



The gaming operator's guide to identity verification



Introduction

The gaming industry is experiencing growth like never before — it's expected to reach [USD 158.20 billion in value](#) by 2028. Regulators around the globe are relaxing laws, allowing growth into new markets. Plus gaming apps and online gaming platforms mean operators can reach more customers, wherever they are.

Challenges for gaming operators

But extensive growth doesn't come without its challenges. As gaming operators look to opportunities in new markets, they must anticipate and account for local know your customer (KYC), anti-money laundering (AML) and age verification requirements.

And compliance, while necessary, shouldn't come at the expense of new customer acquisition. A clunky user experience will have a direct impact on customer conversions. So it's important to go beyond simply ticking that regulatory checkbox by meeting digital-savvy customer expectations.

Finally, fraud in the form of bonus abusers, multiple account registrations and account takeovers not only takes attention away from genuine customers but also impacts companies' bottom line. And if fraudsters gain access to gaming operators' platforms, this also increases their risk exposure to money laundering and other financial crimes.

Three use cases for identity verification in gaming

Online identity verification helps gaming operators build trust in their player identities at registration. Crucially, any identity solution should help simplify the process of player verification, and add value in three key areas.

1

Regulation and compliance

As new markets open, it's important for gaming operators to establish an early foothold in the market. Gaming operators should look to identity partners that not only help them meet their regulatory obligations, but who can help them do so in multiple markets.

2

Customer acquisition

Customer verification at registration is required by law, but shouldn't come at the expense of growth. Any verification process built into registration should reduce drop-off and maximize conversions.

3

Fraud prevention

Bonus abusers, multiple account registrations and account takeovers have a direct impact on revenue. Identity solutions that quickly and accurately detect fraud will save gaming operators both time and money.

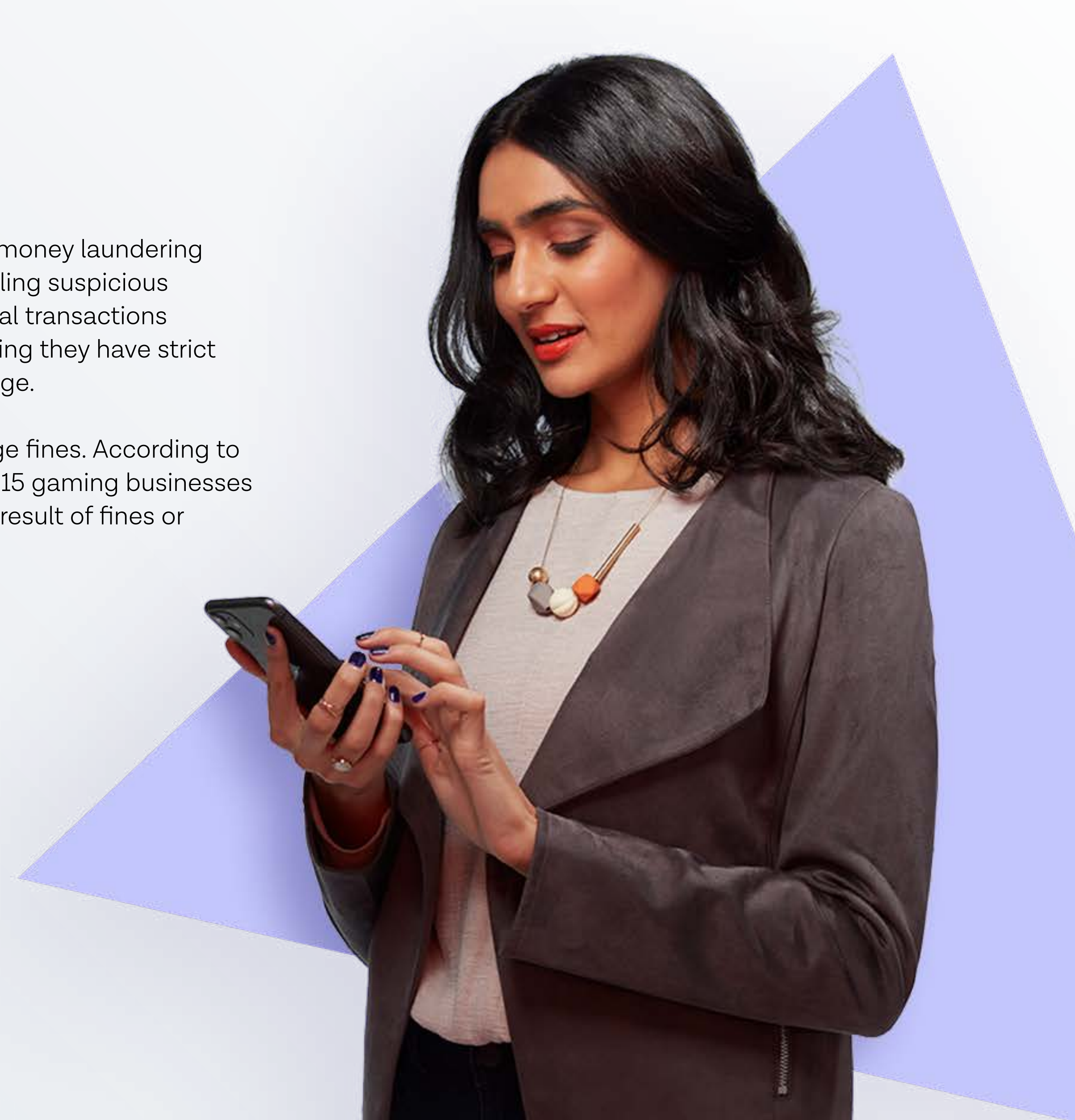
The gaming regulatory landscape

With large sums of money moving through the space, gaming platforms have become targets for money laundering, identity fraud and other financial crime. And as the demand for online gaming services increases, so does the scrutiny from regulators and the need for tighter regulatory compliance.

Gaming operators are now facing similar compliance requirements to banks and other financial institutions. During customer account opening, gaming operators must identify and verify customers in line with KYC requirements, including verifying users' identities, age, location, and source of funds.

Providers must also follow anti-money laundering (AML) measures. This includes filing suspicious activity reports (SARs) for unusual transactions over certain amounts and ensuring they have strict recordkeeping and receipt storage.

Failure to do so can result in large fines. According to the [UK Gambling Commission](#), 15 gaming businesses paid a total of £32.1 million as a result of fines or regulatory settlements in 2021.



US gaming regulations

Players based in the US can't open a gaming account without providing their full name, address, and Social Security number. They also can't make any real money transfers before submitting an official government ID and proof of a permanent address.

The US gaming regulatory landscape is further complicated by the fact that each state is responsible for legislation and regulation of sports betting and iGaming, as a result of a 2018 Supreme Court decision. So far, only certain states have legalized gaming, either online-only, in-person only (retail sportsbooks), or both, with more to come. As a result, gaming operators will often have to geo-locate their customers to ensure that they aren't violating state law.

US age verification requirements

In the US, sports betting players must be aged 21 years or older. The exceptions are Montana, New Hampshire, Rhode Island and Washington where players must be 18 years or older.



US gaming regulations **by state**

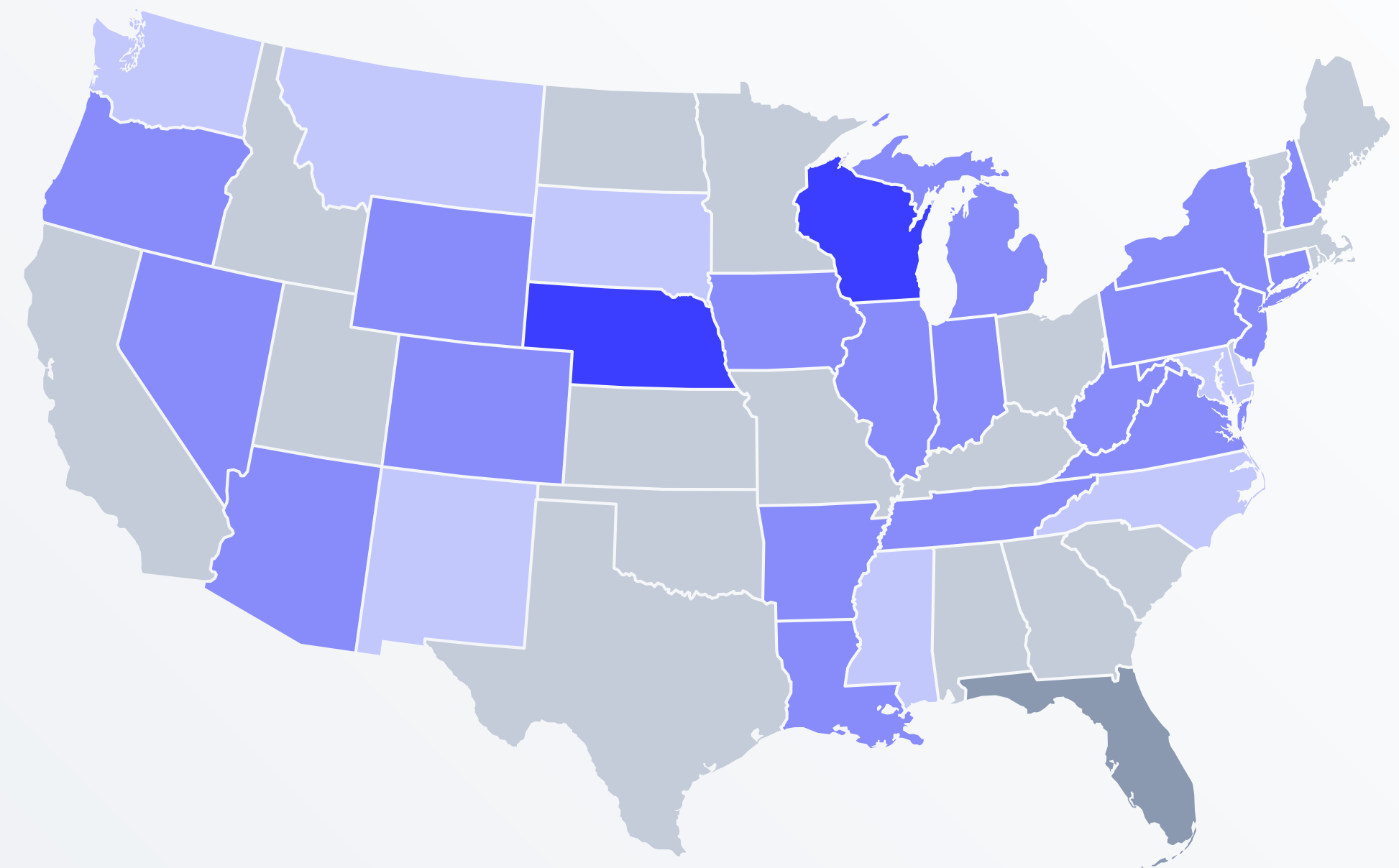
States where sports betting is permitted online:

Arizona
Colorado
Connecticut
Illinois
Indiana
Iowa
Louisiana
Michigan
Nevada
New Hampshire
New Jersey

New York
Oregon
Pennsylvania
Rhode Island
Tennessee
Virginia
Washington, DC
West Virginia
Wyoming

States where sports betting is permitted in-person (retail):

Arkansas
Delaware
Maryland
Mississippi
Montana
New Mexico
North Carolina
South Dakota
Washington



Legal (retail)

Legal (pending)

Legal (online)

In legal limbo

Information accurate as of May 2022

UK gaming regulations

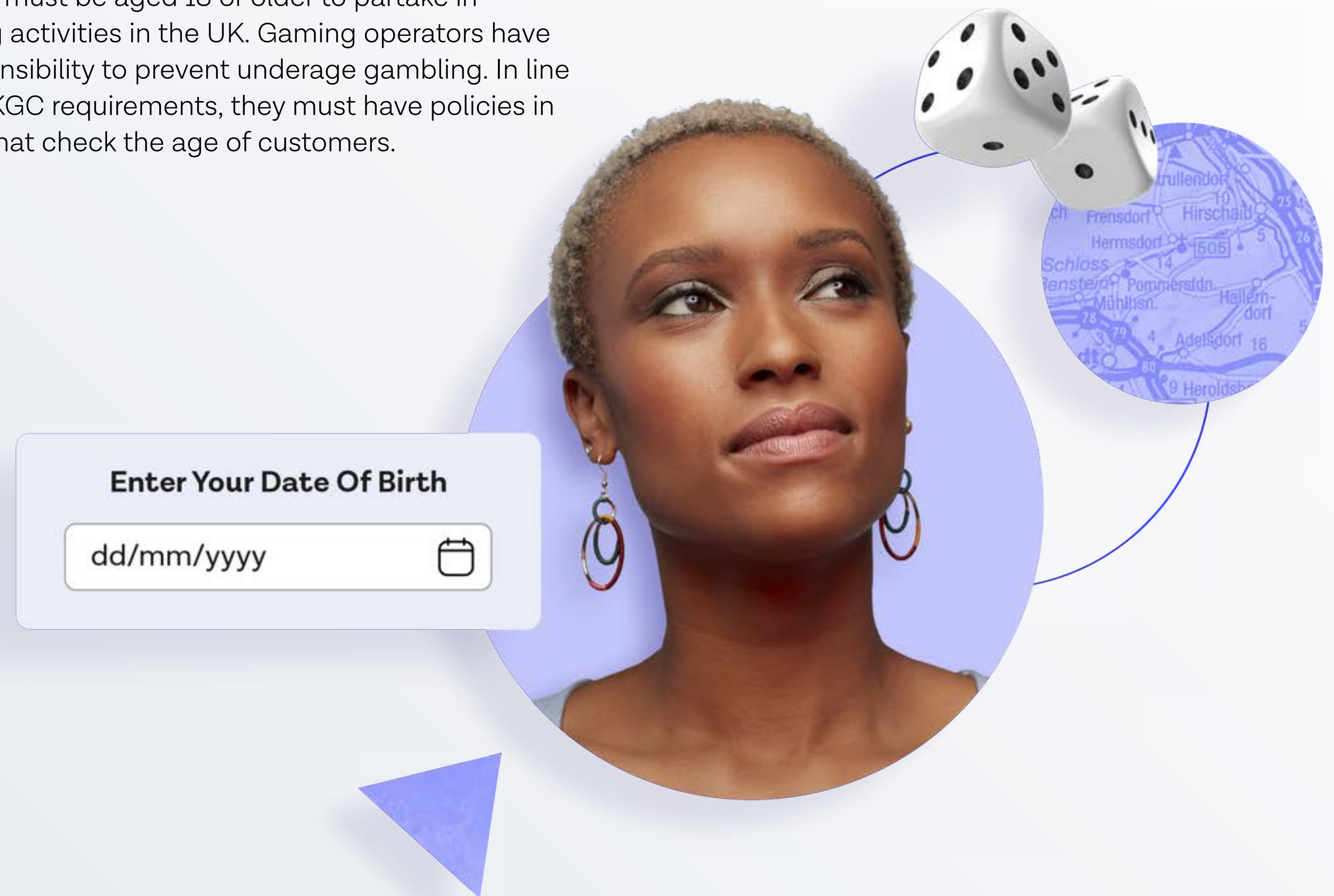
In the UK, all gaming activities including sports betting are regulated by the United Kingdom Gambling Commission (UKGC). Both online and in-person gaming is legal as long as the provider is licensed by the UKGC.

The UKGC is one of the strictest gaming bodies in the world and has been known to issue heavy fines on operators who don't meet certain requirements.

In line with UKGC requirements, gaming operators must establish the identity of any player before that customer can bet. The information collected must include, at a minimum, the customer's name, address and date of birth.

UK age verification requirements

Players must be aged 18 or older to partake in gaming activities in the UK. Gaming operators have a responsibility to prevent underage gambling. In line with UKGC requirements, they must have policies in place that check the age of customers.



EU gaming regulations

Countries within the EU might share some of the same legislative frameworks, but there is no sector-specific EU legislation for sports betting or online gambling. So gaming legislation and requirements vary from country to country.

Broadly speaking, as with the US and UK, gaming operators must verify the identity of any new player before they are allowed to play, as per KYC requirements. AML Directives also require gaming operators to adopt a risk-based assessment of all players to mitigate the risk of financial crime.

EU age verification requirements

Players must be aged 18 or older to partake in gaming activities in most countries in Europe. Gaming operators must have policies in place that check the age of customers to prevent underage gaming.



EU gaming requirements **by country**

France

In France, most forms of online gaming are legal. France recently created the new gambling regulator, l'Autorité Nationale des Jeux (ANJ), which now oversees all forms of gaming, including online sports betting, casinos, and horse racing. Private operators must obtain online licenses to offer gaming services in France.

Germany

The gaming laws in Germany are complex and have been the subject of much debate. Currently, private operators can apply for sports betting licenses.

As of July 2021, online gaming operators must ensure they prevent underage users from accessing their platforms. The German Kommission für Jugendmedienschutz (KJM) has published a list of approved age verification vendors, including Onfido, to help organizations prevent minors from accessing age-restricted content.

Italy

Italian gaming laws are fairly liberal compared to other European countries, however, the gaming market is still highly regulated. Italy allows gaming operators to offer sports betting in retail locations and online. To run sportsbooks in Italy, operators need to obtain an ADM (Agenzia delle Dogane e dei Monopoli) certification issued by the state.

Malta

Malta was the first member of the EU to provide services to gaming operators. It's now one of the largest remote gaming jurisdictions in the world. The Malta Gaming Authority (MGA) is responsible for regulating most forms of gaming in the country. The MGA license also allows gaming operators to operate in several other jurisdictions worldwide where there is no established national policy.

Netherlands

The Netherlands Gambling Authority, Kansspelautoriteit, is responsible for issuing gaming licenses in the Netherlands. For remote gaming operators, they must verify the identity of players and confirm they are older than 18 years of age before completing the registration and allowing them to bet.

Spain

Sports betting is legal in Spain however sportsbooks must obtain a license from the Spanish National Gaming Commission. To obtain this license operators must fulfill a range of legal, technical and economic requirements.

Regulation and compliance: What to look for in an identity partner?

A flexible suite of checks

Different markets have different requirements. So operators need flexible compliance solutions, from background database and watchlist checks to high assurance checks, which won't limit them as they explore new geographies.

Automated-first approach to verification

A hybrid solution that uses the best of machine learning and human experts gives operators not only quick but accurate results, allowing them to make the right decisions, fast.

High document coverage

Many regulators require players to submit a valid government ID for verification before they can place bets. A higher number of supported documents means operators can onboard more customers from around the world.

Vendor licenses in relevant jurisdictions

In the US, any identity verification provider gaming operators partner with must have a vendor license in the relevant state. Onfido continues to apply for vendor licenses in each state as needed once gaming is legalized. Similarly, in Germany, Onfido has been licensed by KJM.

Questions to ask

What range of checks do you offer?

Can you verify players' ID documents?

Do you have PEPs and Sanctions watchlists?

Can you help automate player verification?

What are the average turnaround times of your checks?

What percentage of checks on average go for manual review?

Do you support documents from all the geographies I operate in?

What languages do you support?

Do you have a vendor licenses as necessary where gaming is legal?

Are you on the list of licensed vendors in relevant geographies?

Regulation and compliance:

Key benefits for gaming operators

A flexible suite of checks

- Meet local and global compliance with ease
 - Expand into new markets without compliance blockers
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Automated-first approach to verification

- Give time back to internal teams so they can focus on high-priority cases
 - Reduce the time and errors associated with manual verification
 - Easily scale verifications
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High document coverage

- Compliantly onboard more customers, wherever they are in the world
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Vendor licenses in relevant jurisdictions

- Expand into new states with confidence and a licensed identity partner

Navigate KYC and age verification requirements, today and tomorrow

The gaming regulatory landscape isn't static — operators' approach to identity verification shouldn't be either. Onfido's identity solution gives gaming operators the tools they need to satisfy both local and global KYC and age verification requirements. By taking an automated-led approach to compliance (which doesn't compromise the customer experience) operators can give time back to internal teams, so they can focus on high-priority cases. Onfido continues to apply for vendor licenses in each US state as needed once gaming is legalized and holds similar licenses in Europe (for example Germany's KJM) so operators can expand into new markets with confidence.

Maximizing customer acquisitions

Compliance is obviously a necessity. But operators shouldn't have to settle for compliance solutions that forsake the user's experience.

Players are very friction averse — up to [43%](#) [of customers will abandon at account creation](#) if it doesn't meet their expectations. Account registration is the most important (and sometimes only) opportunity to make a good first impression. Especially given that in most geographies, the gaming market is saturated with providers. Consumers are spoiled for choice. If one vendor doesn't make it as easy as possible to open an account, the consumer can (and will) just as easily go to another vendor with an easier sign-up experience.

Identity verification is a crucial part of this sign-up experience, so it's key to keep customer expectations in mind. 48% of players want to place a bet in less than 3 minutes, and 80% want to place a bet in less than 10 minutes.

Gaming operators must verify customer identities before they can place any bets. But if the process takes too long, or isn't intuitive, operators will experience large drop-off at account creation as customers choose to go elsewhere.

Plus every customer is different, so a one-size-fits-all approach to verification is also likely to impact conversions. Database checks offer a low-friction way to verify identities and are sufficient for most customers. But for higher-risk players or those with thin credit files, operators need a backup option. So they can onboard customers who fail a database check and might otherwise drop off.



User experience:

What to look for in an identity partner?

Risk-based approach

Different customers have different risk profiles. So any identity solution should offer a range of checks. From background database checks, to proof of address checks, to document checks.

Verification experiences built to convert

The more customers that pass a verification check first time, the more account registrations operators will convert into value-adding customers. Look for features like real-time feedback, blur detection and cross-device workflows.

Fast turnaround times

Customers don't want to wait — they want to get registered and start placing bets. An identity solution should return check results, fast.

Able to cope with surges

Sign-up bonuses and incentives are part of any growth strategy. But surges in demand can cause verification spikes (eg. during large sporting events like the Super Bowl or World Cup). Without a scalable solution operators might experience bottlenecks.

Questions to ask

What range of checks do you offer?

Can your solution support automatic registration flows?

Do you offer real-time feedback during the document capture experience?

Does your solution support a cross-device workflow?

What are the average turnaround times of your checks?

Can your solution deliver accuracy at speed?

User experience:

Key benefits for gaming operators

Risk-based approach to identity

- Create a low-friction experience for customers, helping more to convert
 - Give time back to internal teams so they can focus on high-priority tasks
-

Verification experiences built to convert

- Provide a better experience for customers, reducing friction to help them convert
 - Create omnichannel experiences
 - Minimize drop-off at account registration
-

Fast turnaround times on checks

- Allow genuine customers to start betting in minutes, not days
 - Review any potential fraudulent cases quicker
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Scalable identity solution

- Maximize on unexpected growth
- Keep pace during registration spikes

Maximize conversions with a superior UX

Ultimately, a better user experience equals more customers through the door. Every customer is different, so don't take a one-size fits all approach for verification — this will only leave certain customers behind, increasing drop-off. Onfido helps gaming operators to maximise customer conversions, while meeting compliance requirements. Background database checks are sufficient for most players, but for higher-risk players, we allow operators to automatically configure your onboarding flows to incorporate Document and/or Face Checks as a fall-back or additional step. It's a seamless way to verify those players that otherwise might have dropped off.

Protecting your bottom line from fraud

The payment systems within online gaming make it an attractive avenue for bad actors to try and commit fraud. Whether that's a player who tries to take advantage of sign-up bonuses and creating multiple accounts, or more sophisticated fraudsters attempting to launder money, at the end of the day it impacts gaming operators' revenue.

While bonus abusers can hit gaming operators' bottom lines directly, failure to identify potential money laundering can also result in costly fines. And fraud doesn't just cause monetary damage. It can also cause reputational damage to the gaming provider. Any bad press surrounding security concerns, or fines, is enough to put many customers off.

This is why it's so important for gaming operators to put in place necessary measures to confirm the identities of players. An automated verification system that can detect duplicate and fraudulent accounts will help protect revenue.



Fraud prevention: What to look for in an identity partner?

Automated, AI-led approach

Manual fraud prevention strategies are no longer scalable. With the volume of users that sign up to online gaming platforms, operators need an automated way to check for duplicate and fraudulent accounts.

De-duplication techniques

Solutions that can de-duplicate information and biometrics will help gaming operators protect against repeat sign-ups and bonus abusers.

Step-up verification

For most players, a background database check is sufficient to onboard them. But for higher-risk players, providers might want to add a document, an ongoing watchlist, or even a biometric check.

Questions to ask

How is your technology built and trained to detect fraud?

How does your solution catch repeat offenders?

Do you offer a range and combination of checks?

Fraud prevention:

Key benefits for gaming operators

Automated, AI-led approach to verification

- Catch more fraud to stop bonus abusers and multiple account registrations at scale
 - Reduce risk-exposure to money-laundering and financial crime
-

De-duplication techniques

- Give internal teams the tools they need to identify repeat offenders and follow the breadcrumbs in real-time
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Step-up verification

- No need to onboard multiple vendors or share information across multiple sources, saving time and money

Protect revenue from bonus abusers and multiple account registrations

Multiple account registrations and bonus abusers are one of the biggest fraud threats operators face. But building strong customer identity profiles can prevent them from accessing gaming platforms. The result? Protect more of your bottom line. Solutions like Onfido's Known Faces can help operators to spot repeat fraud offenders by identifying duplicate information and faces. While our sophisticated fraud prevention AI, and a hybrid solution that uses the best of machine learning and human experts, accurately catches more fraud.

Identity checks for gaming

ID Record Check

Validate user information against comprehensive databases in seconds to fulfill regulatory and age verification needs globally.

Document Check

Enable secure and compliant global registration by verifying a legal document. We support over 2,300+ identity documents and are always adding more.

Face Check

Combine with a document check to protect against stolen IDs and impersonation fraud.

Known Faces

Protect your business against repeat fraud offenders by identifying repeat information and faces.

Watchlist

Navigate AML requirements with the latest data. Onfido's Watchlist database is continually refreshed, indexed and offers ongoing monitoring, so there's no compromise on reliability or speed.



About Onfido

Onfido exists to make player identity verification simple. For both operators and their customers. Combining the best of machine learning and human experts, operators get accurate results in seconds to help streamline registration procedures.

Our suite of flexible identity checks gives gaming operators the tools they need to meet regulation with confidence head-on, so it doesn't restrict growth. Plus, we help operators reduce their risk exposure to bonus abusers and multiple account registrations, to help protect more of their bottom line.



Trusted by

soft2bet



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The partnership provides the identity verification technology and expertise we need to deliver an industry-leading offering. It enables us to automate many of our KYC processes and integrating it into our existing technology is proving to be seamless, making onboarding much smoother for our customers.

CEO at Soft2Bet

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Ready to find out more about identity verification for gaming? Visit our website onfido.com