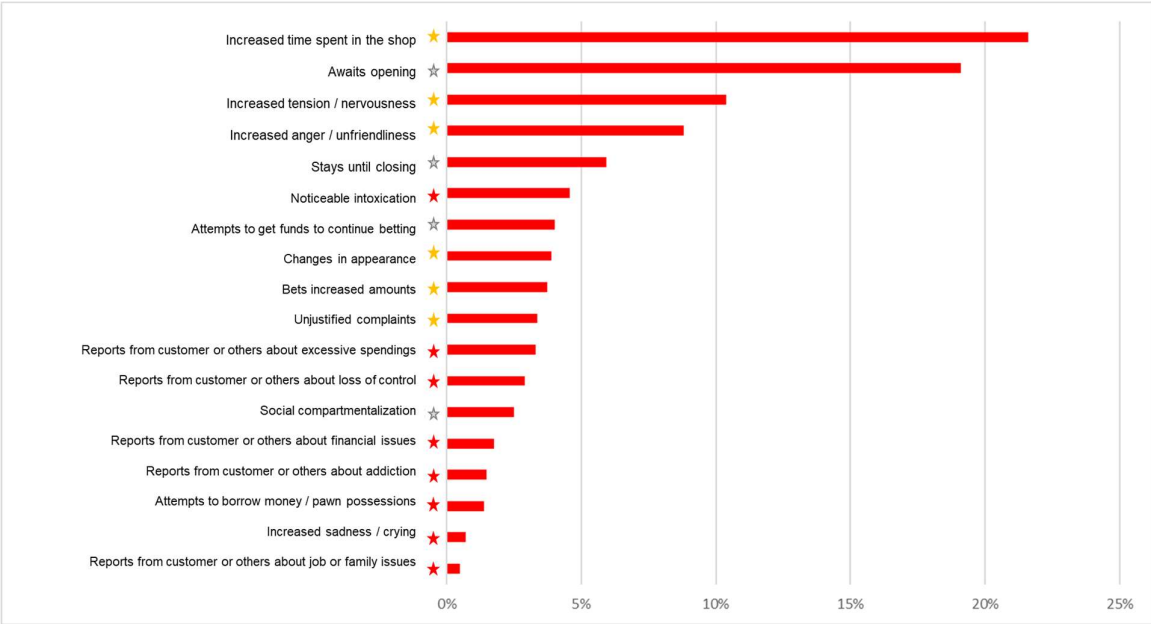
Figure 19: The motifs of gambling protection observations in the retail setting. Grey stars designate moderate indicators, orange stars designate moderately severe indicators.

10. Interventions

10.1 Automated interventions

As a rule, automated interventions have a much greater reach 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 retail setting and shown on the terminal, for example. Both measures described below target both customers in the online setting and customers in the retail setting.

Both automated interventions are based on behavior 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-behavior. 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 have not 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 2023, roughly 590,000 player protection emails were sent. That corresponds to an increase of about 120 percent. This increase reflects the continued effect of the recalibration implemented in the course of 2022. The model is more responsive to irregularities and triggers interventions much earlier.

The opening rate for the sent emails is 44%. This is comparable to the opening rate in 2022. We can thus assume that we were able to effectively reach approx. 260,000 customers with this measure in 2023.

Pop-up

If any behavior 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 email.
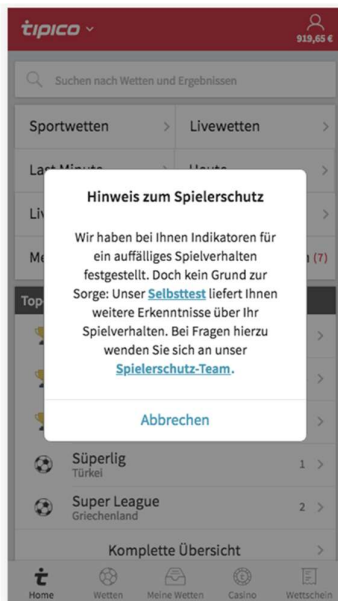
Figure 20: An example of a level-2 intervention.

The purpose of the measures is to intervene directly in the flow of the game and to offer the customer a self-test.

The pop-up was shown 75,000 times in 2023. This number is thus comparable to that of the previous year. Twenty-three percent of the pop-ups shown prompt the customer to opt-out so that this warning is no longer shown going forward. This model then continues to assess this player for other purposes.

10.2   Player protection dialogue

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 dialogue is invariably to collect 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 dialogue takes a different form in the online setting. Communication usually takes place in writing, and therefore the player protection dialogue 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 dialogues can take and presents the consequences to which it can lead.

~10,000 Player protection dialogues and case investigations

Low risk
No additional mitigation needed
~5%

Moderate risk
To be mitigated by self-reported information
~10%

Medium risk
To be mitigated by affordability documentation or more severe intervention
~65%

High risk
Cannot be mitigated. Further participation in Tipico offer is not possible
~20%
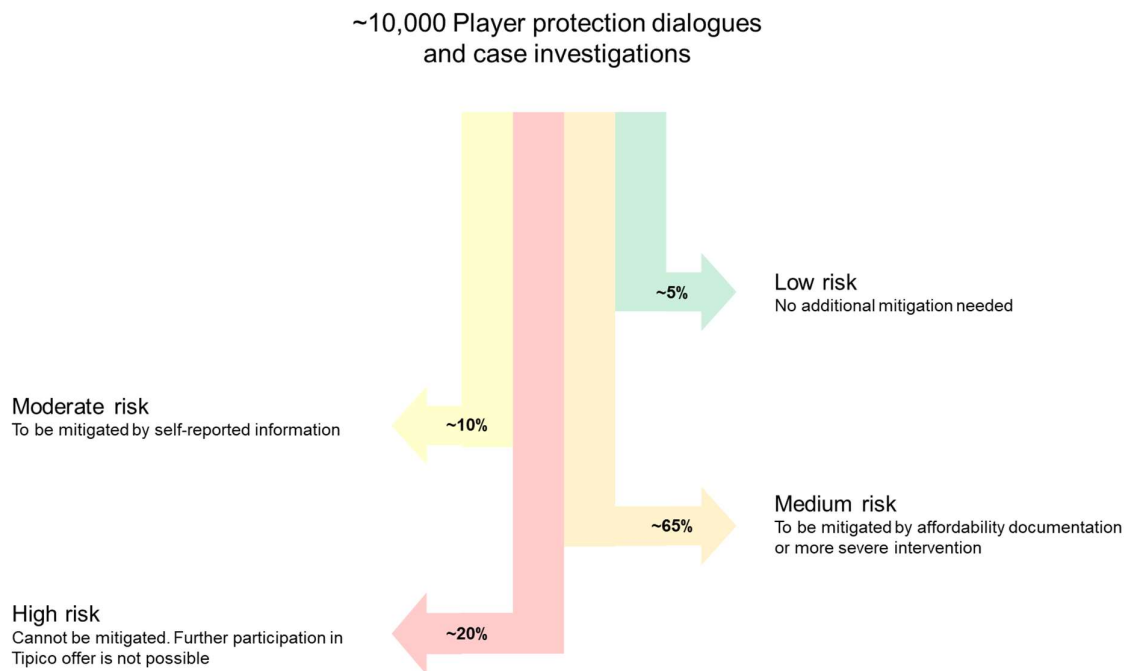
Figure 21: Procedure applied, and decisions taken in the online setting during the player protection dialogues and case reviews in 2023.

Part of the clearly identifiable increase on the previous year is attributable to the fact that now case reviews which lead directly to a consequence for the customer can be taken into account and reported. However, the shares for the different migration strategies are very similar. The shift towards credit checks and proof certifying the origin of funds has proven worthwhile because they are reliable and objective source of information that can be directly linked to any previous behavior.

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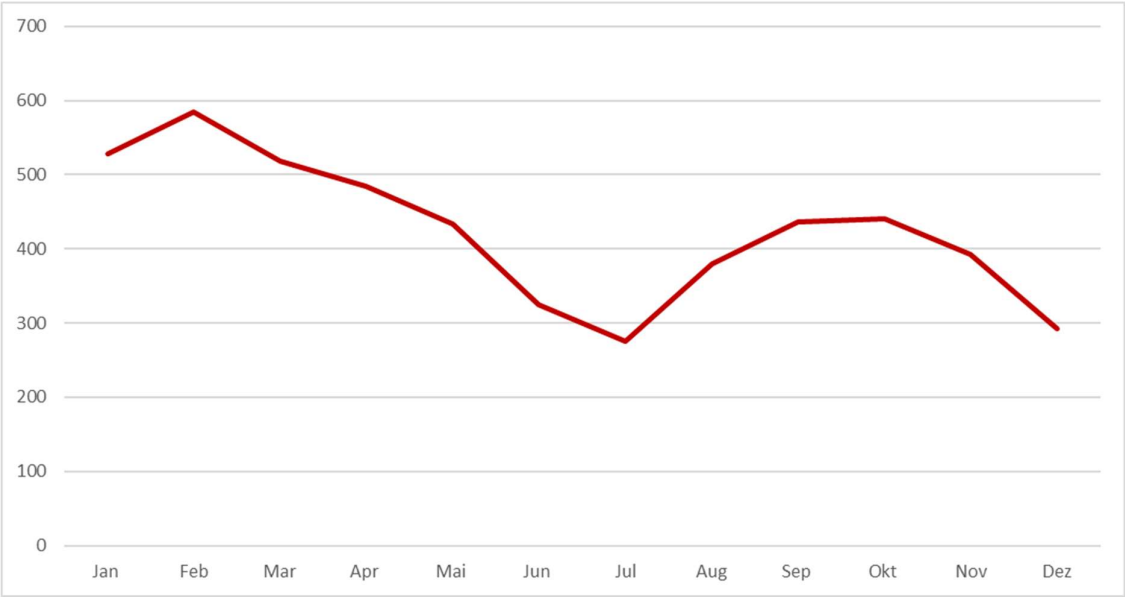
Figure 22: Player protection dialogues in the retail setting over the course of time.

Following the dramatic increase in player protection dialogues, 2023 saw another upturn. 5,090 player protection dialogues were held in betting outlets, which constitutes a 10 percent increase on the previous year. This clearly demonstrates how the awareness-raising activities undertaken by Tipico within the scope of regular training courses have kicked in and that player protection processes are being actively implemented in the betting outlets.
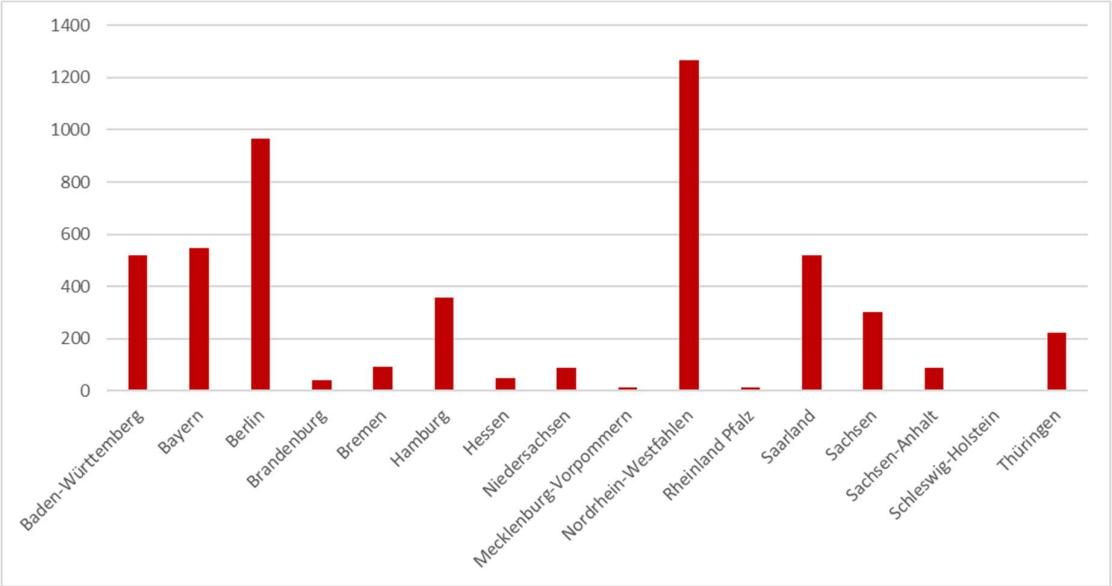
Figure 23: Player protection dialogues in the retail setting for each state.

11. Universal Prevention

The purpose of universal prevention in player protection is to ensure that no information imbalance occurs between the provider 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.
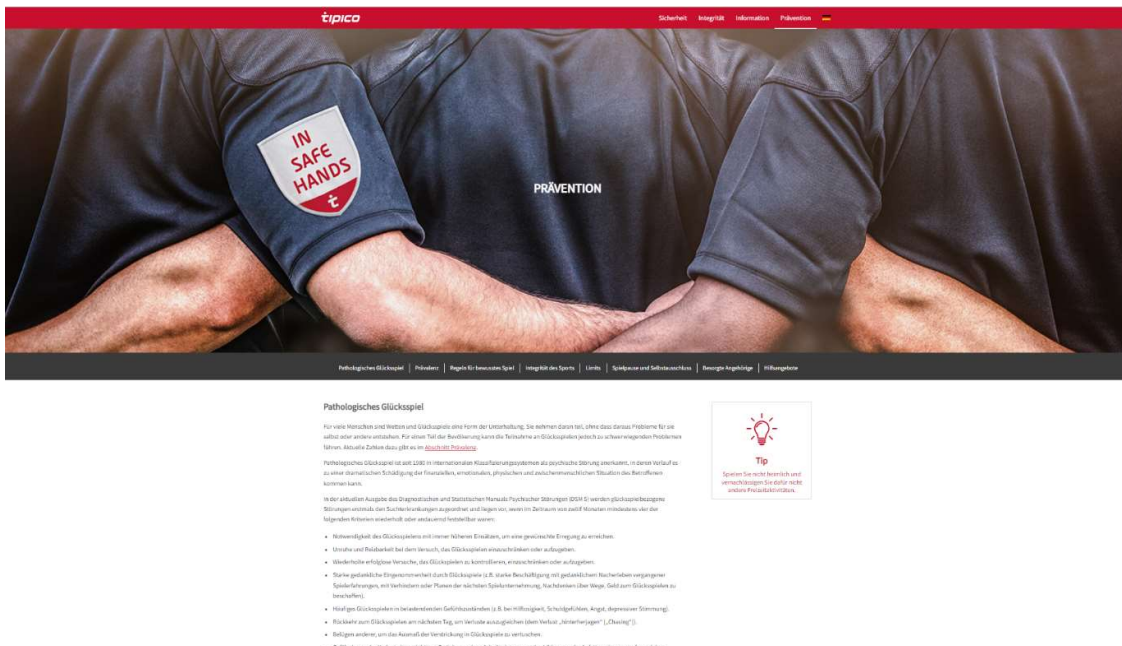
Figure 24: Starting page of the player protection site.

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, 74,000 customers visited the player protection site in 2023. That is a 12 percent increase on the previous year. The player protection site thus continues to be one of the most frequently clicked links in the footnote on Tipico's website.

Additional printed matter as information for customers is available at the betting outlet. Following the very large initial delivery in 2022, the betting outlets were provided another approx. 2,000 player protection fliers in 2023.

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 tool 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 does not have a complete set of information on the use, amount, and utilization of limits by Tipico's customers. There is the option, however, of contrasting the deposit attempts accepted by LUGAS with those that were rejected.
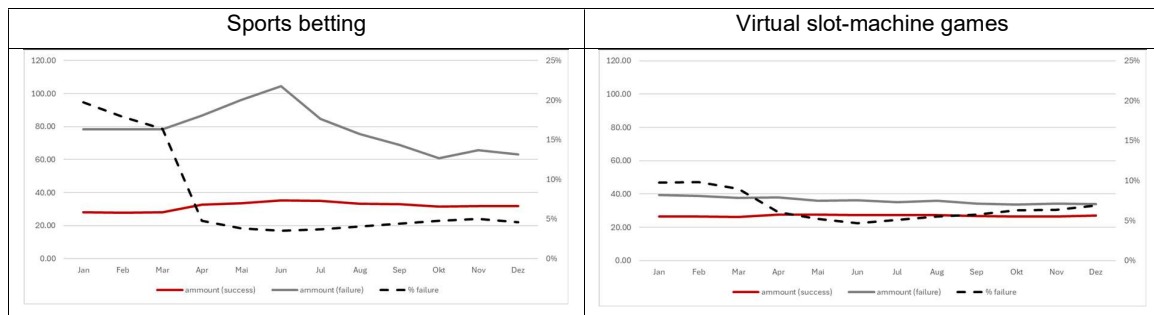
Figure 27: Average amount of successful deposits and deposits rejected by LUGAS, and the share of rejected deposits (y-axis on right-hand side).

In 2023, forty-two million limit queries were made in LUGAS for sports bets and seven million limit queries for virtual slot-machine games. Some of these queries failed because the customer had already exhausted their limit. Figure 27 juxtapositions successful deposits and deposits rejected b LUGAS.

As expected, a stable baseline was achieved in Q1. Roughly 5% of the deposit attempts failed. While there was hardly any difference between successful and rejected deposit attempts in games, these differences are more pronounced in sports betting. A plausible explanation would be that customers may end up confronted with situations that are highly confusing when it comes to increased limits in LUGAS. For example, when a customer ends up receiving a higher limit without any information input when registering with a provider of virtual slot-machine games, it can be assumed that the customer will make several attempts to make deposits within the scope that he or she believes still applies to him or her.

12.2 One-click 24-hour self-exclusion

The one-click 24-hour self-exclusion option was introduced in July 2021 as a quick, bureaucratic 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 customer simply wanted to test how it works. In the meantime, a stable level has been reached in the use of the one-click 24-hour exclusion. In the case of virtual slot machine games, this level has remained constant over the year; with sports betting, levels follow the product's seasonality.
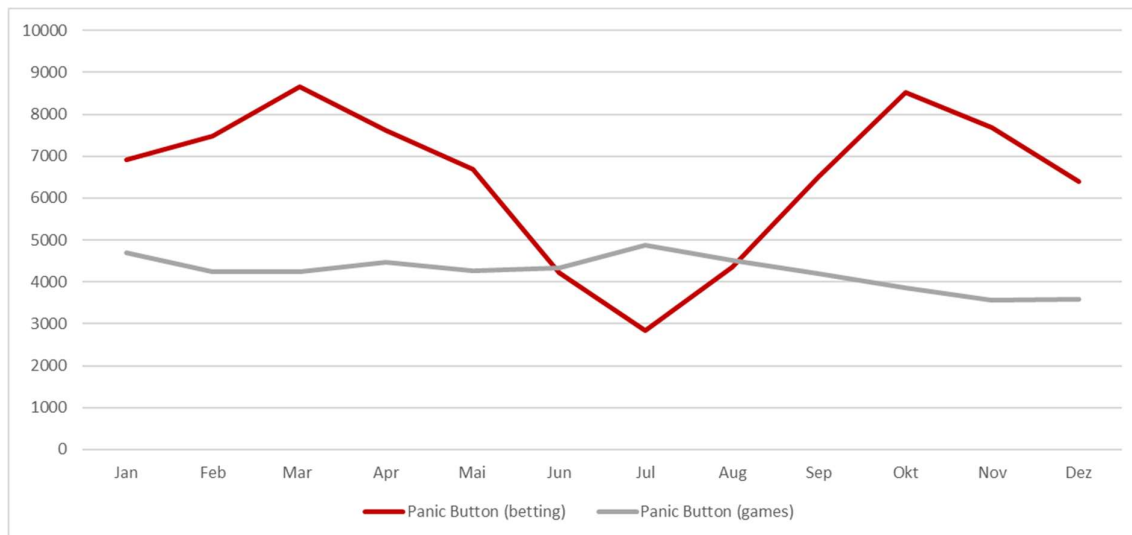
Figure 28: Use of the one-click 24-hour exclusion over the course of time.

13. Indicated Prevention

13.1 Use of the player exclusion options

Tipico makes player exclusion available to customers in several 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. Utilization 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 customer will self-exclude and thus avoid any self-harm.
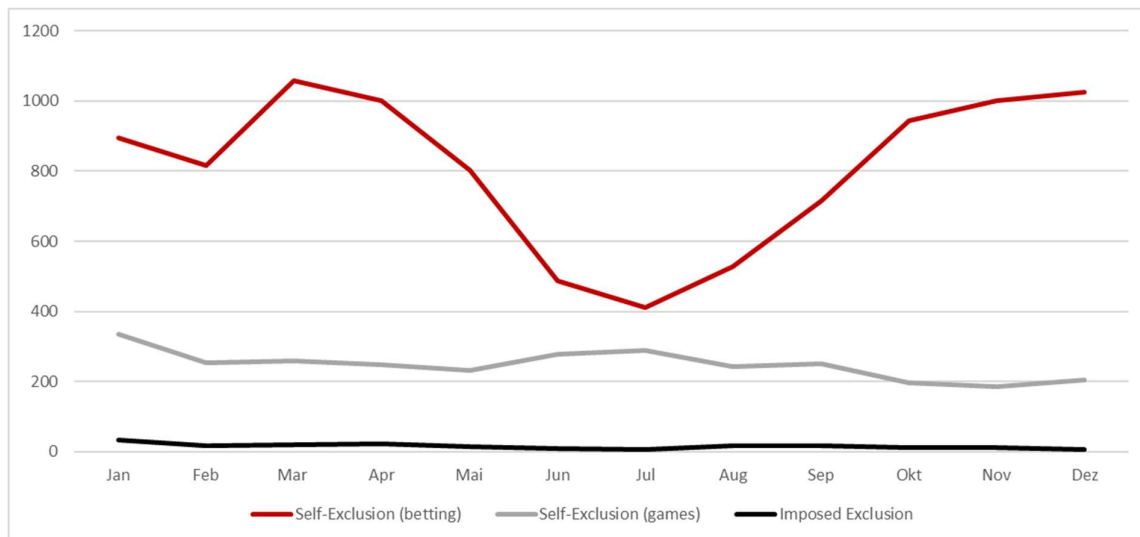
Figure 29: Use of self-exclusion and third-party exclusion over time in the online setting.

At the same time, the use of third-party exclusion has decreased. On account of the dramatic effects of third-party exclusion, it 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 has arisen 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 lineup; an indisputable justification for third-party exclusion does not exist, however: 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 since none of the suspicions can be substantiated.

Self-exclusion	Imposed exclusion
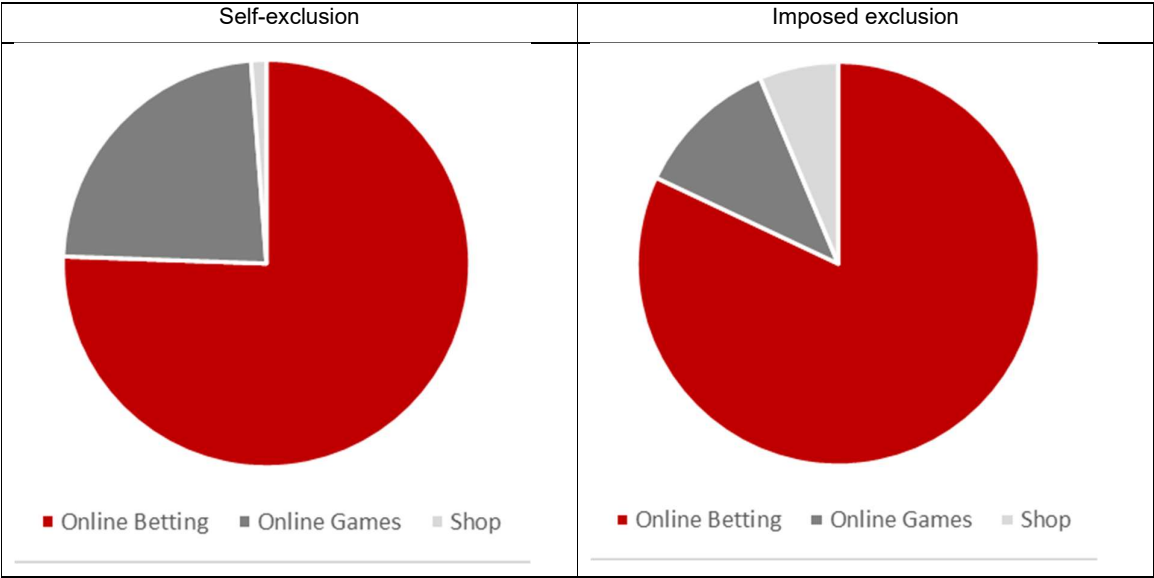
Figure 30: Distribution of self- and imposed exclusion in the various distribution channels and product categories.

In the retail setting, the inhibition threshold to player exclusion is traditionally very high. This is true especially if self-exclusion forms are publicly available, 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 was introduced, self-exclusion has been found to have been used much more often and earlier in the retail 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.
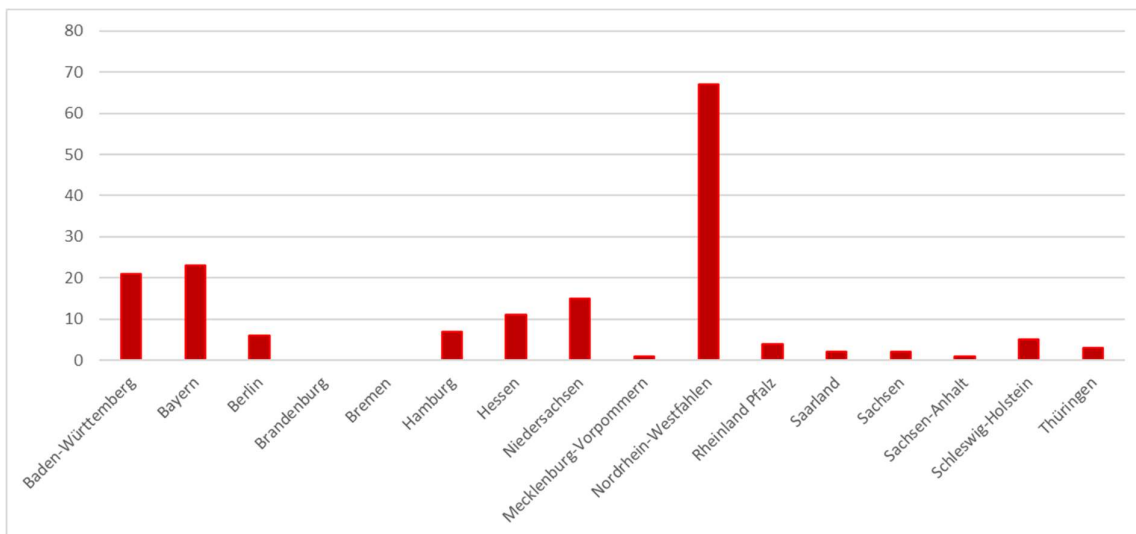
Figure 31: Use of player exclusions in the retail setting.

13.2   OASIS queries

The possibility of querying the player exclusion database OASIS is imperative for player exclusions to be effective. A 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 retail 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 over 400 million OASIS queries in 2023. Of these queries, around 220,000 resulted in matchups. These can occur on account of self-exclusions, third-party exclusions or one-click 24-hour self-exclusions implemented by other providers connected to OASIS. Therefore, there was a matchup in about. 0.05 percent of the queries. The increase in the number of matchups indicates that there have been improvements in the data availability and data quality of OASIS.

What needs to be taken into account in this regard is that the present report does not cover OASIS queries performed manually using OASIS WEB. 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 ten million single weekly OASIS queries over the entire year.
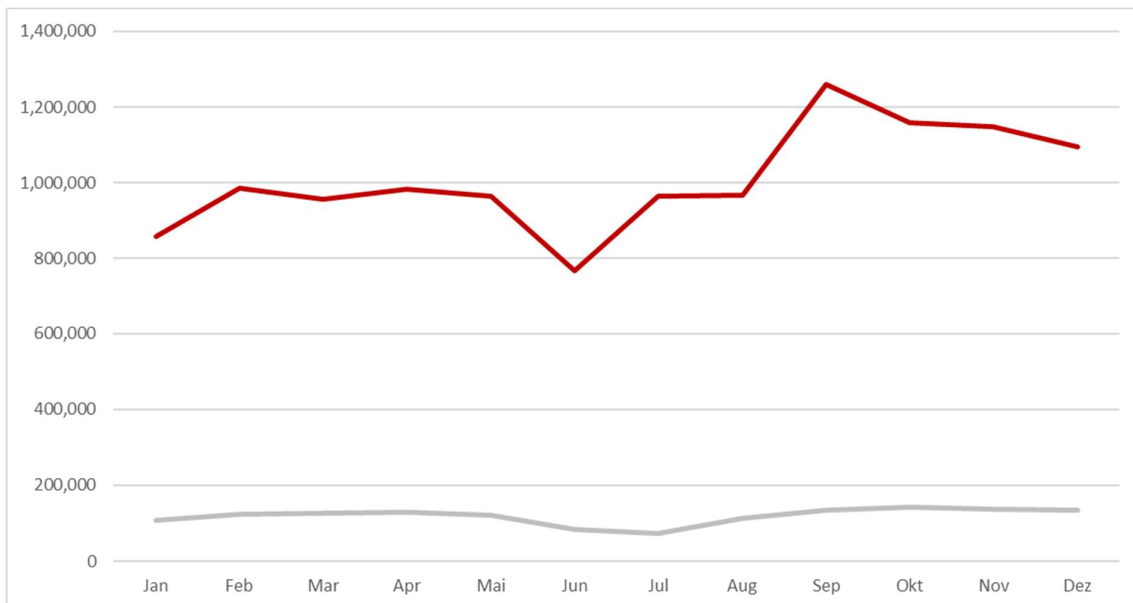
Figure 32: Single weekly OASIS queries in the online setting (red) and in the retail setting (grey). Customers for whom queries were performed several times a week were counted only once per week.

The volume of OASIS queries in the online setting increased slights in 2023 (17 percent) and primarily follows seasonal trends that govern the sport betting lineup.

Compared to 2022, the volume of OASIS queries in the retail setting increased by 32 percent. This development continues to be driven by the ongoing licensing process for access to OASIS by virtue of which a growing number of betting outlets have obtained a license.
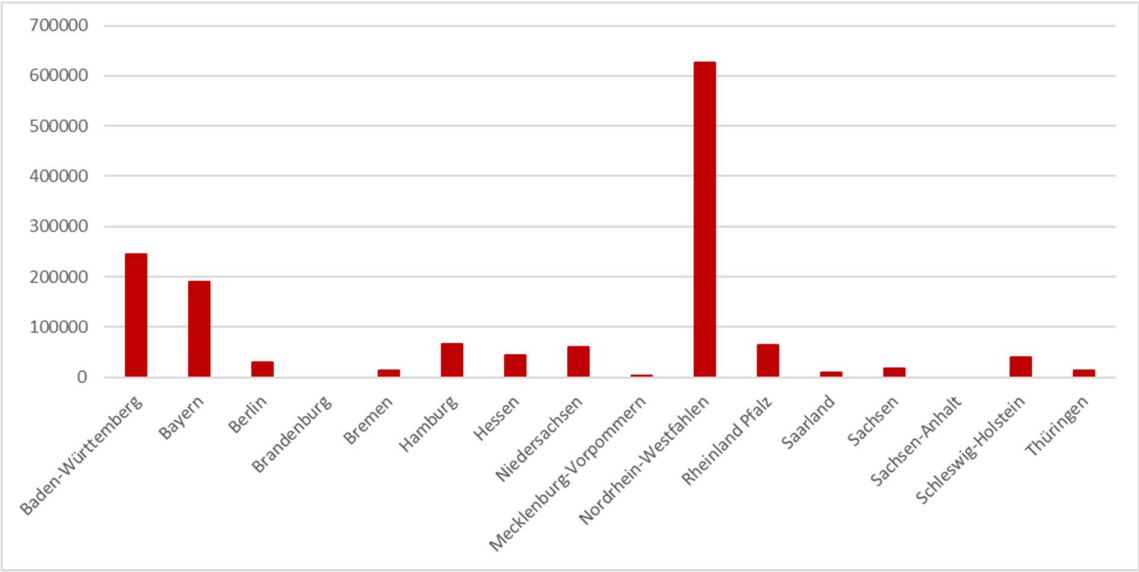
Figure 33: Single weekly OASIS queries in the retail setting. Customers for whom queries were performed several times a week were counted only once per week.

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 0.6 percent of the approx. 290 million queries resulted in a matchup in OASIS. This means that around 1.5 million promotional mailings were not sent in order to protect people listed in OASIS at the time or whose exclusion had just recently expired.

Figure 34: OASIS queries regarding customer selection in targeted promotional campaigns for sports betting and virtual slot machine games.

14. Summary

- The third Evaluation Report since receipt of the license will be the first to highlight and comment on changes between the years.
- The connection with OASIS has for the most part been completed. There are still gaps in states that have not yet granted any license for betting outlets.
- 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 for the most part been accepted by customers; however, a third of customers have criticized them for being too patronizing.
- Risk allocation in Tipico's customer base has remained unchanged since last year. There was no need to take any measures to recalibrate the model.
- The indicators used to make player protection observations in the retail setting are useful and accurate.
- 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.
- This evaluation has been able to provide an initial detailed description of customers with increased limits, their behavior and their risks. It has become clear that customers with increased limits are no homogeneous block and that this group exhibits gradations (e.g., those who make more use of the increased limits are of a higher age).
- In addition, it has been shown that the gambling-related Schufa inquiries are usually only the gateway to increased limits. However, for customers using these limits, additional detailed proof of income is usually available.
- This report also describes the monitoring for players with increased limits that was implemented for the first and last time in 2023. Overall, over 1,000 customers with increased limits were reported to exhibit irregularities. Player protection dialogues were held as a result, and further protective measures were implemented with these players. This implementation provides an example for how models that respond to improbable behavioral patterns can also work successfully with indicators that do not possess a very high level of validity.
- Customer behavior with regard to LUGAS has stabilized in that roughly 5% of the attempted deposits were rejected by LUGAS. With sports bets, the rejected deposits were markedly higher than the accepted deposits – this indicates that typos are one of the main reasons for deposits that were not accepted.
- Oasis user behavior was stable for the most part – however, this was the first time that comparisons could be made between sports bets and virtual slot-machine games. The increased number of matchups in the case of virtual slot-machine games possibly suggests that a large group of excluded players continues to actively search for lineups that are not connected with OASIS. The effectiveness of OASIS thus results directly from effective black-market control.

List of Figures