

GVC Holdings

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GVC shares slip as Ladbrokes comes under fire for problem gambler hush money

Shares in FTSE 100 gambling provider GVC Holdings PLC (LON:GVC) slipped in mid-morning trading Monday after its subsidiary, bookmaker Ladbrokes, found itself caught up in a scandal regarding payoffs to victims of a problem gambler.

According to a **report** from The Guardian on Monday, Ladbrokes had agreed to pay the victims of the problem gambler, who had stolen money from clients of their Dubai-based property business to feed their gambling habit, £1m in return for a pledge to not inform the industry regulator.

Hush money

The gambler later admitted to having stolen the funds, with Ladbrokes agreeing to pay the money to five of the victims who accused the bookmaker of accepting stolen funds.

However, The Guardian said it had seen the settlement agreement which had included a demand by Ladbrokes that the victims "agree not to bring any complaint or make any report to any regulator in relation to the claim" in order to receive the money.

The paper also revealed that it had been passed text messages and photos that revealed the company had offered the gambling addict generous incentives, including free tickets to Arsenal games, the company box at the Royal Ascot, and return flights from Dubai.

Incentives are a common practice in the industry to ensure the loyalty of high-paying customers.

The issue came to light when the gambler reported the issue to the Gambling Commission, breaking the terms of the settlement.

An area of particular concern were text messages exchanged between the gambler and an account manager assigned to him, which raised doubts around the company's compliance with regulations designed to prevent problem gambling and money laundering.

The GC, which monitors the industry, said it was investigating the matter to "ascertain the full circumstances" of the revelations.

READ: William Hill PLC hit by £6.2mIn fine by The Gambling Commission

The case follows incidents among several gambling firms where the regulator has extracted millions in fines due to failures to spot gambling addiction and money laundering among its clients.

One example is FTSE 250 bookmaker William Hill plc (LON:WMH), which was fined £6.2mIn in February after the GC said it had failed to spot obvious signs of problem gambling and had therefore breached anti-money laundering and

Price: 835

Market Cap: £4.86 billion

1 Year Share Price Graph



Share Information

Code: GVC

Listing: AIM

52 week High Low
913.627 504

Sector: Leisure, gaming and gambling

Website: www.gvc-plc.com

Company Synopsis:

GVC Holdings PLC (LON:GVC) is one of the world's largest sports betting and gaming groups, offering sports betting, casino, poker and bingo and operate some of the industry's largest online brands including bwin, Sportingbet, partypoker, partycasino and Foxy Bingo.

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social responsibility regulations.

GVC shares were down 3.7% at 694.5p.

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