

# Written evidence submitted by Tackling Gambling Stigma

## Tackling Gambling Stigma

We are an independent, not-for-profit organisation set up to share real peoples' experiences of gambling harm to tackle stigma and discrimination and educate different audiences about the harms associated with gambling.

At Tackling Gambling Stigma, we use research to bring together powerful stories from a wide range of people affected by gambling harm. On our website ([www.tacklinggamblingstigma.com](http://www.tacklinggamblingstigma.com)), you can find out what it is like to experience gambling addiction or be harmed by gambling through reading, listening and watching people share their stories.

The idea for Tackling Gambling Stigma came from countless conversations with people who have experienced gambling harm and the project team's own experiences of addictions. The need to be heard, understood and realise that you are not on your own – this feeling is combined with a wider need to educate the general public on what it is like to live with gambling harm.

We decided it was time to create change and to use our skillsets in research and communication to document the range of lived experiences of gambling harm and help this be heard. As well as connect professionals and policymakers with peoples' real experiences so that any attempt to make improvements to the system will genuinely meet people's needs.

People with lived experience shape the project as we go. Tackling Gambling Stigma is part of a network of initiatives trying to improve how the UK deals with gambling harm.

## Evidence base for our submission

Our submission is focused on addressing three of the questions posed by the DCMS Committee:

### **1. What is the scale of gambling-related harm in the UK?**

Our evidence for this comes from online interviews with over 50 people who have experienced gambling harm, either their own or that of an affected other. The data was systematically analysed and organised into key themes. This resource has been made publicly available on our website.

This question is about scale, which would usually be answered quantitatively. However, the slowness of the UK government to advance the answer to this question is part of the challenge. The limited data available to answer this question and the limitations of relying on problem gambling prevalence are well-rehearsed.

Consequently, we are providing an account of gambling harm from the point of view of lived experience. This includes the depth and range of harm, unnecessary suffering and burden on society. Importantly it also prides insight into the causal mechanisms driving harm. Addressing these mechanisms is essential to effect policy. We have also included what people with lived experience have said needs to change.

## **2. What should the key priorities be in the gambling White Paper?**

and

## **4. Is it possible for a regulator to stay abreast of innovation in the online sphere?**

Our recommendations here are a combination of findings from the interviews as well as evidence reviewed and submitted to the DCMS call for evidence for the upcoming white paper.

## **Authors**

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Clare is a researcher specialising in ethnographic and participatory action research. She has also worked in strategy and policy, intervention design and evaluation and communications. She uses this experience to ensure that research is useful for action and helps an organisation develop solutions. She has worked in the public and charity sector in South Africa and the UK. This includes Agenda for Gender Equality, Institute for Democracy in South Africa, the Commission on Gender Equality, Human Rights Commission and Government Communication and Information System, within the South African Presidency. In the UK she was Head of Policy and Research at Samaritans, before moving to strategy development for the Care Quality Commission, the regulator for health and social care. She was the Director of Research and Evaluation at GambleAware. She has a BA in Psychology, Masters in Genders Studies and Masters in Research Methods, from the LSE.

### **Alexander Källman**

Alexander has spent the last decade working in policy and strategy, focusing on social issues and emerging technologies. He brings great interpersonal relationship-building and the ability to understand how the smallest details affect the wider projects.

His long-term strategic approach has enabled him to help private and third sectors clients. He led complex research programmes and provided strategic insight to clients ranging from IKEA to Mind.

As an operations professional, he enjoys the challenge of creating innovative solutions while ensuring that things run smoothly and creating strategies.

### **Dr Elizabeth Killick**

Liz is a qualitative researcher at Tackling Gambling Stigma. She has a BSc in Psychology from Leeds Beckett University and an MSc in Health Psychology from the University of Leeds, and a PhD in Psychology from Nottingham Trent University.

Her PhD focused on the impact of gambling advertising and the impact of newer online betting features such as in-play betting. Prior to submitting her thesis, Liz spent four years working for an online gambling operator, which fostered her interest in practices used by the gambling industry.

She has worked as a lecturer at Nottingham Trent University, and as a researcher at the University of Birmingham where she helped develop effective approaches to evaluating multi-intervention outreach and mentoring programmes.

# 1. What is the scale of gambling-related harm in the UK?

This is what people with lived experience have said about their experiences of gambling harm, what causes this harm, and what should be done about it.

## Gambling Experiences

No one sets out to become addicted to gambling. Anyone who gambles can move from being a social gambler into difficulty.

### How it starts

- Those who developed difficulties started like everyone else – playing for a bit of fun. They found gambling was something they enjoyed.
- People had vivid recollections of winning money – whether a big win, an unlikely win, a winning streak, or a relatively small amount but more than they were used to having.
- But people also liked the experience of gambling, such as excitement, soothing, feeling important, skilful, or connected to others.

### Difficulties develop

- People began to spend more time and money gambling and to get into difficulty. Because gambling is addictive, gambling more resulted in more gambling. People often did not recognise they were at risk of being harmed, until it was too late, and they had lost control.
- The things that led to people gambling more were things that could affect anyone. Responding to adverts and offers and trying new kinds of gambling. Having more money. Taking up gambling as a leisure activity or hobby, or to make money. Experiencing life difficulties, the kind any of us go through.
- Gambling more could be the result of a mix of these things. But for some, it was nothing particular in their lives, it was just gambling itself or a new kind of gambling that led to difficulties.

- Some had mental health problems, often undiagnosed, which made gambling especially dangerous for them, specifically trauma, obsessive compulsive disorder or neurodiversity.

To say that something is addictive means that it leads to people losing control and continuing to do it even though it is causing them harm.

Gambling works like an addictive substance, like alcohol, tobacco, or drugs. But it is also a unique addiction because it is about money. And there are no identifiable physical signs or bodily limits.

## Like a substance

- Gambling was physically and psychologically addictive, like substances. Gambling changed reward circuits and people had overwhelming urges and intrusive thoughts. Because gambling provided a pleasurable, immersive experience, people used it to feel good or safe, to cope or escape.
- People spoke of having no control, being a passenger, watching their own behaviour and being horrified but unable to stop. They had lost who they were and felt shame and self-hate.
- People carried on gambling as it became the only thing they had or to escape the harm gambling was causing or as self-punishment.

## Unique as about money

- People said that gambling changed the usual meaning and value of money, so they behaved with money in ways people normally would not.
- People do win money unpredictably - this pattern is the most powerful reinforcer of behaviour. People carried on gambling because they had and could win money. But they did not control when, and so they could lose a lot. Then because they could win, they gambled more to try and get the money back.
- Bets and games are designed to create immersive experiences. They changed how people felt, heightened the pleasure of winning, made winning seem likely, and made people lose connection to money and time. Because these experiences are addictive, money became just the means to get this experience. Any winnings went back into gambling. People gambled any money they could get and went to great lengths to get money to gamble.

## No signs or limits

- There were no bodily signs or limits to stop harm from happening very fast and continuing over time, without being noticed.

- Unlike substances, gambling did not produce easily identifiable physical changes, so people did not realise they were 'intoxicated' and becoming addicted. It also meant gambling could be concealed from others.
- There were no bodily limits to gambling, as with the amount of alcohol, cigarettes or drugs that could be consumed, and where the harm accumulated over time. Gambling was limited only by money, time, and opportunity to gamble. This makes gambling a very dangerous and harmful addiction. It causes people to destroy the basic resource they and those around them needed to live – money. Harm is rapid and unlimited –especially in the current gambling market.

## Gambling Companies

People who got into difficulty had behaved just as they had been encouraged to do by gambling companies. Like any industry, gambling companies act to make money. But because gambling companies make money by getting people to lose money, the more profitable for gambling companies, the more risk and harm for consumers. This means that things which in other sectors could benefit consumers, like offers, access or new product features, were harmful instead.

- There was advertising everywhere which made gambling look like a fun, everyday leisure pursuit. There was little warning of the risks involved or how to get help.
- Free bets and offers induced people to gamble more, and they would end up spending more than any offer they got.
- Bets and games were designed to be absorbing and pleasurable, to keep them gambling and get them to lose more money.
- Gambling companies pushed people to faster, more continuous products which were more profitable but more addictive and harmful for consumers.
- Every kind of gambling was available and accessible anytime, anywhere on a smartphone. For some people, it was the activity most available to them for leisure. And there were many opportunities to gamble on the high street.
- 'Responsible' gambling messages and tools gambling companies provided did not work against the many things these companies were doing to get people to gamble more. People said gambling companies did not want them to control their gambling, as they made money from them being out of control.
- Companies made people experiencing gambling difficulties VIPs and encouraged them to gamble more. They monitored people's gambling to target them with offers to keep them gambling and did not intervene when they were clearly out of control.

People were not against staking money for the chance of winning. Most people thought that gambling could be fun and social and did not think that gambling should be prohibited. What they criticised was how gambling had been allowed to develop to be more and more dangerous to players and those around them.

- Older people had been able to sustain gambling over decades, even if experiencing some harm. They described the changes they had seen to gambling and how their gambling was worsened by each development of the market.
- People who had started gambling recently described how rapidly they and their resources were burnt out by the current gambling market.

People said that the way the gambling industry made money was based on getting people addicted. Addicted players were the most profitable players, as any money they could get went to gambling companies. People said this kind of business model damaged people and communities to make a profit. This was what should not be allowed, rather than gambling itself.

## Stigma

From all sides, people got the message that they were solely to blame for the harm they and those around them experienced – that people who had difficulties with gambling were greedy, lazy, weak, untrustworthy, and dangerous to others.

- The gambling industry promoted gambling as harmless fun and a matter of individual choice and freedom. If a person gambled a lot, that was a lifestyle choice. If they got into difficulty that was their irresponsibility. This served gambling companies by blaming players for harm and hiding the role of their commercial practices.
- Gambling was now everywhere, part of everyday life, social groups, and other leisure activities. But gambling harm was not understood or spoken about in social circles. So, people believed the fault must be with them because they could not control their gambling when it seemed everyone else could.
- Media often reported on crime due to gambling as if people had stolen to fund a 'lavish lifestyle', rather than due to addiction.
- People still thought of a typical gambler or 'problem gambler' as a white, male, working class, gambling away their wages in a bookmaker. Some did not want to

be associated with this. Others did not recognise themselves as gambling or being harmed as they did not fit this.

- Some people experienced additional stigma because their culture or religion prohibited gambling. So did those where gambling was not a socially acceptable activity – as with women.
- Also, those in the 'white, male' group who 'were expected to gamble' said the shame and stigma they felt for losing control was still bad – and made worse because men were not supposed to be weak.
- People described gambling as the hidden addiction, because it was not understood as addictive, and the range of people affected, and the extent of harm was not visible.
- The fact that gambling was about money added a unique element to the stigma and shame, as it was not easy to comprehend how people could behave this way with money.
- People could not understand why gambling was not treated in government policy like other addictive, harmful activities, such as alcohol, smoking or drugs. There were much fewer restrictions on gambling and not the same level of education, public awareness, or treatment. There were not provisions in criminal justice, social care, or benefits as with other addictions. And it was not recognised as an issue in financial services, like other consumer vulnerabilities were.

The fact that the government discriminated by treating gambling differently from other harmful activities added to the sense that people harmed by gambling did not matter and they were to blame.

The blame and shame people feel erodes their mental health and self-worth and stops them from trying to get help. In this way, stigma and discrimination make gambling harm worse and are harms from gambling themselves.

## Harm

Harm is pervasive and burdens lives long after gambling had stopped. Harms are complex and overlapping. Harm in one area of life contributes to harms in another part of life, so taken together, harm adds up to more than each area looked at alone. Harms extends out through families, social groups, and communities. Gambling undermines the ability of people and those close to

them to function well and be part of society. Gambling causes financial, social, and digital exclusion.

Some people were experiencing life difficulties, some were not. Some had other mental health conditions. However, all were harmed by gambling, irrespective of what went before.

## Health

- People experienced stress, anxiety, mood swings, intrusive thoughts and urges, problems sleeping, inability to concentrate, and loss of self-worth.
- Almost everyone had thoughts of ending their life, and some had come close to or attempted suicide. This was because people felt so trapped by gambling that they had no hope of escaping and were so humiliated that they believed they were the problem and could not face other people.
- Some started drinking more to cope with gambling.
- The damage to health endured after gambling and left grief, depression, anxiety, social anxiety, and low self-worth. Gambling had been a trauma that changed them forever.

## Finances

- More and more of people's income went on gambling. Then they started to pay only essential bills like rent and did not have money to live on. Then they began gambling using savings, overdrafts, credit cards and loans. Finally, as credit ratings deteriorated, people turned to expensive forms of credit, adding to escalating debt. Those living in socio-economic circumstance could not get high street credit, so they went straight to payday loans and pawned possessions.
- The ease of access to credit online combined with the current gambling market meant this financial deterioration was often rapid.
- In the end, people gambled all the money they could get, so how much they gambled depended on how much money they could access. Gambling a seemingly small amount of £20 per week could mean someone on benefits could not eat. Others gambled hundreds of thousands, losing homes, savings, inheritances and ending up with nothing.
- Gambling took resources from partners, children, family, and friends.
- People gave up control of their own money to stop gambling, so they were excluded from a basic part of adult life.
- After gambling, people were in debt, bad credit ratings made finance hard to access and expensive and housing was compromised. What seemed like a small amount of debt could be a great deal to someone on a low income. People could be burdened with debt for years.



## Relationships

- Gambling damaged relationships with partners, children, parents, family, and friends. Gambling caused financial strain, not giving others attention or time, and deceit leading to a breakdown of trust.
- Those close to the person gambling suffered the stress and heartache of the addiction and its consequences. They often tried their best to help, without knowing how to. It could be too much, and relationships broke down. Some people were rejected when their gambling became known.
- Relationship breakdowns could lead to homelessness and increased people's isolation in gambling.
- After gambling, harms to relationships continued to impact the wellbeing of the individual and their affected others, with anxiety, guilt, loss, loneliness, and mistrust. Some relationships were estranged and irretrievable.
- Harms went across generations, undermining relationships with and care for children, or with the person's parents.

## Community

- Gambling hindered participation in social life. It took all attention and money and made people feel bad about themselves, so they stopped taking part in social groups and other activities. They felt their social standing and reputation was damaged as they became unreliable, untrustworthy, and tried to borrow money.
- This alienation could be worse if gambling was against the beliefs of the groups they belonged to – due to ethnicity or religion, but more generally, where gambling was frowned upon.
- But where gambling was a big part of what a social group did together, people felt like the only ones with difficulties and that others would not understand.
- This separation from social life perpetuated gambling and damaged people's identity and wellbeing.
- The social exclusion could be long-term. People gave up social groups and leisure activities where there was gambling, like sports, television, or social media. They could be ostracised or keep themselves from those they thought would not understand or would be prejudiced towards them.

## Work

- People's work was undermined as they were preoccupied with thoughts of gambling, were gambling at work, or missed work due to gambling. Financial stress and mental ill-health from gambling also affected work.
- People's career progression was hindered, or they lost their job or business. Some were driven to crime in the workplace.

- Loss of work added to financial harm and people could end up homeless.
- There was a long-term impact on employment opportunities and the potential for people to improve their own and their family's socio-economic position.
- Those with debts had to take a second job or work overtime.

## Crime

- Some people were driven to crime after exhausting all other avenues to get money. This could be stealing but usually was embezzlement from their employer or business. People were not thinking rationally, and convinced themselves if they had money to gamble, they would be able to win and pay the money back.
- Often people ended up telling their employer or confessing to the police.
- People described how at all points in the criminal justice system – police, investigation, sentencing, imprisonment, probation – there were no arrangements as for other addictions and mental ill-health. In addition, people often had no previous experience with the criminal justice system and did not know how it worked.
- Long periods of being under investigation, custodial sentences and Proceeds of Crime Orders added harm to people and their families.
- Crime resulted in people experiencing damage to mental health, self-worth, relationships, employment, finances, and social standing that lasted long-term.

## Recovery

Once entrenched, the addiction is very hard to overcome. People hid their difficulties out of shame and fear of how others will respond. They ended up in crisis or at breaking point. This meant harm was extended and deep. Getting help was difficult.

- People tended to relapse multiple times before being able to stop.
- They described having a turning point, usually a crisis. For most, this was becoming suicidal. It could also involve realising the impact on loved ones, or their gambling being found out. Trying to save relationships was often the motivation to stop gambling.
- A first step was putting physical barriers in place to make it as hard as possible to gamble, to beat the urges and get clear thoughts. Because there are currently no limits built into gambling, they had to do this themselves, sometimes in extreme ways. This included blocking access to gambling, but also giving up control of money, not having a smartphone or access to Wi-Fi, isolating themselves and avoiding social groups or leisure activities where there was gambling.

- Many people struggled to get help. They did not know what help there was for gambling, could not access it because of cost or location, or did not think it was for them. People could not access treatment if it meant they needed to have money, as they did not have any because of gambling.
- There were mixed experiences with the industry-funded National Gambling Treatment Service. Those who tried to get help via a GP or emergency services, as they would for other issues, mostly had bad experiences. Those who were from more affluent backgrounds tended to use private therapists.
- People had different needs regarding therapy. Some just needed help with gambling. Some wanted to deal with a range of life issues or with other untreated mental health conditions.
- Getting debt management in place was important to give some relief from the stress due to financial harm. But some did not know about these services, found accessing them shameful or intimidating, or that the services did not understand gambling.
- Support from others who had experienced gambling difficulties was extremely important because people felt so little understood anywhere else. Many people used Gamblers Anonymous and developed online networks. People with lived experience set up their own initiatives to help others.
- Gambling had so altered their thoughts and behaviours, people had to be vigilant against the addiction being triggered again, especially as gambling was everywhere.

Dealing with the legacy of harm to them and those around them was hard. People struggled to get practical support and come to terms with the damage to their lives. Recovery was a long process that continued beyond stopping gambling and involved rebuilding their sense of self and reconnecting with others.

People wanted those going through gambling difficulties to know there was hope, and that they could recover. The most important thing was to tell someone – from the moment they had, things got better. People should do this early so as not to experience the amount of harm they had.

People wanted the public to know that those with a gambling addiction were suffering, and addiction meant their behaviour was not a rational choice.

## Change

People want change to stop harm and addiction in the first place. Gambling must be understood as addictive, like alcohol, tobacco, or drugs, and like these, it can affect anyone. Because it is addictive, gambling interferes with people's ability to make choices in their best interests and causes harm to people and society. Gambling needs to be regulated like other harmful and addictive activities and the same kinds of protections and services provided for consumers as in other areas.

At the same time, gambling's unique dynamics need to be understood and addressed – that it is about money and the lack of physical signs and symptoms make gambling especially dangerous and harm intense and rapid in an unfettered gambling market.

## Gambling policy and regulation

Government should regulate how gambling companies operated to stop them from causing harm. Regulation has not kept up with the gambling industry. Government needs to make fundamental changes to regulation to make gambling companies act responsibly.

Gambling companies are not going to change themselves, as this goes against how they make money, and they are adept at getting around regulation. Because gambling is harmful and addictive, there should be limits placed on consumers, like there are limits for alcohol, tobacco, or drugs.

- Gambling companies should have a duty of care to ensure consumers are not harmed by what they sell – just like any other product or service.
- Gambling companies should be required to check that a consumer can afford to gamble.
- High-street gambling should make better use of technology and require players to register.
- The legal age for gambling should be raised to 21.
- Gambling advertising should be banned or significantly restricted - especially sports sponsorship, daytime and primetime broadcast advertising, free bets and offers, direct marketing and cross-selling.

- An ombudsman independent from the industry should provide individual consumers redress when gambling companies broke the rules and caused them harm.
- Monitoring and consequences that would change gambling company behaviour, instead of repeatedly breaking the rules.

## Changes across policy, institutions, and services

Bringing gambling regulation in line with other harmful industries needs to be accompanied by change across areas of public policy, financial services, and work – so preventing and addressing gambling harm was given the same value as for other addictions and health problems.

- Increase in the quality and accessibility of treatment. Instead of treatment delivered by industry-funded bodies, this should be provided within the NHS. This should include specialist gambling treatment, as well as awareness and skills in GPs, emergency services, mental health, addiction, and social care services.
- Help, emotional and practical, to recover from the legacy of harms people had been left with because of gambling companies' activities over the last decades.
- Support and help for affected others.
- Government-led public health awareness of gambling harm and the help available, and normalising conversation about gambling harm in social groups.
- Schools should educate both pupils and their parents about gambling harm, and teachers should be properly prepared to do this.
- Changes in how gambling is dealt with in the criminal justice system, so gambling is addressed as an addiction and mental health issue. The criminal justice system should not worsen gambling harm for people and their families, by treating people as if they had benefited from crime when the money had all gone to gambling companies.
- Signs of gambling difficulties often become evident in the workplace. Addressing gambling harm will help employers to stop the loss of productivity and potential for crime due to addiction. There should be workplace awareness of gambling harm and how to support colleagues experiencing gambling harm, as has happened for mental health and other addictions.
- Financial services need to do more to protect customers from financial harm from gambling. Banks can see when someone was experiencing gambling difficulties as they had first-hand access to their financial records. People said banks had benefited from their gambling by supplying them with credit.

Not using stigmatising language like 'responsible gambling' or 'problem gambling' is important but not enough. It is also not enough to tell people they should seek help early. This again puts the blame for not getting help, without changing the things that make it hard for them to do so.

Government needs to be unequivocal in its messages, policy, and regulation that gambling is addictive and harmful. It should treat gambling like other health, addiction, or consumer rights issues. Stop giving gambling companies special treatment and discriminating against people harmed by gambling.

## 2. What should the key priorities be in the gambling White Paper?

These recommendations are based on our review of the literature for our submission to the DCMS call for evidence for the white paper, combined with lived experience.

### Recommendations

#### Gambling as a public health issue

It has become a platitude that 'gambling should be addressed using a public health approach'. The government has stated that it accepts gambling harm is a public health issue and a mental health issue. This does not mean that public and mental health are solely the responsibility of DHSC. Rather, regulation of the gambling industry to prevent harm is the primary pillar of an effective public health approach.

A public health approach means taking a whole population perspective, with the aim of healthy communities, and resilient and healthy individuals, and to address health inequities. Attention moves from identifying and treating people with a clinical diagnosis of "problem" or "disordered gambling" to preventing and reducing harm that occurs on a spectrum across the population.

The priority for the white paper is to enshrine in gambling regulation a public health approach. This means:

- Acknowledge that commercial gambling is not a leisure activity commensurate with joining a sports club. It is not an activity for which the Government should wish to stimulate demand, any more than for alcohol, tobacco, sugary foods, or single-use plastic.
- Make the primary focus of gambling regulation: public health; achieving wider socio-economic policy goals like reducing inequities; and preventing harm and socio-economic costs of harm – as opposed to commercial profit and tax revenue.
- Recognise that commercial gambling is a market and product in which the inherent dynamic is risk and harm, and increasing risk and harm to consumers and society when left unregulated. Therefore, significant regulatory intervention is justified and required.
- Adopt a universal and preventative approach, which makes gambling safer for everyone. This involves limiting harm from gambling, in one or a few episodes, the likelihood of developing harmful gambling and limiting harm to those experiencing gambling difficulties.
- The vulnerable consumer should be taken as the average consumer, as is best practice in consumer protection. This is because of the wide range of vulnerabilities associated with gambling difficulties; the difficulties of identifying such vulnerabilities; that anyone can become vulnerable; and that

there is at any time a clear and defined group of vulnerable consumers ("problem" or "disordered" gamblers). Products, services, and communication should be designed with the vulnerable consumer in mind, with additional measures where necessary. This will not impinge on most gamblers, who play at low levels, but will make all gamblers safer.

- Rebalance regulation from an almost exclusive focus on voluntary measures for consumers to requirements placed on producers to limit the risk generated by commercial practices. Given the very clear evidence that the greatest direct risk for gambling harm is intensive gambling and high-risk products, this includes changes to factors that make forms of gambling or products risky and addictive and implementing rules to prevent customers from engaging in risky gambling practices.
- Achieve the consumer rights and rights under the statutory obligations to promote equality, that would be expected of any market or public body. This includes ending the stigma and discrimination towards people with a mental health condition – people with a gambling disorder. It includes a regulation that reduces rather than exacerbates inequities and the exploitation of younger and poorer groups. This means structural changes rather than the provision of information, which is of most use to people with more resources to make 'informed choices.'

## Changes to the objectives of gambling regulation in law

To achieve a new regulatory regime requires changes to the licensing objectives and additional duties on the regulator gambling companies. These must be contained in legislation to ensure the avoidance of any doubt as to how gambling needs to be regulated.

- That gambling should not be permitted save for meeting the licensing objectives, and codifying a preventative approach.
- The addition of a licensing objective to promote public health and wellbeing, prevent harm, and redress inequalities.
- The addition of a duty on the regulator and operators to ensure consumers are reasonably safe, so they must build safety into gambling products and practices.
- The addition of a duty on operators to return money to a consumer if they have let them gamble when they should not have, so operators have a direct, legal duty to individual consumers to ensure rules about how consumers can gamble are followed, and legal liability if they are not. Making the operator liable would create a stronger incentive for them to comply with regulation and statutory obligations.
- Establish a transparent and independent ombudsman system. This should include processes for paying compensation to those harmed by gambling companies violating regulations over the last decade, with funds from a mandatory levy.



## Research

### Research for policy

The 'burden of evidence' needs to be shifted from those who have experienced harm to prove they have, to the regulator to demonstrate its regulation is effective at making gambling safe and preventing harm – before commercial products and practices are allowed onto the market. Implementation needs to be accompanied by a comprehensive and independent evaluation.

### Independent scrutiny of operator data

With gambling moving more towards the digital sphere, any gambling regulator needs the built-in analytical capability to continuously identify risk and harm and intervene quickly, including taking advantage of big data. At the same time, operators' online gambling datasets and communications with customers (and offline where available) should be made available to researchers. This is an essential resource, and data is one of the core costs of research. It also holds both the industry and the regulator to account.

### Independent funding and institutional arrangements for research

Funding for research needs to be raised through a statutory levy or ring-fenced tax and should be primarily awarded and administered through independent research councils. This would mean that research into gambling harms is attractive for the best researchers no matter the discipline and make funding available within academic structures. This is preferable to directing funding to a central, standalone centre, which will inevitably represent a particular perspective – rather than enabling the diversity of competing, independent research across universities, academics, and disciplines necessary to advance knowledge.

## 4. Is it possible for a regulator to stay abreast of innovation in the online sphere?

These recommendations are based on our review of the literature for our submission to the DCMS call for evidence for the white paper, combined with lived experience.

### Recommendations

#### Base regulatory strategy on the nature of the market

The regulation of markets is fundamentally about influencing the behaviour of companies and consumers to achieve wider goals. To do so effectively, the nature and extent of regulation must be based on an understanding of the product, market dynamics and drivers.

It is the case that principles or outcomes-based regulation is vaunted as best practice. This involves a regulator setting outcomes and leaving it up to companies as to how they achieve these. This is contrasted with rule-based regulation, in which regulators provide sets of specific rules that companies must follow.

Outcomes-based regulation is seen as good practice because in markets today:

- Companies often have substantially more knowledge, and expertise than a regulator can achieve.
- It enables innovation, which is seen as good for consumers.
- It is seen as more efficient and effective, as regulators are not having to monitor compliance with many detailed rules but focusing on what markets are delivery for consumers.
- It prevents regulatory 'whac-a-mole' where a new rule is needed for every change in the market, or companies when circumventing the rules.

However, there are contexts where outcomes-based regulation alone is not enough, and that includes gambling. The gambling industry is one in which innovation and freedom of operation of companies do not benefit consumers because of its inherent market dynamics. Gambling companies make money by getting consumers to lose more money. So, the thrust of any innovation and commercial practice is necessarily more dangerous and harmful to consumers. Where one company makes such an innovation, others must adopt it, to remain competitive. Consequently, the market as a whole continually moves to increased danger and harm to consumers and public health, if left unfettered. There are no demand side or any other factors within the market to push company behaviour in the opposite direction.

This means the gambling market is one which requires significant and strong regulation. And this means deploying the full range of regulatory levers – rules, outcomes, disincentives, and incentives systematically.

There is a perception that because online gambling has been allowed to develop in the out-of-control 'wild-west' way it has, this is somehow an inevitable state and cannot be

effectively regulated or pulled back. However, regulation in the online space is entirely possible using the well-established regulatory tools that have functioned in a 'pre-digital' world. Online and offline are no longer meaningfully distinguished as the world we live in is digital.

The current gambling regulatory regime has failed to effectively use any of the regulatory tools that exist or its regulatory powers. Most regulatory changes needed are already possible with current legislation and statutory powers and need not wait for the white paper. Rather, it is a failure of leadership, will and capability.

## The following are recommendations for a regulatory system across all gambling, online and offline, that addresses 'online innovation'.

### Ban market and advertising to prevent data abuse

The innovation and change in the gambling industry that 'online' developments have enabled is use of data and behavioural nudges in marketing and advertising to drive consumer actions, in increasingly sophisticated ways. There is extensive, untransparent use, tracking and aggregating of consumer data to generate 'dark patterns' which influence consumers to behave in ways they otherwise would not have. This is highly unethical because it is driving the consumption of gambling, a harmful and addictive product.

Gambling companies do this through their own websites, advertising, and direct marketing, but also by taking advantage of the features in social media and other platforms that influence behaviour.

It is very hard, if not impossible, to put in place rules or controls which will effectively manage the gambling industry's use of rapidly evolving digital marketing practices. Banning all advertising and marketing is the only way this can be achieved.

This would mean that social media and other platforms would be required not to allow gambling content. This would control the vast amount of gambling content from operators, affiliates, influencers, in apps and so on across the 'ecosystem'.

### Immediate action on speed and stake limits for continuous play products

The following are controls needed immediately for which there is more than sufficient evidence - to reduce further harm and should not be delayed as this new approach is implemented.

Speed and stake are the two most harmful features because, in isolation and combination, they create the facility for excessive spending and, thus, risk of harm to consumers in general and people with a gambling disorder. Limiting either and both puts a limitation on the amount of money that can be lost in a period of continuous gambling products. Therefore, limits on speed and stake should be put in place for all continuous online gambling products. In the first instance, this could bring parity with offline products – a limit on stakes of at least £2 for parity with land-based fixed odds betting terminals and a reduction of roulette speed to that of manual table games. However, this needs to be assessed in the longer term within the development of a coherent regime of limits on products.

Betting is frequently overlooked in discussions on product controls and measures to address the risk of in-play betting and rules regarding 'mugs bets', the complexity of bets, bets manipulating cognitive heuristics and creating your own bet. These are generally very difficult for consumers to understand, are more likely placed by young,

poorer, and vulnerable people and generate very high losses. Betting thus needs to be included in the review of stakes and speed to ensure parity in consumer protection.

### Limit accessibility and availability

There is also no necessary reason why controls on access should not be considered in the remote sector to create parity with the land-based sector. This could include the requirement for remote gambling to close between 12 and 8 am, as happens in other jurisdictions.

In remote, offering a single generic license to provide all product types has resulted in online gambling provisions becoming essentially the same. Companies offer everything and compete based on pushing consumers to higher-risk, more profitable products. The remote sector could be disaggregated, and specific licenses provided for different product types, with the prohibition on the promotion of higher-risk products to consumers. This produces the potential, e.g., bingo operators to compete for customers with each other on dimensions of, for example, social interaction and leisure experience, rather than purely on the extraction of turnover with high-risk products.

While it is the case that consumers can open accounts for different kinds of play, this introduces friction rather than promotion for the general consumer. In addition, the ability to monitor all of an individual consumers' play needs to be implemented via an independent consumer portal.

Each license holder should only be able to have one brand. A great amount of the availability of gambling online is driven by companies operating multiple brands and 'white labels', providing the same products. Having these multiple brands means companies have more scope to advertise and market. It dramatically increases the number of gambling websites and apps available.

### Gambling situation risk

There needs to be a coherent product regulation regime across land-based and online gambling, using the established regulatory principle of considering how product risk increases depending on the characteristics of the gambling situation and access. Many features of the online environment add to product risk, including the addictive nature of online activities in general, ease of access to money, and 24/7 accessibility via mobile devices.

Importantly, the level of safety for online products should not be based solely on parity with offline gambling but commensurate with the added risks due to being available in an online gambling situation.

### Product risk categories

Scoring scales have been developed to evaluate the risk of available and planned gambling types. These are based on theoretical and empirical evidence of the characteristics of products that cause harm, validated against data from longitudinal studies, demonstrating which product categories lead to the development of harmful gambling. The large transactional and account-based consumer datasets give the potential to validate further and refine product risk categories. Product risk could be assessed through factors such as the percentage of GGY from a small number of consumers or loss of control during a session. Algorithms have been developed to identify risk play. These could also be applied to risk products – i.e., the products with more play demonstrating these characteristics carry more risk.

### Limits and essential characteristics

Given the logic of the gambling market in which innovation and development are for increased risk and harm to consumers, there need to be hard rules placed on products. These could be developed using the historic gambling regulatory approach of essential characteristics. A basic set of characteristics and parameters in which these can operate need to be defined for each category of product: slots, table games and fixed odds betting. For online gambling, essential characteristics should not simply codify existing high-risk practices but put in place new base restrictions to bring these to a level of safety.

These could form the basis for controls on the characteristics of different product categories and on access to different product categories, both well-established techniques of gambling regulation.

### Checks on new designs and features

To achieve safety by design in the context of gambling, where a gambling company wishes to add a new feature or adopt a new feature from another game or setting or invent a new game, which goes beyond the defined essential characteristics of that product category, permission from the regulator should be sought. There is no reason the real-world experimental approach and expertise of behavioural insights should not be applied to achieve safer product design. In addition, there needs to be ongoing monitoring of products in the market, making use of operator big data to enable regulatory adjustments.

### Fake reinforcements and the illusion of control

There should be a consideration to removing clearly false and misleading game design elements. This would involve removing elements of no actual benefit to consumers, producing the illusion of control, and misleading the player.

### Fair and open product information

The provision of information to enable rational choice and make consumption 'fair and open' is misguided and inappropriate as the basis of regulation of gambling products – based on complex mathematical concepts and designed to distort human behaviour and decision-making.

Nonetheless, there is a great deal of scope to improve gambling product information, and this should be done on the basis that gambling wishes to be a mainstream leisure occupation, and consumers have a right to fair, open, accessible, and understandable information on what they are paying for. However, this is likely to have minimal effect on behaviour compared with product controls and would favour the privileged consumer.

Product information must be made a mandatory requirement by the regulator and communicated as official government health information. Requirements should include content and placement, implementation, and taking advantage of online dynamic messaging capabilities. Information should not be left to the discretion of gambling companies.

### Safer play

It is recommended to create an independent consumer portal where consumers would be required to sign up before gambling on any online gambling site in GB. This site would

be a one-stop shop for all safer gambling tools, from deposits to self-exclusion, along with affordability checks. This means that when a deposit limit is set, it applies to all gambling operators and all of the consumer's accounts.

The introduction of a gambling 'driver's license'. Any gambling consumer who wants to gamble online needs to sign-up to the independent consumer portal - ideally the ombudsman - and receive a unique gambling identification number. This number could then be used when creating gambling accounts for all licensed operators and would tie the individual to their safer gambling profile. This would ensure that safety tools, affordability and safeguards are in place for all online gamblers at all times.

## An enforceable outcome - statutory duty of care

### Safety by design

At the current time, consumers have more protection buying a cup of coffee than they do when gambling. This is because the principle of health and safety legislation, which requires organisations to ensure a reasonable degree of safety from avoidable harm, has been the basis of new regulation of online platforms. This is on the basis that consumers should have the same rights and protections in 'online' spaces that they do offline. The same applies to gambling.

The regulator needs to set the outcome that gambling companies design commercial products and practices to ensure a reasonable level of safety. This needs to be monitored in terms of indicators of harm at any level – such as not spending more than you can afford. Not in terms of levels of clinical addiction – 'problem' or 'disordered gambling' prevalence.

It should be put on a statutory footing so that this is enforceable not only through fines but also through personal penalties and imprisonment for executives.

## Disincentives - harm-based levy or tax

The costs of research, education, and treatment to address gambling harms should be paid from gambling sector profits through a mandatory system. Most importantly, this must build the costs of harm into companies' operations, so there is an incentive to reduce harm to reduce costs. This is the approach taken in environmental protection in a variety of sectors. In addition, the most harmful gambling products should be subject to highly progressive tax systems to discourage operators from pursuing the super-profits that such products frequently yield. Operators could also be subject to higher tax, if profits are generated from a small proportion of consumers.

In Great Britain, there have been objections to a levy on the basis that it is a hypothecated tax. However, hypothecated taxes are used for horse-raising. They are used in other sectors, such as financial services, to achieve a specific policy goal, such as consumer education or protection. Given the inattention to gambling harms by the government and low funding base compared with other public health issues, there is justification for raising dedicated funds, ring-fenced by statute.

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