

New gambling rules put shirt deals at risk

Premiership clubs could be forced to terminate lucrative sponsorship deals with gaming companies after the government announced it is to examine whether shirt sponsorships and other endorsements involving gambling operators are illegal.

Tottenham Hotspur, Middlesbrough, Blackburn and Aston Villa have all recently signed shirt sponsorships with online gaming companies, prompting concern among MPs and other interest groups that the deals effectively bypass laws intended to protect children.

Under current law it is illegal for gambling operators to target children with advertising and under the new Gambling Act, set to become law next September, the penalties for doing so will be increased. The position regarding sponsorship is less clear, however, with some legal opinion suggesting shirt deals with gambling companies break the law. These deals have attracted particular attention because of the popularity of replica shirts among children.

The Premier League is aware of the government's concerns and is already considering submissions on behalf of its member clubs. One concession under consideration is removing the sponsor's name from under-16s' shirts.

The government shares concerns that these sponsorships could be viewed as circumventing the legislation and last night announced that the Gambling Commission will begin a consultation process on the issue in the new year.

The sports minister, Richard Caborn, who also has responsibility for seeing through the Gambling Act, told the House of Commons last night that he was concerned about gaming companies using football to reach children: „There are some

concerns about the use of sponsorship in sport and football clubs in particular and the Gambling Commission will be consulting on this issue in the New Year with my full support.“

The Gambling Commission, which will enforce the new act on the government's behalf, will canvass opinion across the gambling and football industries before reaching a decision on whether sponsorships can continue. Government sources said the Gambling Commission had the power to rule that they are illegal.

The government's announcement will set alarm bells ringing within football, where the new wealth of online gambling companies has provided a welcome boost to the sponsorship market.

The explosion of interest from gambling companies has led clubs to take legal advice, with one leading solicitor describing it as the biggest growth area in sport law. The solicitor, speaking before the government's announcement, said that the current ambiguous status of sponsorship made it hard for clubs to make definitive judgments: „According to the letter of the law it is perfectly possible to see that all these clubs are breaking the law.“

Companies such as 888 (Middlesbrough), Bet24 (Blackburn), 32Red (Aston Villa) and Mansion (Tottenham) have all secured shirt deals in the last two seasons. The deals have sent inflated sums flooding into these middle-ranking clubs. Mansion's deal with Spurs, signed at the start of this season, is worth around GBP 34m over four years, a considerable increase on industry estimates of the club's sponsorship value before the gaming boom.

When 32Red signed its deal with Aston Villa at the start of the season the company's chief executive, Ed Ware, was unambiguous about the point of the deal: „Everyone at 32Red

Plc is very proud and excited that millions of people throughout the World will now see the 32Red website address every time they tune in to see Aston Villa play in the Premiership."