

Gambling, Licensing and Lotteries Team
DCMS
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Email: gamblingreviewconsultation2017@culture.gov.uk

22 January 2018

Dear Minister,

Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures

Guided by the National Responsible Gambling Strategy, GambleAware is a national and independent charity committed to broadening public understanding of gambling-related harm as a public health issue, and to help those that do develop problems get the support and help they need quickly and effectively. GambleAware is a commissioning and grant-making body, not a provider of services.

We welcome the Minister's acknowledgment that government's approach should not just be about tackling headline problem gambling rates, but about managing the risk of gambling-related harm to the player and more widely to families, friends, employers and neighbourhoods. We agree that now is the time to think carefully about how to ensure that those who are experiencing gambling-related harm receive the help they need.

In particular, we are pleased that the Department of Health, working with Public Health England, are considering what scope there is for commissioning further research to better understand the impacts of gambling-related harm on health. We understand that similar work is emerging in both Wales and Scotland.

It is significant that the National Institute of Clinical Excellence (NICE), Department of Health and National Health Service England (NHSE) are jointly considering whether NICE should produce treatment guidance on gambling. We look forward to contributing to this work, just as we are collaborating with the Local Government Association to promote the inclusion of gambling-related harm in local authorities' Joint Strategic Needs Assessments.

We welcome the fact that government understands that the factors that influence the extent of harm to the player are wider than one product, or a limited set of parameters such as stakes and prizes. These include factors around the player, the environment and the product.

We are pleased that the consultation includes social responsibility measures across gaming machines that enable high rates of loss, on player protections in the online sector, on a package of measures on gambling advertising and on current arrangements for the delivery of research, education and treatment (RET).

We consider that the most effective approach to reducing gambling-related harm is to take a wide range of actions which in aggregate, will have the desired impact:

- **Education** – ensuring that everyone understands better how gambling works and the associated risks, and that we build resilience across society, in particular among young people
- **Public awareness** – ensuring the public know where to find help and advice when gambling-related harm arises for themselves or for others they care for
- **Detection** – ensuring that gambling businesses monitor consumers' behaviour, building systems to detect early signs of problematic gambling
- **Intervention** – ensuring appropriate action taken either by staff or systems or both, when signs of problematic gambling are detected
- **Breaks-in-play, limits and self-exclusion** – providing tools to assist consumers to break-in-play, limit or cease gambling
- **Consumer advice** – making brief interventions and self-help available online to help people to manage their own gambling
- **Treatment** – providing easy access to the right forms of advice and support and, when necessary, treatment at the right time for those experiencing problems
- **Mutual aid and relapse prevention** – providing ongoing support to maintain the levels of control achieved through treatment.

The Responsible Gambling Strategy Board (RGSB) provides advice to the Gambling Commission and, via the Gambling Commission, to government in relation to responsible gambling in England, Scotland and Wales. Responsibilities for commissioning research are shared between GambleAware and the RGSB under the terms of an agreement signed in 2012. Since the Call for Evidence, we have had the opportunity to review the advice to the Gambling Commission from the RGSB¹. **GambleAware fully supports the conclusions of the RGSB contained in its advice to DCMS.**

Notwithstanding our specific responses below, in general terms we agree with the principle government has adopted that unless industry can demonstrate improved safety for customers, uplifts to stakes and prizes should not be supported. However, we would also urge government to use and continue to invest in independent evidence on the risks and safety of gambling products and environments, including those currently in existence (such as set out in the RGSB's research programme). This should include requiring the industry to assess new products before they are launched and to pilot regulatory changes and harm-minimisation interventions, such as tracking and monitoring players, to allow evaluation of their impact and better understanding of the behaviour changes each provokes. We support the view that the precautionary principle is particularly justified in anything affecting children.

Q1. Do you agree that the maximum stake of £100 on B2 machines (FOBTs) should be reduced? If yes, what alternative maximum stake for B2 machines (FOBTs) do you support?

As provided in our original evidence submission, analysis of loyalty card holders² showed that, amongst this group, there were relatively high levels of problem gambling at all staking levels including at £2 or less, and on both B3 and B2 machines in bookmakers. But at higher staking levels, there is a general trend towards higher rates of problem and risky gambling, including in minority ethnic and unemployed groups. Placing a higher bet was rarely an isolated and single event but would tend to occur several times during a session. In addition, betting shops (and hence B2 machines) are concentrated in areas of high

¹ <http://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

² <http://about.gambleaware.org/media/1259/natcen-secondary-analysis-of-loyalty-card-survey-final.pdf>

deprivation³. We believe there is sufficient risk of high losses in a short period of time to vulnerable people to warrant a reduction in the maximum stake of B2 machines.

However, we do reiterate the importance of government considering the full range of product characteristics and how they interact to create risk in their current and future regulatory decisions. The consultation document mentions spin speed, but a wide range of other product characteristics are important, including, for example, near misses, volatility (patterns of small and big wins), frequency and complexity of betting opportunities and game events, player involvement features, losses disguised as wins, etc. It should be acknowledged that the industry develops products which are intended to drive gambling behaviour. In turn, it is the role of the Gambling Commission to investigate the safety of gambling products in all gambling sectors, including both new products and those already in existence. We welcome that this is in line with the Gambling Commission's new strategy for safe and fair gambling industry. As in other industries, there should be proper regard for safety of products made available to consumers, rather than putting the onus predominantly on consumers to behave 'responsibly'.

In addition, in considering changes to products and social responsibility measures in one sector (i.e. stakes on B2 machines) government and regulator alike should consider the issue of displacement of risky or harmful play to other gambling environments, and ensure parity of safety and controls across sectors and categories of machines. While evidence for displacement is mixed⁴, it would appear precautionary, given general movement to play online, that issues of stakes and prizes, accessibility, product characteristics, use of credit and instant depositing in the online sector be considered alongside policy for the safety of consumers in offline sectors.

Q10. Do you agree with the government's proposals to bar contactless payments as a direct form of payment to gaming machines?

The importance of restriction of access to funds in gaming venues to safe gambling is well evidenced⁵ and there is some evidence that electronic money can be viewed differently and more easily spent than cash⁶.

The issue of parity across sectors is important as the same games can be played online using credit and debit cards, with evidence that the ease of deposit, reverse withdrawals and difficulty of withdrawal are issues in relation to problem gambling online⁷.

Q.11 Do you support this package of measures to improve player protection measures on gaming machines?

We do support the package of measures proposed. In particular, we support the call for mechanisms for tracking individual play, here and across all parts of the industry, as this is essential to understanding the interactions of individual, product and gambling environment in terms of risk and harm, and will enable improved consumer protection. This is reflected in the National Responsible Gambling Strategy and RGSB research programme that GambleAware is delivering. In addition, GambleAware is exploring the feasibility of a repository of such industry data in collaboration with an independent institution for use by researchers and policy makers.

³ https://about.gambleaware.org/media/1170/b2gamingmachines_finalreport_20150218.pdf

⁴ <https://about.gambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>

⁵ <https://about.gambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>

⁶ <http://infohub.gambleaware.org/document/getting-grounded-problematic-play-using-digital-grounded-theory-understand-problem-gambling-harm-minimisation-opportunities-remote-gambling/>

⁷ <http://infohub.gambleaware.org/document/getting-grounded-problematic-play-using-digital-grounded-theory-understand-problem-gambling-harm-minimisation-opportunities-remote-gambling/>

Q.12 Do you support this package of measures to improve player protection measures for the online sector?

We agree with the Gambling Commission that the pace of change by the industry to enhance the measures currently in place to protect consumers and promote safe gambling has not been fast enough, and welcome the Gambling Commission's ongoing review.

We do not agree with government's proposal to allow the current regulatory regime to continue while the industry develops improved player protection. Equivalent regulations, including limits on stakes and prizes, to the offline regime should be introduced as a precautionary measure, until the sector has successfully developed, piloted and evaluated new measures, at which point it can make its case for liberalisation.

The rationale for the more liberal regulatory regime online is that operators have access to much better data about players. Play is generally not anonymous, and it is possible for each operator to monitor the spending of each player, albeit on only their own site or sites, not across different operators. This is supposed to allow operators to intervene where patterns of play indicate the potential for harm.

As has been suggested by the Gambling Commission's announcement this month that it is investigating 17 online operators and reviewing the licences of 5 of those, this activity appears to be limited. Research commissioned by GambleAware and internationally suggests it is possible to identify markers of risky play using operator data.⁸ However, at present, where methods to do this are used by operators, they tend to be rudimentary. As important, operator interventions to reduce risky play once identified are limited or of varied sophistication. Operators have not had such measures to identify and intervene in risky play independently evaluated or made any evaluations public, as is required by the National Responsible Gambling Strategy. This has resulted in GambleAware being asked by the Gambling Commission to fill these evidence gaps by funding research. While this work does have the potential to reduce gambling-related harm, it is arguably using industry voluntary contributions to research, education and treatment to subsidise actions the industry itself should be directly responsible for without charitable support. In addition, such action is about intervening once risky play has been identified, rather than taking preventative measures, so risky play does not develop in the first place. Consequently, we are of the view that the current arguments that availability of data should allow a more liberal regulatory regime for the online sector are not justified.

There is emerging evidence on the specific and heightened risks of online gambling, including 24/7 accessibility, extent, variety and complexity of betting opportunities which enable continuous play without breaks, that being online can make certain product categories more risky (e.g. online sports betting patterns looking more like slot or casino game play). Ease of deposit and electronic nature of money spent emerge as issues, as well as slowness of withdrawals, ability to reverse withdrawal and targeting of gamblers with offers when they win to encourage further play⁹.

Given the well-established principles and evidence in this regard for other sectors of the industry we believe gambling online with a credit card should be prohibited as this significantly increases the risk gamblers will gamble more than they can afford. Consumers should be able to withdraw funds as easily as they are able to deposit them and there should be controls placed on reverse withdrawals and targeting

⁸ https://about.gambleaware.org/media/1549/gamble-aware_remote-gambling-research_phase-2_pwc-report_august-2017-final.pdf

⁹ <http://infohub.gambleaware.org/document/getting-grounded-problematic-play-using-digital-grounded-theory-understand-problem-gambling-harm-minimisation-opportunities-remote-gambling/>

of offers which incentivise continued play following wins. In addition, products should not reward players for playing at higher stakes or playing for a longer time, with an increased return to player percentage or access to additional bonus content.

A further point relates not only to the online sector, but the industry in general. Our research report on 'responsible gambling' across the industry indicated challenges regarding operator culture in which lesser priority is given to 'safe gambling', where this function operates in a silo within companies and in conflict with other business functions, e.g. marketing¹⁰. This report emphasises that many of the skills within operators deployed to drive gambling behaviour (e.g. marketing and data analytics) are not being used to make gambling safer. It indicates the online and other gambling sectors have not achieved enough under the broadly self-regulatory approach to safer gambling taken thus far. It implies a more active role is required from the regulator in ensuring gambling is safe - as envisaged in the Gambling Commission's recently published strategy. Further, our experience suggests that the competitive nature of the gambling industry can mitigate against implementation of harm-minimisation measures. Levelling the playing field through greater stipulation of consumer protection measures by the regulator may be preferable than relying on industry self-regulation.

Q.13 Do you support this package of measures to address concerns about gambling advertising?

We have commissioned research with the RGSB on the impact of gambling advertising and marketing of all kinds on children, young people and vulnerable people. The research commissioned will address two specific trends in gambling advertising which need regulatory attention –

- mass promotion of gambling via the 'gamblification' of sport – i.e. presentation of gambling as an inherent part of sport through sports sponsorship, gambling-related advertising during sport, and the merging of sport with gambling content in online operator social media
- highly targeted advertising and marketing using behavioural data on consumers gathered by operators themselves as well as via consumers' other online and social media behaviour, with concerns in particular about targeting of vulnerable people and those experiencing problems with gambling.

Since the Call for Evidence, GambleAware has published additional research in relation to gambling-related advertising^{11 12}.

We note that there are calls for the 9pm watershed to be extended to cover all forms of gambling, removing the current exceptions which allow daytime advertising of bingo, and betting around live sporting events. This may help reduce the volume of advertising to which all generations are exposed, but caution should be applied in assuming this will be sufficient to protect children from exposure to gambling advertising. Some evidence suggests that 11¾ may be the average age when parents first allow children to regularly watch TV shown after 9pm, either live or recorded, unsupervised.¹³ Also, young people are increasingly consuming media via the internet and smartphone technology.

We are concerned about emerging evidence in relation to the extent to which vulnerable people consume gambling late at night, and the potential impact of gambling-related advertising at that time.

¹⁰ <https://about.gambleaware.org/media/1581/revealing-reality-icrg-report-for-gambleaware.pdf>

¹¹ <https://about.gambleaware.org/media/1525/marketing-calls-to-action.pdf>

¹² <https://about.gambleaware.org/media/1519/gamble-aware-live-odds-and-time-limited-offers-002.pdf>

¹³ <https://about.gambleaware.org/media/1560/begambleaware-campaign-results-icm.pdf>

We welcome the commitment by the broadcasting, advertising and online gambling industries to fund and support a two-year multi-channel public awareness campaign, on the basis that GambleAware will provide independent leadership.

We are concerned that the current requirement for reference to BeGambleAware.org on all broadcast advertising is not sufficiently prominent to be noticed. It is often shown amongst other compliance related text, or briefly and inconspicuously during advertisements. It needs to be shown clearly on screen for as long as possible to give it every chance of achieving the desired impact. We would recommend a permanent white banner on the bottom of the advertisements which contains the BeGambleAware.org logo so that it is unmissable and on screen throughout the advertisement.

The primary role of BeGambleAware.org in these advertisements is to raise the nation's sense of caution about the nature of gambling and the associated risks; a general 'BeGambleAwareness'. The secondary role is to signpost to more information and treatment. As such, our recommendation is that it is better to have the BeGambleAware.org logo bigger on screen so that the 'Be Gamble Aware' message has sufficient time to 'land' with the audience, rather than dilute it by giving people another message to take out i.e. the helpline number. We do not recommend the use of any additional slogan. In our view, 'BeGambleAware.org' says it all. Given how hard it is to land this message on another brand's communication, we think it is important to be as single-minded as possible.

We also recommend a requirement for broadcasters to make reference to BeGambleAware.org in future editorial content based substantively around sports' odds or other forms of gambling. There can be extensive discussion of betting prospects within programmes, usually without any reference to advice and support.

Q14. Do you agree that the Government should consider alternative options, including a mandatory levy, if industry does not provide adequate funding for RET?

With effect from 1 April 2012, the Gambling Commission, RGSB and GambleAware agreed the basis for the current arrangements for prioritising, commissioning, funding and evaluating research, education and treatment in Britain (RET). In essence, RGSB publish a National Responsible Gambling Strategy and GambleAware raises funds and commissions work to give effect to RGSB's priorities.

The intent of this agreement was to establish an agreed 'assurance and governance framework' that enables the Gambling Commission to assure itself, and therefore government, that the combined work of RGSB in setting substantive priorities for funding, and GambleAware in generating funds and commissioning work to give effect to RGSB's priorities is effective – including in the generation of evidence on which to base decisions about the regulatory framework – and thus that the voluntary system is working successfully to contribute to minimising the level of problem gambling in Britain and to ensuring that effective treatment is available to those who require it.

Currently, GambleAware asks every company licensed by the Gambling Commission for a minimum annual financial contribution that is equivalent to 0.1% of GGY. On the basis of an industry total GGY of £13.8 billion, the total contribution ought to be £13.8 million.

There is an assumption by some companies that this is the threshold by which companies measure their overall contribution to funding RET in general, including internal investments and direct donations to other organisations, outside the strategic priorities set by RGSB. This misunderstanding serves to undermine both the delivery of the National Responsible Gambling Strategy and the work of GambleAware to commission efficiently and effectively.

In the 12 months to 31 March 2017, GambleAware raised just over £8 million and is concerned that it may only match the same figure in the current year. The target is for a minimum of £10 million. Some companies free-ride. We estimate up to 20% of licensed operators do not contribute to GambleAware at all; between 30% and 40% of donors do so below the recommended minimum of £250.

Given the charity's objectives, trustees are mindful of what is in the best interests of those who it is committed to help when it comes to advocating for the continuation of the current 'voluntary donation' arrangements. Trustees think that the industry, collectively, has yet to demonstrate that it is sufficiently willing and able to financially support the National Responsible Gambling Strategy as it stands, much less that it is minded to voluntarily meet the increased funding that will be necessary to improve research, education and treatment services to the extent that GambleAware and others think appropriate. On this basis, **GambleAware supports the introduction of a statutory levy**, and is working to assess the scale of annual funding that will be necessary to make meaningful progress in reducing gambling-related harm in Britain.

With over 400,000 problem gamblers in Britain, GambleAware is concerned that gambling-related harm ought to be regarded by national and regional policymakers as a significant public health issue. The NHS ought, at the very least, to be providing access to specialist treatment for those with more serious difficulties, where people are more likely to be experiencing complex comorbidities. This would enable GambleAware to focus on brief interventions for a greater number of people, engaging and building skills in statutory universal services (e.g., primary and social care) and supporting recovery in the community. Currently, the only specialised clinic for problem gambling is funded by GambleAware, based in London, and this entails high cost to treat a small number of complex cases. This shift of responsibility for treatment would be in line with the commitment of the NHS to provide treatment, when and wherever necessary, free at the point of delivery. In the meantime, GambleAware is commissioning new research to better understand what treatments are most effective and where the demand for services are most needed. Currently, access to that national clinic and the range of counselling services located throughout Britain can be found via BeGambleAware.org.

Q.15 Do you agree with our assessment of the current powers available to local authorities?

Given the clear concentration of betting outlets in deprived areas, we do not agree with government's assessment of current powers for local authorities, rather we support the calls by local authorities for use of cumulative impact assessments and additional licensing objectives in terms of prevention of public nuisance and improved public safety. We believe this is consistent with the Gambling Commission's strategy to minimise wider harms arising from gambling which can occur at community level, and prevention of exacerbation of inequalities by gambling.

Specifically, we are concerned that there is legal doubt about the enforceability of Section 349 gambling policy statements, which in theory offer the opportunity for local authorities to impose specific requirements and limitations on licensed premises directed at managing particular social problems. We intend to work with local authorities to improve the sophistication of the content of these statements as they are renewed, but need government support to ensure that this effort leads to enforceable policies which are not regularly challenged and defeated in the courts. For example, it should be possible for a local authority to require that a venue has at least two staff on shift at any point in time, preventing single-staffing, to ensure that there is the resource available to provide effective supervision and interventions in areas where there is a higher chances of vulnerable people engaging in gambling e.g. high levels of deprivation, homelessness or proximity to schools and colleges.

Q16. Are there any other relevant issues, supported by evidence, that you would like to raise as part of this consultation but that has not been covered by questions 1-15?

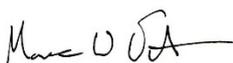
In our response to the recent government Green Paper relating to a draft Internet Safety Strategy, we made clear our concerns that it was a mistake not to include gambling-related harms in relation to the use of the internet by children. The Gambling Commission has reported that 25,000 children aged between 11 and 16 self-report as being 'problem gamblers'. Specifically, we are concerned that children are increasingly exposed to gambling and gambling-like activity online including by its promotion through social media, direct advertising, unregulated affiliates, betting on eSports, as well as the introduction of gambling-like activity to online video games.

From a public health perspective, we believe there is a clear case for adopting a precautionary approach to the normalisation of gambling for children. De-regulation has led to betting shops moving from back streets to high streets; gambling through the National Lottery is now a pillar of national life, and for many an early introduction to gambling; there has been an enormous growth in the volume of advertising, both conventional and online; and there is increased convergence between forms of gambling often considered less harmful, such as bingo, and hard forms of gambling such as electronic gaming machines in bingo clubs, and casino games just one click away from bingo websites, benefitting from the brand advertising still permitted for bingo throughout the day on television.

We are particularly concerned about the ever-growing relationship between professional sport and gambling, and specifically the exposure of gambling as a normal activity this gives to children. Nine of the 20 Premier League clubs carry gambling brands on their shirts, and recent studies demonstrate the high levels of exposure on both commercial television and the BBC.¹⁴ Gambling is now clearly an important source of revenue which supports sport, but with that comes a high degree of social responsibility which is not currently regulated for. We are concerned that sports' businesses ought to be doing more to counter-balance the prominence of gambling with clear messages about the nature of gambling and the associated risks. For example, giving equal prominence to BeGambleAware.org as to gambling brands at venues and in broadcasts, so a signpost to advice and treatment is always available. Also, we think it is incumbent upon all those who profit from commercial gambling including sports' clubs, venues, the advertising industry, broadcasters, media and social media companies contribute financially to research, education and treatment.

In conclusion, we are concerned there is a need for government policy and regulations to keep pace with the rapidly changing nature of gambling, especially with new technology, which may stretch the boundaries of the current legislative framework to the point that it will require a more fundamental overhaul; and for the state to take responsibility for treatment and minimising gambling-related harm as it does for the consequences of alcohol, tobacco, sugar and other risky consumer products.

Yours sincerely,



Marc W. Etches
Chief Executive

IT'S NEVER TOO SOON TO BeGambleAware[®]

¹⁴<http://research.gold.ac.uk/20926/1/Frequency%2C%20duration%20and%20medium%20of%20advertisements%20of%20gambling%20and%20other%20risky%20products%20in%20commercial%20and%20public%20service%20broadcasts%20of%20English%20Premier%20League%20football%20%283%29.pdf>