

Betting and Gaming Council – Written evidence (GAM0068)

Introduction

- i. The Betting and Gaming Council (BGC) has been formed in response to a growing need for the UK gambling industry to bring its combined effort and resources together to raise standards and share learnings on safer gambling and regulatory compliance. Our mission is to champion the highest standards in safer gambling and to ensure consumer and public trust in our industry. Despite the large volume of work and support the industry puts into a range of actions from treatment to interaction, we recognise more needs to be done. The Betting and Gaming Council will be fully operational in November 2019, when it is expected to represent around 90 per cent of the UK gambling industry (excluding the National Lottery). This submission is made by the Betting and Gaming Council on behalf of the current membership of the Remote Gambling Association, the Association of British Bookmakers (both of which will cease to operate when the BGC is fully operational) and a number of major casino operators. We have taken the opportunity to respond to the questions that directly relate to the members of these organisations. We have sought to draw upon the most recent data and research available to underpin the positions set out in this response. We would be happy to discuss and expand upon any aspect of our response.

Summary

- ii. ***Gambling plays an important part in the social lives of millions of people*** in the UK, with 46% of the UK population gambling at least once per month and the vast majority doing so safely. Our industry employs over 106,000 people, 56% of our workforce are women and 24% are aged under 24. Sport is a major beneficiary, in particular horse racing which supports 59 racecourses across the UK and 85,000 jobs. Betting and gaming companies and their staff play an active role in their communities supporting many charitable causes from Alzheimer's Society, and Prostate Cancer UK to Jessie May Children's Hospice and the Special Care Baby Unit at Borders General Hospital to name but a few.
- iii. By international standards, ***Great Britain has a well-regulated and well-functioning gambling market*** with high levels of consumer choice and low levels of crime and problem gambling. This situation is the result of a coherent legislative framework, robust enforcement and continually improving standards from licensed operators.
- iv. The perception of strong growth in gambling expenditure is the result in a change in reporting conventions – with the vast bulk of online revenues not included in Gambling Commission figures prior to 2015. In fact, ***a lower proportion of Household Disposable Income was***

spent on gambling between 2008 and 2018 than in the period 1999 to 2006.

- v. **Rates of problem gambling in Great Britain are stable and low by international standards and we are committed to doing more to ensure safer gambling.**
- vi. **We are investing substantial resources in developing and deploying a range of harm prevention initiatives.** Building on independent research, our members have developed behavioural tracking systems, designed to identify harmful play and deliver a set of tiered and tailored interactions to encourage customers to stay in control of their gambling. We are also working with the Gambling Commission on patterns of play and undertaking research on game characteristics and what impact they have on customer behaviour. We are also improving the technological capability of industry self-exclusion schemes and developing trials around affordability in relation to gambling harm.
- vii. All products offered by members are strictly 18+. **Our members operate a zero-tolerance approach to anyone under the age of 18 attempting to use their products.** New age-verification measures introduced by the Gambling Commission in 2019 now mean that it is virtually impossible for any child to open an online gambling account. Age restrictions in betting shops and casinos are regularly and independently tested in line with Gambling Commission Guidance. **Reported rates of youth gambling in the UK are in decline.**
- viii. In recent years, **funding for research, preventative education and treatment ('RET') for gambling-related harm has exceeded targets** set out by the Responsible Gambling Strategy Board; and at present the Gambling Commission and GambleAware have sizeable reserves for deployment in these areas. Recent commitments from a number of Britain's largest operators (an additional £100m for treatment services over the next four years) along with Department of Health plans for a network of NHS clinics will lead to a significant expansion of RET services. We continue to support and fund existing services delivered by Gordon Moody Association, GamCare's 120 treatment centres located throughout the UK and their youth outreach programme, the National Gambling Helpline, YGAM and Netline. Through continued funding by our industry over more than 20 years, these charitable services are able to provide free of charge treatment, support & advice services for anyone affected by gambling. There may be merit in carrying out a new detailed assessment of what services are required, how effective they are and the most appropriate mechanisms for funding.
- ix. **A more expansive, pragmatic and coordinated approach to gambling research may be required** – particularly given increased funding. We would support a further nationwide gambling prevalence study to better inform decision making.

- x. **Public education should be a focus of any strategy to reduce harms.** Our members continue to fund and support a range of initiatives in this area.
- xi. In recent years, **there has been a raising of standards in the responsible promotion of gambling.** This has been the result of both our members' efforts and closer engagement with regulatory bodies – including the use of technology to empower consumers to block or receive advertising. The ability for operators licensed by the Gambling Commission to advertise in Britain provides an important means for customers to identify legal from illegal operators.
- xii. **The Betting and Gaming Council is firmly committed to providing a safe and enjoyable gambling experience and we will work with politicians, the government, regulator and stakeholders to further improve this experience for all our customers.**

Q1. Are the three primary aims of the Gambling Act 2005 being upheld?

1.1 Based upon the evidence available, the primary aims are - to a large extent - being upheld. We consider evidence in relation to the three objectives below.

Preventing gambling from being a source of crime or disorder

1.2 On the basis of data available, licensed gambling in Great Britain is almost entirely free from criminal involvement from an operational or ownership perspective. The UK has been highly successful in suppressing the development of a black market for gambling. This is likely to be the result of laws to permit the range of betting and gaming products that consumers wish to play; the maintenance of taxes (with some exceptions) at reasonably sensible levels; and by effective enforcement by the Gambling Commission and other relevant authorities. Other European countries with more restrictive regulation than the UK have experienced much higher levels of illegal gambling.

1.3 In 2016, the Gambling Anti-Money Laundering Group (GAMLG) was formed to increase the gambling industry's ability to combat money laundering. GAMLG is chaired by a former Director General of the National Crime Agency and works in collaboration with the Gambling Commission.

1.4 The main source of quantitative evidence in this area relates to offences under the Gambling Act 2005. Official data shows that in 2016, 140 defendants were proceeded against at magistrates courts for offences under the 2005 Act (down from 208 in 2012). ¹The overwhelming majority of these (129) were for the unlicensed supply

¹ Between 2011 and 2016, the official youth gambling surveys measured participation by 11-to-15-year-olds; in the 2017 and 2018 surveys, the sample was expanded to include 16-year-olds

of gambling facilities. Separately, in 2018/19, the Gambling Commission took action against 31 remote unlicensed operators. It is worth noting that fiscal and regulatory interventions that potentially distort the market (especially online) are possible and that a growth in a black market may still be possible under the structure of Gambling Act 2005 (e.g. the taxing of free bets gives a material cost advantage to black market operators).

Non-compliance

1.5 The Gambling Commission adopts a vigorous approach to regulatory compliance. In 2018/19, the regulator carried out 1,200 compliance assessments on licensees.

1.6 During the same period, a total of £19m of divestments by gambling companies were made in relation to regulatory investigations (through penalties on operators). This reflects an increasingly stringent approach to enforcement by the regulator. In the year to April 2019, the Gambling Commission revoked five operating licences and issued warnings or conditions to a further eight companies. The regulator also revoked 20 personal licences and issued warnings to a further eight personal licence holders.

Gambling-centred crime

1.7 According to the 2015 National Risk Assessment by HM Treasury, gambling is classified as a "low risk" activity in terms of facilitating money-laundering: *"The 2015 NRA assessed overall that the gambling sector was less attractive to criminals than other sectors and less exploited to launder significant volumes of criminal funds. Due to the continued lack of evidence of the use of the sector for money laundering on a significant scale, the sector continues to be assessed as low risk for money laundering. Neither regulated nor unregulated gambling are judged to be attractive for terrorist financing, and we have seen no evidence of these services being abused by terrorists, so the terrorist financing risk associated with the sector is low."*

1.8 Our members are increasingly diligent in reporting suspicious activity, such as source of funds, to the Gambling Commission and other relevant authorities. Members have also introduced enhanced social responsibility measures and capabilities, especially around customer due diligence such as Know Your Customer (KYC) and affordability that further strengthen licensee capabilities in this area.

1.9 Further, the industry has a long history of working with law enforcement to minimise risks in this area. The Safe Bet Alliance was developed in partnership with the Metropolitan Police, Community Union, the Institute for Conflict Management and other stakeholders. In 2016, the Safe Bet Alliance won the Metropolitan Police Service 'Police and Security' Award, for providing intelligence that led to a reduction in robberies and was described by the Association of Chief Police Officers (ACPO) as 'not only an effective tool for reducing violent

crime, but also a clear example of best practice for partnership working.”

- 1.10 There have been very small instances of crime being perpetrated through breaches in betting integrity. Such instances have often been traced back to non-UK organised crime, but overall betting markets for UK customers have been relatively free of match-fixing.

Ensuring that gambling is conducted in a fair and open way

- 1.11 The vast majority of gambling activity in Great Britain is carried out in a fair and transparent fashion. Government and Gambling Commission data shows very small levels of fraudulent activity; and most people who gamble in this country do so with companies licensed by the regulator.

Competition and Markets Authority investigation

- 1.12 Following an investigation into online gambling in 2016 by the Competition and Markets Authority ('CMA'), a number of large licensees gave undertakings to amend practices and guidance was issued to all licensees to ensure high standards across the industry. This included providing clearer information, reforming restrictions on withdrawals and account dormancy. We believe that the investigation has been successful in raising standards of fairness and transparency across the industry.

Dispute arbitration

- 1.13 Our members are fully committed to operating sustainable businesses that properly identify risk and protect customers. Complaints about bets placed with operators are dealt with by the operator in the first instance however where a satisfactory resolution for the customer is not possible, an independent adjudicator will make an impartial judgement. This is provided by the Independent Betting Adjudication Service (IBAS), the principal alternative dispute resolution provider for gambling in Great Britain. In 2017/18, it considered 5,186 cases of which 3,595 were ruled upon. In 1,923 cases, IBAS ruled in favour of the operator; in 1,445 cases resolution was achieved without the need for a ruling; and in 227 cases IBAS found in favour of the customer. In total, £656,805 was refunded to customers (representing 0.004% of gross gambling yield) as a result of IBAS arbitration. The number of cases however was down by over 10% from the previous year.

Public perceptions and revealed attitudes

- 1.14 The Edelman Trust Barometer, indicates that gambling is trusted only somewhat less (at 30%) than business in general (at 40%) and higher than social media companies. In addition the Barometer found that more than three in four Brits believing that CEOs should take the lead on change rather than waiting for the government to impose it. To

this end our members and business leadership will not simply wait for further legislation, we will take action now to address public and political concerns. This is demonstrable through voluntary action already taken to address concerns on TV advertising, safer gambling funding and affordability.

Protecting children and other vulnerable persons from being harmed or exploited

- 1.15 We currently provide a range of harm prevention measures and are investing substantial resources in developing and deploying new harm prevention initiatives.
- 1.16 All licenced operators are required to offer players the ability to set deposit limits, allowing players to take control of the amount of money they can spend over a specified time period. Online the customer is able to set a deposit limit at registration and at any time during play. The deposit limit cannot be increased within the same 24 hours and if the customer wants to decrease their deposit limit this has immediate effect. These tools provide the player the opportunity to take control of the amount they are prepared to spend in a session.
- 1.17 Operators continually monitor patterns of account based play making thousands of interventions each month to prevent harm occurring. Building on independent research, our members have developed these behavioural tracking systems to identify harmful play and deliver a set of tiered and tailored interactions to encourage customers to stay in control of their gambling.
- 1.18 Our members provide self-exclusion schemes which bar the customer from using their services. We are continually improving the technological capability of these schemes.
- 1.19 The BGC is leading a group of major operators to develop an industry model for assessing affordability risk across operator customer bases, using a combination of socio-demographic and credit data to identify players who would be subject to due diligence checks.
- 1.20 We support calls for banks to enable customers to block gambling transactions as a further way for people to stay in control.
- 1.21 It is illegal for anyone under the age of 18 to use our members' products. A number of recent or proposed changes are likely to further reduce youth participation in gambling. These include the requirement by remote operators to verify age prior to deposit and play; the DCMS consultation on raising the minimum age of scratchcard play from 16 years to 18 years; and the decision by a large number of arcade operators to try to prevent unaccompanied gambling by under-16s on low-stake/low-prize Category D machines.

Problem gambling among children

- 1.22 A number of steps have been taken to ensure that children and the vulnerable are protected. Under the Gambling Act 2005 fruit machines were banned in take away food shops and other non-arcade premises such as cafés, restaurants, minicab and taxi offices. This was to ensure that children and other vulnerable people are not exposed to gambling in certain non-gambling premises.
- 1.23 According to official estimates, 39% of 11-to-16-year-olds are likely to have gambled at least once in 2018. While this is relatively high (the adult population estimate of gambling participation is 59%), the overwhelming majority of gambling by children appears to be legal – private betting or gaming (e.g. card games) with family and friends; National Lottery products; and low-stake gaming machines in arcades. We recognise that there are arguments in favour of raising the minimum age for all commercial gambling to 18 years – but this is not something that we are best placed to comment on as all products provided by our members are strictly for those over the age of 18.
- 1.24 Reported rates of gambling by children have declined significantly in recent years. Between 2011 and 2017, past-week gambling by 11-to-15-year-olds fell from 23% to 12%². Gambling by children on age-restricted products appears to be relatively low – much lower for example than for consuming alcohol³. Between 2011 and 2017, past-week gambling on age-restricted products fell from 14% to 6%. These patterns were observed across each age and gender cohort. Past-week rates of online gambling also halved – from 2% in 2011⁴ to 1% in 2017. A significant proportion of this online activity appears to have taken place under parental consent. The Gambling Commission youth gambling report found that around half of past-year online gamblers aged 11-16 are gambling online (non-lottery) with parental permission. This suggests that educating parents about the risks of underage gambling may be a useful area to focus on in the future.
- 1.25 Estimates of problem gambling among 11-to-15-year-olds (using the DSM-IV-MR-J screen, designed for use with children) have been published since 2014. The reported rate of problem gambling in this age group was 0.7% in 2014; 0.6% in 2015 and 2016; and 0.9% in 2017. Caution should be exercised in attempting to draw conclusions about changes in problem gambling rates between surveys. Over the course of the five surveys where problem gambling has been measured, the mean number of children diagnosed is less than 20 per year. We should therefore be careful in how we use such small numbers to arrive at population-level estimates.

² We estimate that in 2018, 10.9% of 11-to-15-year-olds participated in gambling on a past-week basis.

³ Past-week alcohol consumption by 11-15-year-olds was estimated at 10% in [2016]

⁴ An earlier survey, in 2007 estimated that 3% of children were past-week online gamblers

1.26 Therefore it is likely that further research is required in this area to better understand prevalence and the education and treatment that is required. However, this should not delay efforts to address those children who are identified and diagnosed with problem gambling.

Problem gambling among adults

1.27 The rate of problem gambling among adults in Great Britain has – according to official estimates – remained broadly stable over the course of the last two decades. The first major household survey to assess problem gambling rates in Great Britain – the British Gambling Prevalence Survey 1999 – reported a problem gambling rate of 0.6% of the population (16-years and above). The most recent estimate – from the combined Health Surveys 2016 – also reported a rate of 0.6%⁵. The highest rate of problem gambling was recorded in 2010 (0.9%) and the lowest in 2012 (0.5%).

1.28 In 2016 (the most recent year for which we have data from a major household survey), the central estimate of the number of people in Great Britain with problem gambling (using the DSM-IV) was 290,000 (0.6% of the population above 16 years). If those identified as problem gamblers under the Problem Gambling Severity Index (but not under the DSM-IV) are added, the central estimate rises to 340,000.

1.29 It is often reported that there are two million people in Great Britain at risk of “developing a serious gambling problem”. This is based upon the findings from Health Surveys that people are classified (under PGSI) as ‘low-risk’ or ‘moderate risk’ gamblers. Low-risk gamblers are defined within the PGSI as having “few or no identified negative consequences” from their gambling. Moderate risk gamblers are described as having “some negative consequences. In 2016, an estimated 1,886,000 people scored 1 or more (out of a maximum 27) on the PGSI. Of this number, 506,000 were estimated to be “moderate risk” and 1,150,000 “low-risk”.

1.30 Analysis of questions from the survey that might identify specific harms suggests relatively little change. Over the course of the six surveys, the percentage of respondents who bet more than they could afford has fallen. The same is true of those borrowing money, selling items or committing a crime in order to gamble. The proportion of respondents stating that gambling had caused them financial problems or health problems has been stable across the surveys.

1.31 The use of self-report surveys to identify gambling-related harms is not perfect. Some critics argue that problem gamblers are likely to be under-represented and that accuracy of recall (or even dishonesty) may depress reporting⁶. On the other hand, some researchers contend that problem gambling prevalence surveys produce a high proportion

⁵ Problem gambling estimate according to the DSM-IV screen which was used across all three British Gambling Prevalence Surveys and all three combined Health Surveys

⁶ e.g. Doughney, 2007

of false-positives⁷ and have poor validity when compared with clinical screening. This, it is argued inflates reported rates of problem gambling.

1.32 Caution should be exercised in making comparison of problem gambling rates between international jurisdictions, given the capacity for methodological and cultural differences to distort results. However, so far as we can tell, the rate of problem gambling in Great Britain is relatively low by international standards⁸.

1.33 To the extent that problem gambling affects a relatively small proportion of Britain's population and a somewhat larger (but small) proportion of gamblers; that the reported rate of problem gambling has remained relatively stable between 1999 and 2016; that harms (to the extent that they are recorded) appear to be stable or in decline; and that rates appear low by international standards (and in line with western Europe), we consider that Britain has been moderately successful in fulfilling this licensing objective.

1.34 While the rates of problem gambling are relatively low we believe that we can make gambling safer through the measures that our members are developing and introducing.

Q2. What changes, if any, are required to bring the Act up to date?...

2. **Gambling Act 2005-** The nature of gambling regulation in Great Britain has changed significantly since the passing of the 2005 Act. This has happened through a mixture of new primary legislation, secondary legislation, Licence Conditions and Codes of Practice and self-regulation under industry codes. Some examples are set out in table 3 (below):

Table 3: Examples of changes to gambling legislation, regulation and self-regulation		
<i>Primary legislation</i>		
2014	Gambling (Licensing and Advertising) Act 2014	Required online operators marketing to customers in GB to hold an operator's licence from the GC
<i>Secondary legislation</i>		
2018	The Gaming Machine (Miscellaneous Amendments and Revocation) 2018	Reduced the maximum stake on B2 machines from £100 a spin to £2 a spin
2018	The Gambling Act 2005 (Operating Licence Conditions) (Amendment) Regulations 2018	Restricted betting on the EuroMillions Draw
2018	Criminal Finances Act 2017	Enabled Police to seize gambling funds (e.g. casino chips, online account balances) in criminal cases

⁷ e.g. Ross et al, 2008

⁸ Significantly higher rates of problem gambling have for example been observed in Australia, Hong Kong, Macau, South Africa and The United States of America

<i>Licence Conditions and Codes of Practice</i>		
2019	Licence Conditions and Codes of Practice	Tightened verification procedures for online gambling (including age verification prior to play)
2018	Licence Conditions and Codes of Practice	Raised reporting disclosure requirements
<i>Self-regulation</i>		
2019	'Whistle-to-whistle advertising ban'	Banning TV advertisements 5 mins before, during and 5mins after sports broadcasts before 9pm.

2.1 The Gambling Act 2005 has provided significant scope to keep pace with technological change. Firstly, the Act provided for a new regulator the Gambling Commission'. The role of this body is to interpret the legislation and apply it to unforeseen future changes in technology, primarily by way of engagement with and advice and guidance to the industry. Secondly, the Act provided that many areas would be subject to the issuance of further delegated legislation if and when change demanded. The authorities would therefore be in a position continuously to update the legislation by way of order, regulation or other delegated instruments as necessary from time-to-time, examples of which are stated above. Thirdly, those definitions in the Bill which referred to technological matters particularly liable to change (for example the definitions of 'Remote Gambling' in Section 4 and 'Gaming Machine' in Section 235) are drafted so widely that they could not fail but to cover all future developments. The onus of proof would therefore be put on gambling operators to show how the definitions did not apply rather than being put upon the authorities to show how they did apply.

The effect of the Gambling Commission.

2.2 The Gambling Commission has provided the clear advice and guidance that the gambling industry (and indeed the wider public) need in order to apply the wide and imprecisely defined terminology of the Gambling Act 2005 to the realities of technological change. Furthermore, the Commission has used and is increasingly using its 'umbrella' discretion under Section 24 of the Gambling Act 2005 (to issue Codes of Practice)⁹ to, effectively, legislate in those areas where it considers it desirable for the prevention of any harm that might be caused by gambling. Recently, for example, the 72-hour 'window' for age verification was abolished and the use of credit cards for remote gambling is also under review. These are major changes and point to the flexibility afforded by the Act to the regulator.

The effect of the drafting of the Gambling Act 2005

⁹ The Commission has other such discretions, for example the ability to attach conditions to licences as set out in SS. 75-88.

2.3 In relation to the drafting of the Gambling Act 2005, it is not obvious that it is in need of change. Some commentators have accused the Act for failing to specifically refer to such technologies as emails, 'smartphones', social media and the internet. However, Section 4 of the Gambling Act 2005 is so broadly defined so as to cover all areas of communication, so much so that '*The Secretary of State may...provide that a specified system or method of communication is...to be treated as a form of remote communication*'. Given the reserved power for Secretary of State it is difficult to envisage any technology that the Gambling Act 2005 would fail to cover.

Changes required to the Gambling Act 2005

2.4 While all legislation is a matter for government and parliament, we do not believe that a new gambling bill is required. The cyber-universe is far too fluid and fast-moving to be contained by prescriptive definitions at primary law level. And it is therefore highly likely that any new Bill would contain the same multi-level 'sweeping-up' approach exemplified by the structure of Section 4 of the Gambling Act 2005.

Q3. Is gambling well regulated. How successfully do the GC, LAs and others enforce licensing conditions including age verification?...

Licensing regime

3. Great Britain has (so far as we can tell) low levels of illegal gambling; relatively low levels of problem gambling by international standards; low levels of cheating; and a generally compliant industry.

3.1 The Gambling Commission is a strong enforcer of age verification regulations. On 7th May 2019 new age verification requirements were introduced for remote gambling operators. The GC conducted investigations into several remote gambling operators to ascertain their compliance with the new requirements. The new measures now mean that it is virtually impossible for any child to open an online gambling account. Age restrictions in betting shops and casinos are regularly and independently tested in line with Gambling Commission Guidance.

Comparisons with other regulators and jurisdictions

3.2 By international standards, the Gambling Commission is a strong and respected regulator and is considered a role model by other regimes.

3.3 As regards learning from other jurisdictions this is done under a various number of fora – mainly the International Association of Gambling Regulators (IAGRA), the Gambling Regulators European Forum (GREF) and previously the EU Expert Group under the Chair of the European Commission. In all circumstances the Gambling Commission is an active participant and information and best practice are shared amongst these forums.

Q4. Should gambling operators have a legal duty of care to their customers?

4. The BGC assumes that the contemplated duty of care: (i) differs from the existing duties imposed by the regulatory regime under the 2005 Act because it is enforceable in a private law claim by an individual rather than by the regulator; and (ii) differs from the narrow duty of care already recognised at common law because it is owed to customers as a class and enforceable by any customer rather than limited to individual customers towards whom the operator has assumed a particular responsibility. The BGC considers that a new duty of care with these features is both unnecessary and inappropriate.
- 4.1 It is unnecessary because the existing duties under the 2005 Act regime already impose extensive obligations on operators to protect children and other vulnerable persons from being harmed or exploited by gambling, and there is no evidence that these obligations and their enforcement by the Gambling Commission have proved to be ineffective or insufficient. A new duty of care enforceable in a private law claim by an individual customer would inevitably impose very similar obligations to those currently enforced by the Gambling Commission, leading to a risk of piecemeal, overlapping and inconsistent enforcement.
- 4.2 Further, the potential availability of private law remedies – particularly compensation or the reimbursement of gambling losses – recoverable in claims by individual customers would risk incentivising gamblers to take greater risks in the hope or expectation that the operator will underwrite their losses and thereby provide them with risk-free betting.
- 4.3 The arrangements prescribed by the Commission in the LCCP amount to a comprehensive code and lay down in far greater detail than would be possible in a new duty of care the protective measures considered appropriate by the expert regulator. Indeed, it is noteworthy that so-called duties of care introduced in other EU member states appear to cover only some of the extensive obligations covered in this country by the LCCP. Thus in the Netherlands (where online gambling is in the process of becoming regulated), the draft “Duty of Care Guidance” issued by the Netherlands Gambling Authority on 11 March 2019 (following the enactment by the Dutch Parliament of the Remote Games of Chance Act in February 2019) explains that the “duty of care” has three limbs: a duty to provide customers with correct, reliable information; a duty to apply fair terms and conditions; and a duty to prevent gambling addiction wherever possible. In Sweden (where a new Gambling Act came into force on 1 January 2019) operators are required to alert players when their gambling pattern is assessed to be risky and to offer information on what help is available and where.

- 4.4 The LCCP can be easily updated to take account of technological and other developments in the industry, which would not be possible in piecemeal, episodic litigation based on a new private law duty of care.
- 4.5 The High Court has held¹⁰ that the extensive protective duties imposed on operators under the 2005 Act do not give rise to a private law cause of action enforceable at the suit of an individual customer – rather they are enforceable by regulatory sanctions and criminal prosecutions. There are sound reasons for this. The regulator can enforce the protective duties in a systematic, consistent manner raising and maintaining standards throughout the industry. Private law actions by individual customers would carry a risk of overlapping, inconsistent enforcement.
- 4.6 The existing common law allows the imposition of a narrow duty of care to a vulnerable individual in appropriate circumstances. A broad duty owed to all customers, whether vulnerable or not, is contrary to the policy of English law and should be rejected.

Q5. What are the social and economic costs of gambling?...

5. The absence of a systematic framework to measure costs or harms to date has resulted in a dearth of reliable data and the generation of some questionable research studies on this subject.
- 5.1 It is important to note that gambling-related harms are not necessarily the same as harms caused by gambling. We do not dispute the fact that excessive gambling can lead to some very severe harms; but it ought to be recognised that excessive gambling can also be the result of pre-existing harms. Comorbidity is the term used to describe the existence of concurrent disorders in an individual. It also refers to the ways in which these disorders interact or interfere with each other.
- 5.2 A 2008 study by Harvard Medical School's Department of Health Care Policy analysed the gambling data in the National Comorbidity Survey Replication (NCS-R). They discovered that survey participants with any other psychiatric disorder are 17.4 times more likely to develop pathological gambling than those without such problems. The largest study that examined the comorbidity of pathological gambling surveyed more than 43,000 representative Americans and concluded that almost 75 percent of those diagnosed with a gambling disorder also had a co-occurring alcohol use disorder, while almost 40 percent had a co-occurring drug use disorder.
- 5.3 Studies have also found that people with gambling disorders had very high rates of personality disorders (more than 60 percent), mood disorders (almost 50 percent) and anxiety disorders (more than 40 percent).

¹⁰ *Ritz Hotel Casino Ltd v Al Geabury* [2015] LLR 860 at [139].

- 5.4 Researchers have attempted to determine whether or not a gambling disorder precedes a co-occurring disorder, or vice versa. In 2008, researchers found that among those who were diagnosed with pathological gambling, 23.5 percent developed the gambling disorder before any other psychiatric problem. In contrast, 74.3 percent developed the gambling disorder after experiencing co-occurring disorders.¹¹
- 5.5 The research available on economic costs reveals what Professor David Forrest (Management School, University of Liverpool; member of the Advisory Board for Safer Gambling) has described in his 'An Economic and Social Review of Gambling in Great Britain' as "*a striking lack of consensus over methodology that suggests caution in taking any purported estimates of social cost too literally.*"¹²
- 5.6 Forrest identifies three key factors that influence measurement: 1) "*what should count as a social cost*"; 2) "*to what extent social costs associated with problem gambling are caused by gambling*"; and 3) how to "*place money values on any of the negative outcomes associated with problem gambling*"¹³.
- 5.7 The result is that researchers are given "*considerable scope...to exercise judgement in constructing their measure of social cost, with the risk that their own ideological perspectives may drive the results they report.*"¹⁴ For example, in 2016, the Institute for Public Policy Research ('IPPR') published a report entitled 'Cards on the Table'¹⁵. The authors of the report clearly state the study attempts to provide estimates of excess costs related to problem gambling but not caused by problem gambling as they are unable to control for the existence of other characteristics. In April 2019, the Government's Regulatory Policy Committee ('RPC') raised concerns about the IPPR report (along with a separate study by the Centre for Economics and Business Research on costs). The RPC commented on "*limitations in the available data*", noting that the Government had been "*unable to replicate the analysis, or to critique or test all of the assumptions that underpin the calculations and outputs*"¹⁶.
- 5.8 Perhaps the main contribution of these reports is to highlight the absence of any reliable and scientifically robust framework for assessing social and economic costs. This is therefore an area in which further independent research would be beneficial to the overall understanding of the effects of gambling in Great Britain.

¹¹ Kessler RC, Hwang I, LaBrie R, et al. DSM-IV pathological gambling in the National Comorbidity Survey Replication. *Psychol Med.* 2008;38(9):1351-60.

¹² Forrest, 2013a, p.21

¹³ Ibid.

¹⁴ Ibid., p.22

¹⁵ Thorley, Stirling & Huyhn, 2016

¹⁶ ADD CITATION

Q6. What are the social and economic benefits of gambling? How can they be measured and assessed?

6. Our members are a key part of the leisure and entertainment industry. Our industry employs over 106,000 people and contributes more than £14 billion to the UK economy. Of the 106,000 people employed in our industry, 56% are women and 24% are aged under 24. Jobs in our industry range from retail assistants in betting shops (each shop employing on average six members of staff), skilled croupiers in casinos to high tech jobs in online operators and suppliers. Our members also support training and apprenticeships, which is growing in provision.

6.1 Sport is also a major beneficiary. Horse racing receives over £350 million per annum through the horse racing industry levy, media rights and sponsorships. Racing in turn supports 59 racecourses across the UK, 85,000 jobs and delivers an economic value of £3.45 billion to the UK economy. For other sports, gambling supports everything from international sporting events to grass roots activities.

6.2 Betting and gaming companies and their staff play an active role in their communities. Over the past few years, support has been given to a range of charitable causes, including partnerships with Alzheimer's Society, Prostate Cancer UK, White Ribbon (campaign against domestic violence which was highly commended in the 2019 Business Charity Awards) and providing grants and funding to organisations like Cash4Clubs, Jessie May Children's Hospice at Home, Movember, Football In The Community, the Retired Greyhound Trust and the Special Care Baby Unit at Borders General Hospital.

Consumer enjoyment

6.3 The principal social and economic benefit of the gambling industry is to allow adults to engage in pursuits that they wish to do and find enjoyable. Reports such as the Business in Sport and Leisure, KPMG study on The Economic Value and Public Perceptions of Gambling in the UK found in terms of attitude towards gambling:

- a. Most people think that most forms of gambling are socially acceptable.
- b. 89 per cent gambled at least once in the previous year and a majority of the population gambled between one and three times each week.

6.4 The Government also published its response to the Budd report in 2002, "A Safe Bet for Success" which stated that: "In the Government's view the law should no longer incorporate or reflect any assumption that gambling is an activity which is objectionable and which people should have no encouragement to pursue. It is an important industry in its own right, meeting the legitimate desires of many millions of people and providing many thousands of jobs."

6.5 Economists traditionally measure consumption benefit by estimating consumer surplus. Consumer surplus describes the difference between the value that consumers ascribe to a product or service and the price that they pay to obtain it. As part of any official attempt to measure costs and benefits of gambling, independent work should be undertaken to calculate consumer surplus for gambling.

6.6 A recent study by Blackman et al. (2019) found not only higher levels of well-being among recreational gamblers than non-gamblers but also found that well-being increased with gambling engagement – except in those cases where problem gambling occurred. In the case of elevated and decreased well-being, the research identified correlation rather than causal relationship.

6.7 Research has also indicated that gambling can involve a range of additional benefits, including the opportunity for social engagement and increases in mental acuity. It is difficult to quantify these benefits but we believe that they should be recognised nonetheless. Forrest (2013a) notes *that "interaction with others is widely regarded in the psychology literature as important to a feeling of satisfaction with life. Much gambling takes place in social settings. The bingo hall can provide its patrons with a sense of camaraderie. Casino players appear to value social contact with dealers and other players (Cotte & Latour, 2009). Even in machine gaming, an apparently asocial mode of gambling, groups may form to turn the activity into a collective rather than an individual experience (Cassidy, 2012). All these are aspects of gambling which accord with ideas in psychology about what makes for happiness"*. It seems that many of these benefits will also apply in the case of online and mobile gambling, which often take place in social settings¹⁷.

6.8 Estimating the economic and social benefits of gambling is complex. We note that some of the psychosocial benefits of gambling (as with costs) may be difficult to estimate in monetary terms. Nevertheless, they should be acknowledged and more should be done within research to understand them.

Q7. Is the money raised by the levy adequate? How effective is the voluntary levy? ...

7. The first in this group of questions assumes that there is a clear understanding of a) how much is raised; and b) how much is required for research, education and treatment.

7.1 There has been a tendency in policy debates to focus exclusively on funding provided to GambleAware. However, this does not represent the sum total of contributions from our industry to research, education

¹⁷ Gambling Commission, 2019

and treatment ('RET') and is only a fraction of industry funding for harm prevention more widely.

7.2 We can however make assessments of funds raised in relation to the three-year National Responsible Gambling Strategy (or the 'NRGS') which set out the official approach to RET. Under the NRGS, the Responsible Gambling Strategy Board (now called the Advisory Board for Safer Gambling ABSG), the Gambling Commission and GambleAware agreed how much would be required for GambleAware to fulfil its responsibilities.

7.3 This does not include general expenditure by the Gambling Commission in pursuit of its responsibilities (which is funded separately by the industry through licence fees¹⁸) nor the direct costs to the industry, for example; in establishing and operating multi-operator self-exclusion schemes which have substantial resources.

Table 6: Funding targets/ funds raised for National Responsible Gambling Strategy 2016-2019

Year	Budget*	Contributions	Settlements**	Total	% of budget
2018/19	£9.5m	£9.6m	£7.3m	£16.9m	178%
2017/18	£9.3m	£9.5m	£5.0m	£14.5m	156%
2016/17	Not disclosed	£8.2m	£0.3m	£8.5m	n/a

Excludes GambleAware running costs ** Excludes funds from settlements allocated elsewhere Source: ABSG; GambleAware

7.4 In recent years, voluntary contributions from licensees to GambleAware in relation to the NRGS have been closely aligned to the budget set. With the inclusion of voluntary regulatory settlements there is now a sizeable reserve that has not been allocated to be spent.

7.5 In 2019, an additional £10m was contributed by our industry to RET that was outside the National Responsible Gambling Strategy. This included £3.7m to support the BetRegret Campaign (with media companies providing an additional £1.6m of resource). Direct support for organizations like [Young Gamers and Gamblers Education Trust \(YGAM\)](#), [Gordon Moody](#), [GamCare](#), [GAMSTOP](#) and others cover the remainder of the additional £10m contribution over and above contributions to GambleAware.

7.6 Therefore, if we are considering whether the industry has provided sufficient funds to meet the RET requirements identified by the RGSB/ABSG, then the answer would appear to be emphatically positive.

7.7 However, we recognise that there have been calls for greater funding. In 2018, the Gambling Commission published estimates for future

¹⁸ In 2018, the Gambling Commission received £19m in licence fees

funding indicating a range from £21.5m-£67m¹⁹. In response five major operators committed to increase their funding to 1% of GGY by 2023 (raising an additional £60m per annum). This strongly suggests that it should be possible to achieve the implied upper estimate of required funding (of £67m per annum)²⁰.

7.8As we have demonstrated (above), the current system does indeed appear to be working in achieving official targets for funding RET. Moreover, the effectiveness of the voluntary system has increased over recent years. Voluntary commitments by the largest operators to increase funding suggests that the voluntary scheme can be relied upon to achieve not simply current funding requirements but also a substantial and sustained increase in funding requirements.

7.9While a statutory levy may appear a straightforward policy measure to address funding, we would caution that there are potential downsides to this policy. A statutory levy would invariably incur additional costs to the state and to industry in administering such a scheme, consuming funding that could otherwise be better used. In addition, the shift from a voluntary scheme to a statutory one may result in a diminution of engagement and innovation in the industry and organisations carrying out work in research, education and treatment as responsibility is transferred to a new statutory body. In short, there are advantages to a system built on intrinsic motivation rather than coercion. Further, we observe that the gambling industry has provided funding – almost entirely exclusively – for RET for over 20 years.

7.10 We recognise that state spending on healthcare is under pressure but believe that it is worth considering the validity of requiring gambling companies to fund services that the state does not consider worthy of significant funding from public finances – even where finances are based upon additional taxation of the gambling industry.

7.11 The gambling industry contribute around £3bn a year in duties²¹ around £2bn of which relates to non-lottery products. We estimate that Her Majesty's Revenue receives at least £200m more in taxation each year than if instead of duties, the industry was subject to VAT.

Q8. How might we improve the quality and timeliness of research in the UK?...

A long-term and inclusive strategy

8. There is a need for a more expansive, pragmatic and coordinated approach to research. Further, research should be peer reviewed to ensure the independence and accuracy of all published works. We

¹⁹ <https://www.gamblingcommission.gov.uk/PDF/Review-of-RET-arrangements-February-2018.pdf>

²⁰ In April 2019, the chair of the Gambling Commission, Bill Moyes indicated that c£70m a year may be required

²¹ This is just a part of the industry's tax 'footprint' which includes corporation tax, VAT, business rates, PAYE and National Insurance Contributions.

would like to see the development of a proper research strategy, involving longitudinal studies of gambling and problem gambling behaviour and prevalence alongside applied research conducted in association with operators and treatment providers. As part of this approach, attempts should be made to synthesise findings and identify practical solutions.

Data sharing

8.1 We support the Gambling Commission's ambition to create a data-sharing hub. Procedures will need to be put in place to ensure the safe handling and use of data and to ensure that researchers understand and use any data responsibly and accurately. Given the complexity and heterogeneity of data held by different operators, a scoping study should be carried out to ensure data comparability, coherence and reasonableness of data requests and efficient use of resources.

Evaluating legislative change

8.2 In addition, changes to regulation and legislation that have occurred to date should be assessed. With a small number of exceptions, this has been largely ignored over the last 18 years. We consider that where regulatory relaxation or tightening are concerned, there should be trials. In this way, the consequences of restrictions can be better understood before full enactment.

Understanding positive play

8.3 We support the recommendation made in the Report of the Gambling Review Body in 2001 (the 'Budd Report') that the benefits of gambling should be studied in addition to harms. This is critical to provide balanced policy that "*puts the customer at the heart*" (as the Gambling Commission has urged).

8.4 To date, there has been almost no official research carried out on consumer benefits and positive play; and it has been indicated that there is no official appetite to conduct such work. This appears to us to be imbalanced. The current stigma attached to industry involvement in any form of research currently restricts and discourages the engagement by industry and academics for fear of attack by commentators. Therefore, official government commissioned and independent research on the benefits of gambling would substantially inform the current debate on gambling. Without this, it seems likely that academic experts will continue to feel intimidated about engaging in such work for fear of criticism, particularly on social media.

Q9. If, as the RGSB has suggested, there is limited evidence on which to base sound decisions about gambling by children and young people, what steps should be taken to rectify this situation?...

9. At present the Gambling Commission's annual survey of gambling by 11-to-16-year-olds is the principal research vehicle for understanding gambling – and problem gambling – behaviour by children. As we have noted earlier, a high degree of caution is required when attempting to draw conclusions from this data – including interpretation and sample sizes. We suggest that this survey be continued but that thought be given to using a larger survey sample and that the research methodology be independently reviewed in the light of latest research into youth studies.

9.1 We note too that the Avon Longitudinal Study of Parents and Children ('ALSPAC') has provided some useful information about gambling by young people and, in particular, how gambling attitudes and behaviours change as children grow up. There has also been a number of studies of gambling by children and young people. However, there appears to be an absence of coordination between these projects.

9.2 We recommend that consideration be given to developing a research strategy to enhance understanding of gambling by children and young people.

Q10. Is enough being done to provide effective public education about gambling? If not, what more should be done?...

10. Public education about the potential risks of gambling is still relatively undeveloped in the UK. In recent years substantial sums have been invested in this area – most prominently through the Senet Group's 'When the Fun Stops Stop' and 'Bad Betty' campaigns; and more recently through GambleAware's 'Bet Regret' campaign. There has also been a number of schools-based initiatives through organisations such as GamCare, YGAM and Fast Forward. Some operators have also significantly increased commitment to this area.

10.1 In order to assess effectiveness, it is important to understand – prior to commencement – the aims that the public education programme is designed to achieve. For example, research has shown that public education programmes may be successful in raising awareness of risks but have little positive effect on behaviour (and sometimes may result in unintended negative consequences).

10.2 At present, there is little coordination between public health campaigns (to raise awareness of risks at a population level), operator-led campaigns (to encourage moderation and play management by their customers) and treatment campaigns (to encourage help-seeking). It is likely that an overarching strategy may be required to link each of these elements.

10.3 We believe that public education should be a focus of any strategy to reduce harms – but that simply increasing scope of current initiatives without attempting to gauge effects and recalibrate may not be a good use of resources. There is likely to be merit in understanding

what lessons may be learned from other jurisdictions (notably Canada, which has pioneered education campaigns in relation to gambling) and other domains (e.g. alcohol).

Q11. Are the services available for the treatment and support of people at risk of being harmed by gambling sufficient and effective?...

Expansion of provision

11. We support the expansion of treatment services in UK. Currently we continue to support and fund existing services delivered by Gordon Moody Association, GamCare's 120 treatment centres located throughout the UK and their youth outreach programme, the National Gambling Helpline, YGAM and Netline. Through continued funding by our industry over more than 20 years, these charitable services are able to provide free of charge treatment, support & advice services for anyone affected by gambling. Based upon the recent increase in funding by our largest operators, as well as plans published under the NHS Long-Term Plan, it seems likely that the resources necessary to achieve a substantial expansion of treatment and support can be met. The critical challenge is to ensure that funds are spent wisely to support those in greatest need.

Improvement of services

11.1 There is little research currently available into the effectiveness of treatment services in Britain. There has also been no systematic attempt to understand the full extent of treatment provision across the country (outside services funded by GambleAware). Importantly, it should be noted that not everyone with a gambling disorder will need treatment. As Blaszczyński (2017) observes, only those for whom gambling is the primary disorder should receive treatment for problem gambling: *"In diagnosing the condition [problem gambling], it is important to rule out any other psychiatric explanation - for example. a bipolar or psychotic (schizophrenia) disorder - that might be the main cause of excessive gambling²²."*

11.2 While it is commonly stated that only 2% to 3% of problem gamblers receive treatment, these estimates ignore therapy services provided by Gamblers Anonymous, by private organisations, by the National Problem Gambling Helpline and by community and health groups. It also ignores findings from the AMPS 2007²³ that a high proportion of problem gamblers access non-gambling-specific mental health services.

11.3 The ambition should be to provide treatment and support based around the needs of the individuals concerned. Research has indicated

²² Blaszczyński, 2017, pp.124 - 125

²³ Cowlshaw & Kessler, 2016

that, for some, helplines can be effective in achieving moderated behaviour and/or abstinence. The value of such services for people with lower severity gambling disorder should not be discounted.

- 11.4 Research indicates that most problem gamblers correct their behaviour without recourse to formal treatment services; and that relapse is a significant factor in sustaining levels of problem gambling. It is likely that efforts to improve long-term effectiveness of treatment services may be more effective.
- 11.5 Clearly, more effective prevention measures – such as encouraging healthy approaches to gambling and providing customers with tools to manage their play – should be expected over time to reduce the number of individuals who require help in relation to their gambling.

Encouraging greater use of treatment services

- 11.6 A recent study²⁴ has indicated that the biggest single reason for not seeking help is the belief that the individual concerned can address his or her gambling problems without the need for formal help. Given high levels of self-correction, this may be a rational point of view for some – but certainly not all – problem gamblers.
- 11.7 We suggest that taking steps to destigmatise help-seeking may help. Communications and sign-posting to treatment providers should be supportive, reassuring, relevant and non-judgemental. We should consider that public criticism of treatment services (particularly on social media) may undermine help-seeking.
- 11.8 A better understanding of pathways to problem gambling and stronger links between specialist treatment services (e.g. GamCare and its partners) and operators, healthcare providers (GPs or other mental health services for example), homelessness services, the criminal justice and penal system may increase use of treatment.

Q12. What steps should be taken to better understand any link between suicide and gambling?

12. Suicide is a complex issue and the examination of any links to gambling or disordered gambling requires great care and sensitivity.
- 12.1 We suggest that a collaborative and careful approach to understanding linkages is required. The aim of research should be to explore what is clearly a difficult subject and provide pragmatic solutions.

Q13. The RGSB has said "we are in danger of inadvertently conducting an uncontrolled social experiment on today's youth, the

²⁴ INSERT CITATION

outcome of which is uncertain but could be significant.” Do you agree?...

13. The fact that only companies licensed by the Gambling Commission may advertise in the UK provides an important means for customers to identify legal from illegal operators. It also provides a means for companies to inform gambling consumers about the products that they enjoy.
- 13.1 The rules governing gambling advertising have recently been significantly strengthened with both new Advertising Standards Authority (ASA) and the Committee of Advertising Practice (CAP) standards. ASA standards introduced this year further protect children and young people by prohibiting online ads for gambling products being targeted at groups of individuals who are likely to be under 18 based on data about their online interests and browsing behaviour; extensively listing unacceptable types of content and further restricting advertising content such as any messaging that creates an inappropriate sense of urgency.
- 13.2 Our members acknowledge that there is both public and political concern about the quantity and in some cases the content and tone of gambling advertising. Through self-regulation a voluntary ‘whistle to whistle’ ban was recently introduced on all TV sport advertising (excluding horse and greyhound racing) before 9pm. This ban commences 5 minutes before the sporting event begins and ends 5 minutes after the event ends, which commenced on 1st August 2019.
- 13.3 To date, there has been a limited number of studies of attitudes of schoolchildren in this country towards advertising. The April 2019 report by CAP entitled “Gambling Advertising: Protecting Young People and Children”, suggested that “the evidence base does not suggest gambling advertising that complies with the UK Advertising Codes is likely to cause harm to under-18s.” Against this, we must balance studies of Gambling Commission survey data that have shown a dramatic reduction in both gambling and gambling on age-restricted products by 11-to-15-year-olds.
- 13.4 In addition, the proportion of young adults (aged 16-24 years in the combined Health Surveys) gambling has also declined. Based upon this information – alongside research on the effects of advertisements on adults which indicate low influence on gambling initiation – we view with scepticism claims that the relaxation in advertising laws has led to increased gambling participation by children and young adults.
- 13.5 We note that a number of official research studies have been commissioned – and so far these have failed to provide support for legislative intervention. We believe that the inclusion of youth studies within a longitudinal approach to understanding gambling would help guide approaches to advertising in the future.

Future regulation

13.6 Any consideration of future legislative changes should – as with all such changes – seek to understand and balance benefits and costs. Important restrictions on advertising have been implemented in recent years through self-regulation and the actions of regulatory bodies without the need for legislation. We believe that this approach offers the greatest opportunity for agile responses to concerns while allowing benefits to be retained for recreational gamblers.

13.7 It is also critical to understand the chain of advertising, in particular the role of online platforms. Further efforts need to be made by online platforms to prevent under-age access to gambling advertising through measures such as age-gating and their own customer profiling tools.

International comparisons

13.8 We believe that the Government and Gambling Commission should continue to monitor developments across a range of markets in order to understand effects. We identify four key markets where monitoring would be particularly beneficial in terms of understanding policy outcomes:

- Italy: where a complete advertising ban has just been enforced (but caused considerable confusion in its detail and is now causing efficacy concerns for the regulator)
- Sweden: where a legislative requirement to advertise 'in moderation' is being tested in the and may give rise to further legislative intervention (after only 6 months)
- Belgium: where a new set of restrictive regulations on gambling advertising has just come into force (strengthening and codifying enforcement and restrictions)
- Spain: where regions are already taking restrictive action on broadcast advertising and a national attempt to create an advertising watershed (or a complete ban) is ongoing

13.9 It should be noted that while all of this activity will be instructive from a policy and impact perspective to Britain's policymakers, none has yet had sufficient time from an implementation standpoint (if at all) for clear conclusions to be drawn. The impact of markets opening from an advertising perspective should be considered to be just as instructive to potential harm and benefit as those being restricted, in our view.

Q14. Gambling is becoming an integral part of a growing number of sports... What are the risks attached to this?

14. The relationship between gambling and sports has existed in various formats for centuries. In some sports (horseracing and cricket for instance), wagering played a seminal role in their establishment, structure and growth. This continues to be the case today where gambling companies provide significant financial resources for professional and grass roots sport in the UK.

- 14.1 In recent years, linkages have become more visible and more complex as a result of developments such as advertising through sport to non-UK based customers. For example, for the 2019/20 English Premier League season, the vast majority of gambling shirt sponsors are largely or entirely non-UK facing brands.
- 14.2 Further, we understand concerns that sponsorship should not glamorise gambling to children. Gambling sponsor logos on youth sizes on replica kits is banned. We note the point raised in Cassidy (2017) that some children outgrow youth sizes with the result that parents then have no choice but to purchase adult replica kits. We believe that by working with researchers and concern groups we can address these concerns in a targeted fashion.
- 14.3 The development of adtech means that it may soon be possible for TV viewers to be able to filter out gambling advertisements (TV spots and perimeter advertising). We believe that this area offers tremendous promise as a targeted means of addressing risk.
- 14.4 There may also be opportunities to use relationships between gambling sponsors to promote awareness of the risks of gambling. In 2018, a major operator started using high profile former sports stars to promote safer gambling and to encourage use of play management tools (deposit limits, time-outs and self-exclusion)²⁵. This seems to be a promising area to evaluate and expand upon.
- 14.5 What is critical is that all parties – sponsors, rights-holders, media companies, kit manufacturers - participate actively in this process.

Q15. How are new forms of technology affecting children's experiences of gambling? ...

15. As we have noted earlier, participation by children in activities legally designated as gambling has fallen significantly over the last eight years. Gambling on age-restricted products (including online gambling) has also fallen dramatically. Given tightening of age verification procedures and the removal of free-to-play content from pre-registration pages, it seems plausible that these trends will continue.
- 15.1 We are aware of concerns that children may be participating in activities that are similar to gambling without meeting the criteria established by the Gambling Commission. These activities may include participating in 'social games' (e.g. casino, bingo or slots-style games where credits gained cannot be redeemed as cash) or in gambling-style features within video games (such as 'loot boxes'). The limited research conducted on these to date suggests that further regulatory attention may be required.

²⁵ We note examples from other domains – such as Heineken's use of the former Formula One champion, Jackie Stewart to promote total abstinence from alcohol consumption when driving

15.2 We note a recent GambleAware study on advertising identified concerns in relation to how social media may affect attitudes and relationships with gambling among children. This is an area that warrants further attention and we are working with social media companies on this matter.

Questions 16 -19 - we have elected not to answer these questions as our members' products are strictly for those aged 18 and over and our members do not operate lotteries.

6 September 2019