

Not a Game

*A call for effective protection
from the harms of gambling*

May 2021



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About the CSJ:

Established in 2004, the Centre for Social Justice is an independent think-tank that studies the root causes of Britain's social problems and addresses them by recommending practical, workable policy interventions. The CSJ's vision is to give people in the UK who are experiencing the worst multiple disadvantages and injustice every possible opportunity to reach their full potential.

The majority of the CSJ's work is organised around five 'pathways to poverty', first identified in our ground-breaking 2007 report Breakthrough Britain. These are: educational failure; family breakdown; economic dependency and worklessness; addiction to drugs and alcohol; and severe personal debt.

Since its inception, the CSJ has changed the landscape of our political discourse by putting social justice at the heart of British politics. This has led to a transformation in government thinking and policy. For instance, in March 2013, the CSJ report It Happens Here shone a light on the horrific reality of human trafficking and modern slavery in the UK. As a direct result of this report, the Government passed the Modern Slavery Act 2015, one of the first pieces of legislation in the world to address slavery and trafficking in the 21st century.

Our research is informed by experts including prominent academics, practitioners and policymakers. We also draw upon our CSJ Alliance, a unique group of charities, social enterprises and other grass-roots organisations that have a proven track-record of reversing social breakdown across the UK.

The social challenges facing Britain remain serious. In 2021 and beyond, we will continue to advance the cause of social justice so that more people can continue to fulfil their potential.

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Participation and contribution to this report does not indicate that each participant agrees with all the points raised or recommendations published.

Foreword:

Sir Iain Duncan-Smith

The gambling industry now poses a very real threat to our communities and the time has come to get a hold on this pernicious addiction which has such a strong connection to social problems, including drug and alcohol addiction, debt, family breakdown and crime.

Since the 2005 Gambling Act the disastrous consequences of an underregulated and enormously powerful industry have caused many to fall into a spiral of debt and mental and emotional turmoil sometimes to tragic effect.

Only wholesale reform can meet the scale of the challenge posed by the well-engineered and sophisticated practices of the gambling industry to recruit and retain their customers. Through a deluge of advertising that now dominates spectator sports and through considered social media marketing - the use of technology to target and influence often vulnerable people is striking. While we call for a broad range of bold measures including the ban on all gambling advertising, the use of a smart levy, and greater access to recovery services, we recognise in the issue of affordability an area of policy capable of substantially mitigating the harms caused by gambling.

We must use technology and data informed models to identify those most in need of help and reach out to them. We call for a model that uses a strong independent ombudsman to analyse essential banking data to identify those in need of support and protection from gambling related harm. With the ombudsman's intervention, we can protect the fundamental rights of individuals to express personal and financial agency while achieving necessary levels of protection to people and their families heading for financial exclusion and serious harm as a result of their gambling.

This is, I believe, a very conservative action to take and one which would help those in the poorest communities enormously.

Carolyn Harris

We have long called for truly independent and effective affordability checks. Today, our gambling legislation is hopelessly and dangerously out of date. While huge profits are made and bonuses are paid inside the gambling industry, too many families are exposed to poverty and all the social injustice and hardship that follows.

Throughout my time as the Chair of the Gambling Harms APPG I have heard first-hand accounts of the real impact of problematic gambling on real people. Often vulnerable people with multiple and complex needs, chasing losses and suffering a compulsion to gamble yet more of their future away. I have heard from bereaved parents and dispossessed spouses, many of whom are confused and frustrated with a system that could do better but inexplicably does not.

We believe that tackling this issue must involve a whole system approach to reform, from the use of tools already available such as the gambling levy, doing much more in prevention and recovery through to imposing advertising bans.

However, this timely report calls for a data led approach to identifying person specific and real time financial harms, it calls for the use of existing technology to be employed to ensure a robust and proportionate response capable of delivering real protection. It calls for a truly independent regulator with the powers of an ombudsman to act swiftly and fairly to create affordability checks that will work.

These measures can save lives and further delay is inexcusable.

Executive Summary:

Affordability measures must be urgently introduced in order to protect not only the people with a gambling disorder and those at risk but their families too. I have spent many years in my clinical role witnessing the destruction that gambling related financial harm can cause, it is time to protect people from further damage. This report offers a model to identify wide-scale gambling-related harm at an early stage allowing effective interventions to be implemented.

Prof Henrietta Bowden-Jones OBE, Director, National Problem Gambling Clinic.

For a great many, gambling is not a game. They find themselves, their loved ones, or someone they know suffering from gambling-related harm. As technology makes gambling more accessible than ever, data analytics, sophisticated targeting of advertisements and gameplay design allow gambling operators to influence behaviour like never before. As a result, the prevalence of gambling has increased by 57 per cent in the last decade¹ with a 2019 survey by the Gambling Commission finding that 47 per cent of UK respondents had gambled in the previous four weeks.² Correspondingly, the gambling industry has exploded across online platforms, with profits from licensed online gambling operations increasing from £1 billion to £5.3 billion between 2009 and 2019 and the overall gross gambling yield (GGY) increasing to over £14.36 billion a year.³ And yet, as more people are exposed to gambling products they are also exposed the harm gambling can cause.

The impact of gambling-related harm is varied and wide-ranging, affecting millions of gamblers, families, and communities. Debt, financial losses, relationship breakdown, homelessness, worklessness, suicide, and high rates of crime are consistently reported by researchers, treatment workers, and gamblers as direct consequences of gambling. This is illustrated in a ground-breaking study published in February 2021 by researchers from the University of Oxford and Warwick. Analysing banking data, the report found that that high levels of gambling are associated with increases in financial distress, unemployment, physical disability and a substantial increase in mortality while at the same time being associated with decreases in lifestyle, health, and well-being. Most worryingly, the study identified gambling-related harm in the majority of gamblers they studied, breaking the narrative that it is only “*problem gamblers*” who are impacted by gambling-related harm.

Sadly, for each disordered gambler - someone whose gambling disrupts or harms their health and wellbeing - there are families, friends, and colleagues who are directly impacted, with estimates suggesting that between six and ten additional people are directly affected.⁴ As a result, the CSJ estimates that millions of non-gamblers in Great Britain are affected by gambling-related harm each year. Without a clear understanding of gambling-related harm, creating effective regulation and policy to address the problem remains challenging. We recommend the development of an index of harm, building upon existing frameworks such as the Problem Gambling Severity Index (PGSI), that can be used for research, regulation, and treatment.

Given the severity of the harm caused by gambling, increased investment in treatment for disordered gambling, although valuable and necessary, will not solve the problem. Instead, regulation that tackles the issue of gambling-related harm at its source is vital consumer protection in the gambling industry. A promising answer lies in the use of technology and big data to identify, target, and prevent gambling-related harm. New technology can harness large and complex datasets allowing for agile, targeted, and highly personalised consumer protections. For this reason, the CSJ proposes the establishment of an affordability system that creates a detailed and real-time picture of an individual's financial circumstances and betting history to help determine the affordability of their gambling. The issue of affordability checks is commonly discussed regarding gambling

1 National Audit Office. (2020). Gambling regulation: problem gambling and protecting vulnerable people - National Audit Office (NAO) Report. [online] Available at: <https://www.nao.org.uk/report/gambling-regulation-problem-gambling-and-protecting-the-vulnerable/> [Accessed 24 Feb. 2021].

2 Gambling Commission (2020), Gambling Participation in 2019: behaviour, awareness and attitudes

3 National Audit Office. (2020). Gambling regulation: problem gambling and protecting vulnerable people - National Audit Office (NAO) Report. [online] Available at: <https://www.nao.org.uk/report/gambling-regulation-problem-gambling-and-protecting-the-vulnerable/> [Accessed 24 Feb. 2021].

4 [https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer per cent20publications/Out per cent20ofpercent20Luck.pdf](https://www.citizensadvice.org.uk/Global/CitizensAdvice/Consumer%20per%20cent20publications/Out%20per%20cent20of%20percent20Luck.pdf)

regulation, raising some question as to what is intended by the term “affordability”. Any level of participation in gambling might well be regarded by some as financially imprudent or unaffordable in the strictest sense. However, restricting spending which may be regarded by some as unwise, irrespective of its level, could be an unnecessary intrusion into people’s rights and is far from our aim in this free and liberal society. The CSJ interprets the term affordability to apply to the impact of financial harm that results from gambling. By analysing gambling behaviour in spending, affordability checks can offer a concrete solution when an individual has clearly lost control of their spending. As such, affordability checks are applicable only when an individual is faced with identifiable financial harm as a result of their gambling behaviour. Banks possess the requisite data to holistically assess an individual’s financial situation in real-time, we propose a system that utilises this through a third-party ombudsman. This can be done by building upon existing frameworks from Open Banking and credit agencies.

At the centre of this approach is regulation that creates a duty of cooperation between banks, gambling operators, and a truly independent regulatory body. This report recommends that government establish a third-party ombudsman for consumer protection with statutory authority to carry out affordability checks by working with banks, gambling operators, the Financial Conduct Authority, and the Information Commissioner’s office.

The ombudsman would be responsible for carrying out effective affordability checks, balancing the need for customer protection and personal agency. Working closely with banks, the ombudsman would rely on an algorithmic matrix to identify key indicators of unhealthy gambling behaviour and levels of harm. This means that precise and comprehensive account details need not be handed over in bulk - ensuring that the proposed model is not disproportionately intrusive. Such a model would be under continual review. By way of example only, it might recognise markers such as: depleted resources, missed payments or the use of payday loans as the gambling spend grows.

When an individual reaches a level of harm on an agreed scale, the ombudsman alone, rather than any banks, credit agencies, or any other third party will determine a course of action: directing operators on levels of risk and mandate limits, slowing rates of play or even - in the most serious cases - it might notifying all operators that it would be unsafe to accept another bet from that person. In this way, the most severe harms could be substantially mitigated while allowing for early intervention - capable of addressing behaviours as they begin to develop and increasing the opportunities for effectively preventing deterioration into more harmful behaviours.

This system of affordability checks is an effective way to mitigate the worst cases of gambling-related harm, but by no means is it an answer to all gambling-related harm. In this regard, the CSJ welcomes a wide variety of proposed interventions to address the personal, societal, and economic harms that gambling presents. While we aim to keep this report focused on affordability checks and their implementation, it is necessary to propose this policy within a broader framework of regulation. For that reason, we would call for: a renewed focus on research and analysis of gambling-related harm;⁵ a step-change in addiction treatment and recovery services as set out in our previous report ‘Road to Recovery’;⁶ and a ban of all gambling advertisements, inducements, and marketing.⁷ We aim to push the policy debate beyond assessing the totality of gambling-related harm in the UK to finding a concrete solution for the harms of gambling.

Ultimately, the implementation of affordability checks will result in better regulation that protects an individual’s agency to gamble while ensuring that fewer people, families, and communities suffer from gambling-related harm. It is imperative that action is taken to address the issue of gambling-related harm. The CSJ believes that these affordability measures are an effective solution that will have a wide-ranging impact for years to come.

5 See Annex A

6 See Annex B

7 See Annex C

Introduction:

Something must be done to stop people from gambling away their lives. I started gambling with my friends at a young age and sadly never stopped until it was too late. Whenever things weren't going my way, I turned to gambling. It was my coping mechanism and not a very good one. On many occasions, I spent more than I could afford, but I always thought that I could win it back. Eventually, I lost my friends, family, and even my house. I was deep in debt and had lost everything I cared about. Looking back, none of my actions were rational, but they made sense to me then. I couldn't help myself.

- Lived experience gambler

Twenty years after the controversial Budd Report that set the stage for the Gambling Act 2005, there is still much debate about the impact of gambling in Britain. Years of arguments for and against gambling, multiple changes to existing gambling legislation, and growing dissatisfaction with gambling-related harm have set the stage for a government review of the Gambling Act. The COVID-19 pandemic and following lockdown further underlined the need for greater protections for people who can gamble online from any location, at any time and at any level. In December of 2020, government launched a public consultation to review this “analogue law in a digital age”⁸.

In this review, the Government has pledged to evaluate areas such as loot boxes in video games, stake limits, the use of loans and credit to gamble, and new ways of raising revenue for gambling regulation and addiction support. With the rapid evolution of smartphones, online gaming, social media, data analysis and online gambling, government regulation of gambling has fallen far behind the rate of innovation. Indeed, most of the protective measures seen in land-based gambling do not apply to online variants, because, unlike other countries such as Spain, Italy, and Australia the UK has few restrictions when it comes to online gambling. Meanwhile, the powerful gambling lobby, rich from proceeds often garnered from the most vulnerable gamblers, has successfully avoided effective and adequate regulation. It has become increasingly clear that there is a need for immediate action to protect those suffering intolerable harms.

Fortunately, in recent years, gambling reform has become a cross-party priority. Initiatives include an All-Party Parliamentary Group for Gambling-related Harm, Chaired and Vice Chaired by Carolyn Harris, Deputy Leader of the Welsh Labour Party and Sir Iain Duncan Smith former leader of the Conservative Party, and other prominent members of government. Many of these parliamentarians have been involved in the publication of several reports on gambling and gambling-related harm, including: the APPG's report on online gambling-related harm, the House of Lords inquiry on the social and economic impact of the gambling industry; the Public Accounts Committee's report on gambling regulation; the Labour Party's review of problem gambling; and a report by the National Audit Office (NAO) on gambling regulation. These reports centre political and public debate on the issue of gambling reform, which we aim to build upon in this report.

The House of Lords Select Committee on the Social and Economic Impact of the Gambling Industry, the APPG on Gambling-related Harm and others have made numerous recommendations with the goal of consumer protection. These include increasing regulation of products, using independent regulators that are not tied to the industry, restricting in-play sports betting, decreasing the speed of online games, and providing accurate information to consumers. In response to these recommendations, the industry has warned of gambling users being driven to illegal websites, although, currently, there is no conclusive evidence of this occurring in response to regulation. When Fixed Odd Betting Terminals (FOBT) stakes were reduced from a maximum of £100 to a maximum of £2 per play, gambling operators warned of similar effects, but while there has been a minor increase in unlicensed gambling, it is far less than predicted.⁹ These measures are a good start, but more must be done.

8 https://assets-global.website-files.com/5da42e2cae7ebd3f8bde353c/5dda924905da587992a064ba_Conservative%202019%20Manifesto.pdf

9 https://bettingandgamingcouncil.com/uploads/Downloads/PwC-Review-of-Unlicensed-Online-Gambling-in-the-UK_vFinal.pdf

As it is the responsibility of the gambling regulator to ensure that consumers are protected from disproportionate harm, this report focuses on affordability checks as a targeted measure to protect the most vulnerable. The CSJ believes that these checks are an effective solution to address gambling-related harm at its source. Unlike paternalistic regulation, affordability checks are an evidence-based, data-driven, safe, accurate, and practical solution to protect the most vulnerable. It is imperative that we take this step to tackle the egregious gambling-related harms in society.

Chapter 1: Understanding Gambling-Related Harm: it's not just “*problem gamblers*”:

Gambling-related harm impacts a wide variety of individuals, ages, and occupations. While gambling itself is common in today's culture, few understand the full range of gambling-related harm. In this chapter, we consider the full spectrum of gambling-related harm and the way it is described to examine the assumptions of industry propagated terminology. Finally, we propose that further research is conducted to better understand the true extent and nature of gambling related harm with the creation of an index of harm to assist with identifying those in need of assistance.

The state of gambling in the UK:

Disordered gamblers who chase losses do not act rationally. They are the very personification of a vulnerable customer. How much longer can the UK finance sector stand idly by and watch as customers fall victim to their addiction and empty their bank accounts overnight on payday? This harms both themselves and their families.

- Martin Jones, father and advocate who lost his son to gambling-related suicide.

Gambling is not new, but in recent years it has seen massive growth in the UK.¹⁰ Since 2014, licensed gambling has registered growth of £4.1 billion which is largely attributed to a rise in online and mobile gaming operations.

Regrettably, these gambling profits are drawn from the significant losses of consumers, including the most vulnerable gamblers. In 2019, gamblers in the UK collectively lost over £14.5 billion to bookmakers, casinos, lotteries, and other gambling platforms.¹¹ The large scale of gambling losses (revenue for the gambling industry) is an indication of the growing size and scale of the market. Gambling is increasingly normalised in sport and culture as individuals in society are constantly bombarded with advertisements depicting the positive aspects of gambling. Excluding the lottery, an estimated nine million people gamble each year in the UK, more than half online.¹²

Gambling is proven to be a highly addictive behaviour, that leaves marked changes to a person's brain, function, and behaviour.¹³ Gambling by its very nature is a highly addictive activity that disproportionately affects vulnerable and youth gamblers.¹⁴ With this in mind, it is critical that any regulatory interventions take into account the impact that addiction has on disordered gamblers and their behaviour.

As with other addictions, changes in behaviour and actions due to gambling have massive implications, often resulting in harm to the gambler, their family, and friends. Langham et al. derived a list of 72 distinct harms caused by gambling.¹⁵ These harms can be both long and short term and include mental health problems (which can also cause gambling problems), relationship difficulties, family breakdown, large-scale financial loss and in some cases crime or suicide. The range of harm experienced differs from person to person and is heightened by poor or negligent conduct from gambling operators. Gambling operators often encourage people to increase their gambling through inducements, marketing, and algorithmic recommendations on gambling platforms. This is compounded by an industry that demonstrates a lack of regard for customer safety. Indeed, operators have

10 National Audit Office. (2020). *Gambling regulation: problem gambling and protecting vulnerable people - National Audit Office (NAO) Report*. [online] Available at: <https://www.nao.org.uk/report/gambling-regulation-problem-gambling-and-protecting-the-vulnerable/> [Accessed 24 Feb. 2021].

11 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. *Nature Human Behaviour*. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w.epdf> [Accessed 24 Feb. 2021]. Cassidy, R. *Vicious Games: Capitalism and Gambling* (Pluto Press, 2020).

12 Ibid.

13 Jabr, F. (2013). Gambling on the Brain. *Scientific American*, [online] 309(5), pp.28-30. Available at: <https://www.scientificamerican.com/article/how-the-brain-gets-addicted-to-gambling/> [Accessed 8 Mar. 2021].

14 L.Degenhardt, 2007, 'Epidemiological patterns of extra-medical drug use in the US', *Drug Alc Dep* 2007.8

15 Langham, E. et al. Understanding gambling related harm: a proposed definition, conceptual framework, and taxonomy of harms. *BMC Public Health* 16, 80 (2016).

been fined by the Gambling Commission for violations of the Licensing Codes and Practices (LCCP) multiple times over the past year, with these fines totalling £44 million in the past year alone.^{16 17}

Gambling Terminology:

As gambling-related harm has emerged in public discourse, research, and regulation, a range of terms - sometimes promoted by the gambling industry - have emerged to describe gambling-related behaviour in both common and more specialised vernacular. This includes terms such as “*responsible*” gambling or labelling gamblers as “*at risk*” and “*problem*”. These terms, however, are far from neutral and the assumptions contained therein risk distorting our understanding of the true nature of gambling-related harm.

For example, the term “*responsible*” implies that individuals who are disordered gamblers are not responsible, disregarding the addictive nature of gambling. Additionally, the terms “*at-risk*” and “*problem*” suggest that there is only a small segment of gamblers who are suffering from harm. This is simply not the case. Muggleton et al. provide clear evidence that shows that even gamblers who are in the bottom quadrant of the gambling spend experience gambling-related harm. We recommend that as researchers, clinicians, and policymakers gain a greater understanding of the harm that gambling causes, terminology must be engendered which reflects an ever-more nuanced conceptualisation of gambling-related harm.

After speaking with EBEs, clinicians, and researchers, the CSJ has decided to use the term “disordered gamblers” in this report to refer to someone whose gambling disrupts or harms their health and wellbeing. However, throughout this text, we rely on research and quotations that use “*problem gambling*” as both a metric and a term. As a result, we use this term out of necessity throughout this report.^{18 19}

Understanding gambling-related harm:

In order for problem gambling to be addressed, there must be an accurate understanding of gambling-related harm and its potential. Researchers have identified a range of different factors that are found in gambling-related harm:

- Loss of employment
- Experience of bankruptcy and/or debt
- Crime associated with gambling
- Relationship problems/breakdown
- Health-related problems
- Suicide and suicidality²⁰

These effects are clearly illustrated in a ground-breaking report published this February, ‘*The Association Between Gambling and Financial, Social and Health Outcomes in Big Financial Data*’.²¹ The study, led by academics at Oxford and Warwick universities, is the largest of its type. Rather than using self-reported data on gambling habits, researchers tracked banking transactions of over 100,000 individuals to gain accurate data on gamblers

16 Wardle, H., Reith, G., Best, D., McDaid, D. & Platt, S. Measuring Gambling-related Harms: A Framework for Action (Gambling Commission, 2018). Browne, M. & Rockloff, M. J. Prevalence of gambling-related harm provides evidence for the prevention paradox. *J. Behav. Addict.* 7, 410-422 (2018).

17 <https://www.gamblingnews.com/news/fines-paid-by-gambling-businesses-exceed-44m-in-2020/>

18 Markham, F. and Young, M. (2013). *Disordered gambling: focusing on more than just “problem gamblers.”* [online] The Conversation. Available at: <https://theconversation.com/disordered-gambling-focusing-on-more-than-just-problem-gamblers-16607> [Accessed 28 Mar. 2021].

19 [Addictionblog.org](https://addictionblog.org). (2016). *What is disordered gambling?* [online] Available at: <https://gambling.addictionblog.org/what-is-disordered-gambling-problem/> [Accessed 28 Mar. 2021].

20 Wardle, H., Reith, G., Best, D., McDaid, D. and Platt, S. (2018). *Measuring gambling-related harms A FRAMEWORK FOR ACTION*. [online]. Available at: <https://www.gamblingcommission.gov.uk/PDF/Measuring-gambling-related-harms.pdf> [Accessed 24 Feb. 2021].

21 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. *Nature Human Behaviour*. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w> [Accessed 23 Feb. 2021].

tendencies.²² The results are stark:

Gambling is associated with higher financial distress and lower financial inclusion and planning, and with negative lifestyle, health, well-being and leisure outcomes. Gambling is associated with higher rates of future unemployment and physical disability and, at the highest levels, with substantially increased mortality. Gambling is persistent over time, growing over the sample period, and has higher negative associations among the heaviest gamblers.

There are certainly blind spots in our understanding of gambling-related harm domestically outside of the Oxford-Warwick study. A recent report by KCL, 'Identifying Research Priorities on Gambling-Related Harm' stated that, "we found a lack of conceptual literature on what constitutes a 'gambling-related harm' and a related lack of scholarship on how to measure such a harm. Although not a targeted part of the review per se, we were struck by the limited body of work defining harms and how to measure them."²³ There is, nevertheless, evidence that creates real cause for concern about the impact of gambling related harm. In the following sections, we explore the impact of gambling-related harm on not only an individual level but also the broader societal and economic impact of gambling. In the following sections, we explore the impact of gambling-related harm on not only an individual level but also the broader societal and economic impact of gambling.

The impact of gambling on physical and mental health:

This is just the kind of approach to examining gambling-related harm which is needed: it takes a broad approach, covering the several different realms of harm that commonly occur, including the very important but so often neglected harm to others, especially harm to affected child and adult family members.

Jim Orford, Emeritus Professor of Clinical and Community Psychology, the University of Birmingham and Visiting Professor of Gambling Studies, King's College London.

Research shows that gambling has profound effects on people's physical and mental health. In this section, we discuss the impact of gambling on the overall health of individuals.

Gambling's impact on Mortality and Suicide:

There is a concerning relationship between gambling spend and mortality. The higher the level of gambling, the lower the level of survival. The University of Oxford study states that "High levels of gambling are associated with a likelihood of mortality that is about one-third higher, for both men and women, younger and older."²⁴ A 2018 Swedish study examining the cases of more than 2000 individuals with purported gambling problems, finds a fifteen-fold increase in suicides in comparison to the general Swedish population.²⁵ Additionally, the Citizen's Advice Bureau reported in 2018 that two in three problem gamblers interviewed reported mental distress as an impact on their gambling.²⁶ Professor Anders Hakansson notes the strong connection between gambling and elevated suicide rates, stating that:

It's not difficult to argue that gambling contributes very strongly to suicidal thinking, especially when debts are so severe that suicide becomes part of the solution a person thinks about in that kind of crisis, with the

22 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. *Nature Human Behaviour*. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w> [Accessed 23 Feb. 2021].

23 <https://www.kcl.ac.uk/policy-institute/assets/identifying-research-priorities-on-gambling-related-harms.pdf>

24 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. *Nature Human Behaviour*. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w> [Accessed 23 Feb. 2021].

25 Karlsson, A.; Hakansson, A. 'Gambling disorder, increased mortality, suicidality, and associated comorbidity: A longitudinal nationwide register study', accessed via: www.researchgate.net/publication/328948933_Gambling_disorder_increased_mortality_suicidality_and_associated_comorbidity_A_longitudinal_nationwide_register_study

26 [Out of Luck - An exploration of the causes and impacts of problem gambling - Citizen's Advice](#)

*feeling of what you have caused to your family members.*²⁷

With estimates of problem gamblers in the England ranging from 245,000 in a 2018 NHS digital survey to far higher numbers in 2020 YouGov polling, the impact of gambling on suicide rates cannot be understated.^{28 29}

Gambling and Mental Health

Personal debt, also a common result of problem gambling, is now recognised as one of the many factors associated with common mental disorders.³⁰ In fact, one study found that adults in debt are three times as likely to have a mental disorder than those without debt; this behaviour was exacerbated by those with addictive behaviours, such as problem gambling.³¹ According to a report from the Gambling Commission, “*Those who scored 4 or more on the GHQ-12 (indicating probable mental ill-health) were more likely to be problem gamblers (2.2 per cent) than those with a GHQ-12 score of 0 (indicating no evidence of mental ill-health)*”³² Figures from Australia suggest that this number may be far higher. The Australian Productivity Commission found that around 60 per cent of those with gambling problems indicated that they had suffered depression as a result of gambling, and around 9 per cent had considered suicide. Alarming, suicidal ideation rose to 60 per cent in problem gamblers receiving treatment for their addiction. As a result, a percentage of gambling suicides can likely be attributed to the impact of financial harm on individuals. The Money and Mental Health Policy Institute found that as many as 100,000 people in problem debt attempt suicide every year while debt-related mental health issues cost the NHS around £1 billion per annum.³³

However, there is a lack of data regarding the exact link between gambling and suicide in the UK. Coroners do not record gambling-related suicide in their conclusions and there is consequently limited data available on the actual number of gambling-related suicides. We recommend that the gambling ombudsman commission further domestic research on the link between increased gambling spend and mortality.

While disordered gambling may contribute to mental health issues, mental health can also be a major factor in the first place. Mental health problems can exacerbate gambling-related harm, making it harder for individuals to stay in control of their behaviour and control the amount gambled. This in turn can lead to devastating financial losses which further impact mental health.³⁴

Gambling and Wellness

Muggleton et al. shows a clear negative association between gambling and “*self-care, fitness activities, social activities, and spending on education and hobbies.*” The reports continues that, “*There is also an association between gambling, social isolation and night-time wakefulness - individuals spending more on gambling, travel less and are more likely to spend at night...*”³⁵

This is corroborated by other studies showing that the impact of gambling-related debt (and debt in general)

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- 27 Karlsson, A.; Hakansson, A. ‘Gambling disorder, increased mortality, suicidality, and associated comorbidity: A longitudinal nationwide register study’, accessed via: www.researchgate.net/publication/328948933_Gambling_disorder_increased_mortality_suicidality_and_associated_comorbidity_A_longitudinal_nationwide_register_study
- 28 digital.nhs.uk/data-and-information/publications/statistical/health-survey-for-england/2018/health-survey-for-england-2018-supplementary-analysis-on-gambling
- 29 Davies, R. (2020). UK gambling addiction much worse than thought, says survey. [online] the Guardian. Available at: <https://www.theguardian.com/uk-news/2020/may/19/uk-gambling-addiction-yougov-research> [Accessed 24 Feb. 2021].
- 30 Meltzer, H., Bebbington, P., Brugha, T., Farrell, M. and Jenkins, R. (2012). The relationship between personal debt and specific common mental disorders. The European Journal of Public Health, [online] 23(1), pp.108-113. Available at: <https://pubmed.ncbi.nlm.nih.gov/22434207/> [Accessed 23 Feb. 2021].
- 31 <https://pubmed.ncbi.nlm.nih.gov/22434207/>
- 32 <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2016.pdf>
- 33 Money and Mental Health Policy Institute. (2018). PRESS RELEASE: Stop the #DebtThreats campaign. [online] Available at: [www.moneyandmentalhealth.org/debt-threats-press-release/#:~:text=More per cent20than per cent20100 per cent20000 per cent20people per cent20in per cent20problem per cent20debt per cent20at-ttempt,contributing per cent20to per cent20people per cent20in per cent20problem per cent20debt per cent20becoming per cent20suicidal. \[Accessed 24 Feb. 2021\].](http://www.moneyandmentalhealth.org/debt-threats-press-release/#:~:text=More%20than%20100%20per%20000%20people%20in%20problem%20debt%20contributing%20to%20people%20in%20problem%20debt%20becoming%20suicidal.)
- 34 Holkar M and Lees C. A safer bet. Money and Mental Health Policy Institute. 2020
- 35 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. Nature Human Behaviour. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w> [Accessed 23 Feb. 2021].

on people's health is complex and that "the medical profession identify that gastro-intestinal disorders, raised blood pressure, cardiovascular disorders, general anxiety disorders, a higher prevalence of psychotic conditions, respiratory disorders and reduced immunity may all result from unmanageable debt"³⁶ Given the negative impact of gambling-related debt, it may also be used as a predictor of long term health as Poulin 2006 found: "Although treatment may stop the haemorrhaging of an individual's wealth, it cannot restore lost wealth, and lost wealth can have an impact on health for decades and even generations".³⁷

Societal impact of gambling

With a negative impact on the gambler themselves, gambling-related harm understandably impacts those around them. Like it or not, friends, family, and society often bear the brunt of the impact. This section explores the harm that gambling creates to society from family breakdown to homelessness.

Focus on the family:

I was able to able to hide my gambling from my family. They knew I liked to bet, but no one knew how bad it was until I was evicted from my apartment. Safe to say, I think that affordability checks would have gone a long way in stopping me from losing my home.

Lived experience gambler

Gambling Commission polls show that 73 per cent of people in the UK consider gambling to be dangerous for healthy family life.³⁸ In this case, public opinion proves to be correct, with the impacts of problem gambling on partners, children, and relatives both substantial and far-reaching.

Similarly, the House of Lord's Select Committee on the Social and Economic Impact of the Gambling found that, 'Gambling-related harm-Time for Action' found that "harm goes wider: for each problem gambler, six other people, a total of two million, are harmed by the breakup of families, crime, loss of employment, loss of homes and, ultimately, loss of life."³⁹ According to a Citizen's Advice survey of "at-risk" gamblers, three-quarters of respondents and more than two in five of affected others have debt from gambling, while over a third of families could not cover essential costs due to a family member's gambling problem.⁴⁰

Often, the impact is first felt by a disordered gambler's partner or spouse. For example, when someone falls into gambling-related debt, partners are regularly forced to take up extra employment to cover household expenses and pay off gambling-related debts. Some partners of disordered gamblers have reported losing their savings, homes, belongings and established ways of life.⁴¹ A study of female partners of disordered gamblers found that dealing with their significant other's gambling and related financial problems can negatively affect a woman's health through insomnia, high blood pressure, panic attacks, smoking, and exhaustion.⁴²

Similarly, participants in an Australian study on the effects of problem gambling and debt on families all highlight these families' dire financial situations as a significant and deleterious factor in their relationships. Many participants indicated how they were not aware of their partner's gambling problem until a financial

36 Trude Klevan, Vibeke Krane and Bente Weimand (2019). Powerless yet powerful: The duality of everyday life of partners of persons with gambling problems. *Journal of Gambling Issues*, [online] 42(0). Available at: <http://jgi.camh.net/index.php/jgi/article/view/4048/4444> [Accessed 24 Feb. 2021].

37 Community, Work & Family. (2021). *Gambling and debt: the hidden impacts on family and work life*. [online] Available at: <https://www.tandfonline.com/doi/full/10.1080/13668803.2010.488096> [Accessed 24 Feb. 2021].

38 Gambling Commission (2020), *Gambling Participation in 2019: behaviour, awareness and attitudes*

39 Public Health England (2019). *Gambling-related harms evidence review: scope*. [online] GOV.UK. Available at: <https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-scope> [Accessed 24 Feb. 2021].

40 iGaming Business. (2020). *Getting comfortable with affordability checks* - iGaming Business. [online] Available at: <https://igamingbusiness.com/getting-comfortable-with-affordability-checks/> [Accessed 23 Feb. 2021].

41 https://www.researchgate.net/publication/257885616_Impacts_of_gambling_problems_on_partners_Partners'_interpretations

42 Impacts of gambling problems on partners: partners' interpretations Louise Holdsworth†, Elaine Nusket†, Margaret Tiyce*† and Nerilee Hingt

or legal crisis emerged. Some lost their savings and property while all who reported financial losses suffered from disruption and deterioration of their established ways of life while impacting their sense of stability and security.⁴³ Understandably, this had a major negative impact on their relationship with their gambling partner.⁴⁴ On top of this, participants indicated that they experienced pressure from debt collectors and the loss of saving that they believed were controlled and safe from their partner's gambling spend.⁴⁵

A further link between individual debt, divorce, and family breakdown has been illustrated through multiple studies conducted on the issue. Evidence suggests a link between problem gambling and family dysfunction, separation, and marital decline.⁴⁶ Family difficulties among problem gamblers are "a clinically significant problem" compounded through financial burdens.⁴⁷ A UK-based study found that the impacts of problem gambling are often manifested within families, straining interpersonal relationships, finances, and mental/physical health.⁴⁸

The 2020 Annual Statistics report from the National Gambling Treatment Service reported that 45 per cent of 9,008 gamblers in treatment had racked up debts of more than £5000, and were bankrupt, or going through a debt repayment scheme. On average these gamblers spent more than £2000 on gambling in the month before they began receiving treatment.^{49 50} As a result, more than a quarter of gamblers surveyed lost a relationship with a partner or family member. The report also noted that the wide-ranging effects of gambling on family members also resulted in an increase of patients in NHS clinics who are not gamblers themselves but rather "affected others" who have been harmed by a family member's problem.⁵¹

Our proposed model seeks to minimise these harms through increased protections against financial harm and a focus on notifying spouses and family members of harmful gambling behaviour that is threatening their financial security as well as their psychological and emotional well being.

During the period of disordered gambling, no interventions were taken by the operators though since looking back through the accounts, the sheer volume of bets placed within a short timescale was clearly out of the ordinary. Bank data would have highlighted the extent to which household bills were not paid and flagged the use of many payday loans and credits from friends and family being used with online gambling operators. Being notified of that information as a spouse would have prevented us being as significantly financially harmed as we were in those days. It could have also prevented a lot of emotional and mental strain and distress by my partner going 'missing' for 14 hours whilst he tried to figure out a way to 'fix' the situation he had ended up in due to his gambling disorder. I believe many other affected others would feel the same, as we have supported couples who have said that they just wish they had known, so they could help their loved ones sooner.

Charlotte Bradley, affected other, Co-Founder of Future-Proof Project CIC

43 Dowling, N. (2014). The impact of gambling problems on families. [online] (1). Available at: <https://core.ac.uk/download/pdf/30673225.pdf> [Accessed 24 Feb. 2021].

44 Ibid.

45 Ibid.

46 Community, Work & Family. (2021). *Gambling and debt: the hidden impacts on family and work life*. [online] Available at: <https://www.tandfonline.com/doi/full/10.1080/13668803.2010.488096> [Accessed 24 Feb. 2021].

47 Ibid.

48 Ibid.

49 <https://www.theguardian.com/society/2020/oct/29/only-3-of-uk-problem-gamblers-get-proper-help-says-study#:~:text=There%20are%20around%20280%20per%20cent%20of%20problem%20gamblers%2C%201.4%20million%20across%20the%20UK>.

50 <https://www.begambleaware.org/media/2289/annual-stats-2019-20.pdf>

51 <https://www.theguardian.com/society/2020/oct/29/only-3-of-uk-problem-gamblers-get-proper-help-says-study#:~:text=There%20are%20around%20280%20per%20cent%20of%20problem%20gamblers%2C%201.4%20million%20across%20the%20UK>.

Housing and homelessness:

The financial impact of problem gambling has serious implications for the ability of gamblers and their families to maintain their current accommodations. Numerous studies, including a 2019 report '*Powerless yet powerful*' show how problematic gambling can lead to a range of harmful outcomes, including moving into substandard housing, temporary accommodation, and even rough sleeping in the worst instances.^{52 53 54 55} Additionally, partners also report the stress of living in a situation where they are at constant risk of losing the home they occupy.⁵⁶

Whether a cause or consequence, studies show a clear association between problem gambling and homelessness. A 2014 study from Cambridge University⁵⁷, examined this issue and found that:

The rate of problem or pathological gambling is significantly higher in the homeless population than the general population.

In fact, that same study found that while 0.7 per cent of the UK population were affected by problem gambling, the level of problem gambling among homeless people was 11.6 per cent.⁵⁸

Financial and economic impact of gambling:

While we have established the impact of gambling-related harm to individuals, families and wider society, it is critical to examine the financial harm gambling creates in more detail. This section breaks down both the immediate and delayed financial impact of disordered gambling.

Gambling-related financial harm:

While some areas of gambling-related harm are relatively unexplored, others such as gambling-related financial harm are widely recognised. A common result of problem gambling - unmanageable debt - has long been viewed as a social problem impacting upon the wellbeing of individuals and families alike. Gambling-related debt and financial harm can have drastic implications that trigger additional gambling-related harms. From housing instability and future wellbeing to missed opportunities and a reduction in quality of life, the consequences of such debt can plague someone throughout their life. Often, this impact is felt most by spouses, children, and other family members who may rely on the gambler for financial security.

Bank data shows that high levels of gambling are associated with financial distress.⁵⁹ The University of Oxford report states that "*Higher gambling is associated with a higher rate of using an unplanned bank overdraft, missing a credit card, loan or mortgage payment, and taking a payday loan.*"⁶⁰ An increase in gambling spend as small as 10 per cent is associated with an increase in payday loan uptake by 51.5 per cent while the likelihood of missing a mortgage payment increases 97.5 per cent.⁶¹

52 <http://jgi.camh.net/index.php/jgi/article/view/4048/4444>

53 Borch, A. (2012). The real of problem gambling households. *Journal of Gambling Issues*, 27, 30. doi:10.4309/jgi.2012.27.6. Retrieved from: <http://jgi.camh.net/index.php/jgi/article/view/3866>

54 Downs, C., & Woolrych, R. (2010). Gambling and debt: The hidden impacts on family and work life. *Community, Work & Family*, 13, 311-328. doi:10.1080/13668803.2010.488096

55 Holdsworth, L., Nuske, E., Tiyce, M., & Hing, N. (2013). Impacts of gambling problems on partners: Partners' interpretations. *Asian Journal of Gambling Issues and Public Health*, 3, 11. doi:10.1186/2195-3007-3-11

56 <http://jgi.camh.net/index.php/jgi/article/view/4048/4444>

57 Sharman, S. et al. 'Rates of Problematic Gambling in a British Homeless Sample: A Preliminary Study', Jan 2014

58 Ibid.

59 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. *Nature Human Behaviour*. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w> [Accessed 23 Feb. 2021].

60 Ibid.

61 Ibid.

To make matters worse, financial harm in gambling is found at even higher levels in remote content, which has shown a particular association with more extreme behaviour including loss chasing, disordered gambling, and bingeing, as a result of the rapid speed that online variants offer.⁶² This contrasts with land-based venues which are required to have systems in place to ensure player safety and to watch for risky play or behaviour. Online games offer few of these protections.^{63 64}

Besides the direct financial consequences of gambling, Muggleton et. al. also highlighted that gambling impacts one's ability to make a living, "*We find that higher gambling is associated with a higher risk of future unemployment and future physical disability.*"⁶⁵ Studies show that the impacts of problem gambling, generates "*instability in economic lives, undermines productivity in the workplace, leads to the accumulation of debt, negative career impacts, negative impact on health and well-being and, in more severe cases, bankruptcy and engagement in criminal activity*".⁶⁶

Developing an index of harm:

A clear and commonly accepted index of harm is needed as the basis for further regulatory interventions that seek to protect consumers from harm. As we have shown, researchers are able to identify gambling-related harm and its impact on society, however, due to the complex nature, they have yet to achieve a full understanding of its impact. One example of this is the Problem Gambling Severity Index (PGSI) which is a screening tool frequently used to identify risk and problem gambling. However, we have heard from treatment professionals that even though the PGSI has good psychometric properties, it still produces a large proportion of misclassifications and fails to assess the wide spectrum of gambling related harm outside of individuals classified as problem gamblers.

Both researchers and the House of Lords inquiry noted that data on all areas of gambling-related harm can be unreliable or even non-existent. The Lords inquiry states that "*all the witnesses who have spoken to us about the available data have without exception criticised the lack of reliable data and the urgent need for more research.*"⁶⁷ This same concern was expressed by researchers from the Oxford-Warwick study, who were unable to publish the underlying data for their findings. It is clear that more research needs to be done to better understand gambling-related harm and its impact.

As demonstrated by the studies analysed here, research has improved our understanding of the wider effects gambling has on individuals and families, but, given the lack of domestic data and attention to the complexities of defining gambling-related harm, the government must establish an index of harm by which any future regulatory interventions can be based.⁶⁸

Recommendation 1:

The CSJ recommends that government create an index of harm to identify harmful gambling behaviour which can be utilised by the financial sector, regulators, and researchers. We expect this index of harm to be developed through consultation with a wide variety of experts to ensure that it holistically addresses the spectrum of gambling harm, unlike models that are currently in use

62 Guo, L., Trueblood, J., Diederich, A. (2015), 'Thinking Fast Increases Framing Effects in Risky Decision Making', in *Physiological Science* 28:4. See also: Gainsbury, S. (2015), 'Online Gambling Addiction: the Relationship Between Internet Gambling and Disordered Gambling' in *Current Addiction Reports* 2:2; Gainsbury, S., Suhonen, N., Sasstamoinen, J. (2014), 'Chasing losses in online poker and casino games: Characteristics and game play of Internet gamblers at risk of disordered gambling' in *Psychiatry Research*, 217:3; Kairouz, S., Paradis, C., Nadeau, L. (2011),

63 <https://www.smf.co.uk/wp-content/uploads/2020/08/Gambling-review-and-reform-August-2020.pdf>

64 <https://igamingbusiness.com/getting-comfortable-with-affordability-checks/>

65 Muggleton, N., Parpart, P., Newall, P., Leake, D., Gathergood, J. and Stewart, N. (2021). The association between gambling and financial, social and health outcomes in big financial data. *Nature Human Behaviour*. [online] Available at: <https://www.nature.com/articles/s41562-020-01045-w> [Accessed 23 Feb. 2021].

66 http://www.infohub.moneyadvicetrust.org/content_files/files/gambling_and_debt_pathfinder_study_full_report.pdf

67 House of Lords (2020), Select Committee on the Social and Economic Impact of the Gambling Industry: Report of Session 2019-21

68 <https://www.kcl.ac.uk/policy-institute/assets/identifying-research-priorities-on-gambling-related-harms.pdf>

Case Study: John's experience with gambling:

Growing up, gambling was a part of life for me and my four siblings. My grandad was an avid gambler, and my dad went to play cards with his wage packet on Friday evenings. If my dad lost, we would sometimes have to go without food until his next payday. Holidays were littered with numerous visits to the arcades. I thought that gambling was a normal part of life and something that everyone did. Soon I began gambling too.

At 18 I had a problem with slot machines where I would spend most of my wages. Luckily for me, my first wife came along at just the right time. I fell in love, found a good job, bought a house, had two lovely children and life was wonderful. I still gambled, but always in moderation. I truly believe I was happy, and it was more important to continue to be happy than to continue gambling.

When the kids were small, I became a financial advisor in a large bank. I was successful with a large salary and all the perks that came with it. The next 15 years flew by: fantastic holidays, numerous achievements and coaching both my son's and daughter's football teams. I was a respected member of my community and had the perfect family; my life was turning out better than I could have dreamed it.

However, over a two-year period, the wheels came off my life and everything seemed to go wrong. My children stopped playing football, the sector I was working in changed dramatically, I had a major knee operation, and my dad died of cancer at the age of 65. I blamed myself for everything that was happening and struggled to come to grips with the unexpected loss of my dad. Just when it seemed like my life could not get any worse, my wife divorced me.

I went from being in a great place, with a well-paying job and exciting social life to living in a flat on my own. I lost my job and began working from home. I felt isolated and bored, and my gambling started to escalate very quickly. I began gambling online, so I had access to high stakes and fast games, 24 hours a day. Soon, I had lost all my savings (over £1million) and was faced with a decision: to quit or to find another way to fund my gambling habit. I didn't want to, but my gambling habit chose the latter. I began stealing from my clients at work and doing anything I could to continue betting. I never wanted to hurt anyone or break the law, but the pull from gambling was too strong. I could not stop.

And yet throughout this entire process, I was never contacted by operators, banks, or regulators to see if I could afford the money I was spending. I was never once asked to verify the source of my funds. In fact, the only contact I received from gambling operators was when they invited me to join their VIP schemes.

Soon, I had stolen hundreds of thousands and the guilt was so overwhelming I handed myself in to the police and told them what I had done. But because I was not taken into custody until 11 months later, I found myself living in my car. I frequently felt suicidal and contemplated taking my own life. I remember one time where I sat on the floor of an empty house for six hours contemplating my future all alone. It was a time in my life I do go back to if I need strength, as it could have very easily ended that day. During the eleven months before I was charged, my ex-wife, my niece and my mum put me up for varying amounts of time. For this time, I sought treatment from Gamcare and the NHS to overcome my gambling disorder. Eventually, I was charged and went to prison.

I was now 50 and had hit rock bottom. My road to recovery was challenging and difficult. I had hoped to escape gambling by going to prison but instead found that gambling was a big part of prison life. People there are bored and often choose to spend time betting and gambling.⁶⁹ Instead, I chose to turn this time of my life into a positive experience. I enrolled in courses, became a mentor for other inmates, and began exercising regularly. I decided that I would use this experience to become the best version of myself possible so that I could help those around me.

⁶⁹ This is supported by a survey that found that a quarter of prisoners in England and Wales had gambled while in prison. <https://www.forwardtrust.org.uk/media/2220/the-forward-trust-gambling-report-with-summary-final.pdf>

After fifteen months in four different prisons, I was released. The clatter of gates shutting and keys in locks were gone. I found a job working at Boots and moved in with my mum. I found the process of acclimating into society to be extremely difficult but eventually found my feet. I was able to create a new life for my family and rebuild the bridges that had been broken by behaviour brought on by disordered gambling.

Today, I am fortunate to be able to help others who are experiencing disordered gambling and share my experience with them. I also believe that more must be done to prevent gambling-related harm. After losing more than £1 million in a four-year period, just one affordability check or stop on my bank account could have put a sudden halt to the damaging cycle of destruction I was on. **Limiting what someone can spend on gambling with the correct checks in place for those that want to increase their limits would be a gamechanger.** If affordability checks would have existed when I was gambling, I would never have found myself in jail. Affordability checks will reduce gambling-related harm, crimes, and suicides, not to mention the harm caused to affected others. I am very lucky to have escaped my gambling problem and that I can now use my voice to help others.

Chapter 2: Gambling Affordability Checks:

The impact of gambling-related harm on society warrants swift regulatory action. In this chapter, we consider the need for consumer protections from the most egregious forms of gambling harm by proposing a system of affordability checks. This proposal sets forth a rough framework for affordability checks that while providing a general model does not include a comprehensive review of every element necessary for their creation.

When I was gambling, there were no checks to see if I could afford to gamble. I lost my car, my marriage, and almost lost my house all because of gambling. Had someone stopped me from gambling that money, things would have been different.

- Lived experience gambler

Despite the clear harm and financial toll of problem gambling, the concept of affordability is not without some complexity and controversy. The extent to which the state should control an individual's economic agency is hotly contested. It is important that individuals are free to act as self-determining agents in the free market - and that must include making financial decisions that another might regard as imprudent or in some other way unwise. Yet, when gambling becomes disproportionately more costly than an individual's income allows, a ripple effect of harm ensues. Ultimately, affordability measures are necessary to make gambling safer and reduce gambling-related harm, ensuring that vulnerable users are not gambling beyond their means, while still ensuring sufficient autonomy.⁷⁰

The majority of gambling profits are from the most severely affected gamblers with 60 per cent of profits garnered from just five per cent of gamblers.⁷¹ Many believe that this leads to vulnerable people being targeted by operators to continue gambling, even when companies may know that their customers cannot afford to continue gambling.⁷²

Currently, the License Conditions and Codes of Practice (LCCP) for gambling operators contains no explicit provision for affordability. It does have a vague provision in the Social Responsibility Code that licensees should "interact with customers in a way which minimises the risk of customers experiencing harms associated with gambling". This is supplemented by the Formal Guidance for Remote Gambling Operators that includes some passages on how to spot harmful gambling and unaffordability. As a result, the issue of affordability has been largely left to the discretion of operators. The Gambling Commission, has only taken steps to address extreme violations.⁷³

In response to this problem, the APPG on Gambling-related Harms stated that,

*The Gambling Commission must amend its Formal Guidance for Remote Gambling Operators to define the minimum steps which operators should take when considering customer affordability, and to make clear that it is for the operator to take those steps, and any necessary additional steps, which will enable them to identify customers who are betting more than they can afford.*⁷⁴

Additionally, the DCMS Responsible Gambling Strategy Board (now the Advisory Board for Safer Gambling) has called for controls to be placed on stakes and prizes that reflect those on land-based products (reduction in the speed of play and additional measures to reduce harm).⁷⁵

70 Gambling Commission. (2021). . [online] Available at: <https://beta.gamblingcommission.gov.uk/about-us/reducing-gambling-harms> [Accessed 24 Mar. 2021].

71 <https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/7903.htm>

72 <https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/79.pdf>

73 Gamblingcommission.gov.uk. (2020). *Have your say on tougher rules for identifying and tackling gambling-related harm - including customer affordability.* [online] Available at: <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2020/Have-your-say-on-tougher-rules-for-identifying-and-tackling-gambling-harm> - per centE2 per cent80 per cent93-including-customer-affordability.aspx [Accessed 24 Mar. 2021].

74 <http://www.grh-appg.com/wp-content/uploads/2019/11/Interim-APPG-Report-November-final.pdf>

75 <https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/79.pdf>

The government, the Gambling Commission, and the gambling operators are jointly responsible for harm to hundreds of thousands. And yet they each maintain “I did nothing wrong”. The prevention of harm must become the number one priority objective for both the Gambling Commission and the gambling operators in the new gambling act. It’s a public health essential.

- Martin Jones, father and advocate who lost his son to suicide as a result of disordered gambling.

To date, the largest gambling firms have yet to implement systems to assess customers’ levels of affordability, citing the ambiguity of the term. Yet, the same operators have reported that stake limits are not needed and that they have the data they need to identify those at risk of experiencing gambling-related harm. The APPG identifies this contradiction, saying:

Online gambling companies oppose stake limits. The operators have reported to us that stake limits are not needed as they have data to identify those who are at risk of harm or gambling beyond their means. Yet, when we asked operators about what an affordable level of gambling was for an individual, they all reported that they did not yet have a clear view of what that was. This is inconsistent with operators saying that they do not need online stake limits as they have the data to assess where gamblers are at risk and gambling more than they can afford.

For regulations around affordability checks to be effective, the definition of what is affordable must be agreed upon. **The focus should lie in preventing harm and protecting vulnerable gamblers.** This is where the index of harm comes into play as it provides regulators with a common understanding of gambling-related harm that can then be applied to data provided by banks and operators. As companies collect data on consumer behaviour to provide insight into operations, marketing, and gameplay, that very same information can be utilised when assessing the harm gamblers experience.^{76 77 78}

Algorithmic models based upon consumer information have been utilised effectively by credit agencies to determine financial outcomes. These agencies serve as custodians of financial information, collecting data from a variety of sources in order to provide credit assessments. Transparent credit information, which includes affordability measures, is a prerequisite for risk analysis. For example, the credit agency Experian uses criteria including a borrower’s disposable income, their future disposable income (income minus commitments), their credit history, and future financial commitments in its gaming affordability check.^{79 80} A system of gambling affordability checks can utilise these same principles to ensure customer protection.

The gambling industry has had affordability on their agenda for a long time. They were challenged by the Gambling Commission over a year ago to come up with a solution for a “single customer view” to deliver an effective affordability measure to prevent harm. But it’s still in the “too difficult” pile. The reality is that they’re commercially conflicted and they’re never going to produce a solution that works effectively, because it will hurt their bottom line.

- Martin Jones, Father and advocate who lost his son to suicide as a result of disordered gambling.

Similarly, banks are beginning to offer gambling transaction blocks to customers. However, these suffer from the same drawbacks as self-exclusion options currently offered by operators. The problem with both is the ease with which individuals can begin gambling again with a different operator or after 48 hours. Fortunately, following a move by several challenger banks to introduce “gambling blocker” that enables gamblers to block payments from their accounts, Barclays, Lloyds, Santander, and RBS followed suit.⁸¹

76 https://www.begambleaware.org/media/1271/rqt-remote-gambling-research_pwc-phase-i_final.pdf

77 <https://www.nao.org.uk/wp-content/uploads/2020/02/Gambling-regulation-problem-gambling-and-protecting-vulnerable-people.pdf>

78 Cassidy, R., *Vicious Games: Capitalism and Gambling* (2020)

79 <https://www.experian.co.uk/assets/corporate/white-papers/affordability-challenge.pdf>

80 <https://www.fca.org.uk/publication/market-studies/affordability-repayment-review.pdf>

81 <https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/79.pdf>

Mechanisms for affordability checks:

We need to address affordability when it comes to gambling, as there should not be a scenario where a student can blow their first £3000 student grant payment in one night!!! ...this would reduce any potential of serious gambling-related harm, and also, allow operators to adhere to social responsibility when it comes to their customers.

- Tony Kelly, Red Card Gambling Consultancy

The CSJ recognises the complex issue that affordability measures for gamblers presents. With an affordability metric that changes depending on the circumstances of an individual, it is difficult to pin down what exactly is affordable for each person. Similarly, the CSJ allows that some individuals may choose to spend more than others and that affordability may mean different things to different people. To navigate these issues, we recommend that government establish a third-party ombudsman for consumer protection with statutory authority to carry out affordability checks by working with banks, gambling operators, the Financial Conduct Authority, and the Information Commissioner's office.

It is important to note that there are other ways to potentially execute affordability checks, however, we are confident that utilizing a third-party ombudsman to liaise between the financial sector and operators is the best solution. In doing so, we believe that the policy we recommend will effectively achieve these goals.

One potential solution for affordability checks is to require banks to block customers from gambling platforms themselves. This would be a highly effective solution that does not involve gambling operators but allowing banks that much discretion over consumer's personal agency may be a dangerous precedent to set, allowing for overly paternalistic interventions in the future.

Another potential solution is to have affordability checks carried out by gambling operators. However, historic underperformance of gambling operators in this task indicates that industry-led affordability checks would most likely not be effective enough. Gambling operators are currently responsible for ensuring that customers are not harmed by their products and many have regularly fallen short of their duties. Operators have repeatedly received fines from the Gambling Commission for just such impropriety. This is not to say that operators shouldn't be required to uphold customer safety and carry out affordability checks, as regulated by the third-party ombudsman.

The CSJ's solution:

This is hugely important work that adds to the growing consensus for a dedicated gambling ombudsman, independent of the industry. It makes the aspiration to build a sector that does not profit from gambling harm seem all the more attainable.

Matt Zarb-Cousin, lived experience gambler, co-founder and Director of External Affairs of Gamban, and the Director of Clean up Gambling

We believe that a third-party ombudsman is the most promising agent to create effective affordability checks. As no such third-party ombudsman currently exists, the CSJ suggests that the Gambling Commission carry out this task in the interim. That said, we note many of the reservations expressed by the SMF report, the National Audit Office, the Public Accounts Committee, and the APPG on GRH in regard to the Gambling Commission being "not fit for purpose".

Recommendation 2:

The CSJ recommends that government establish a third-party ombudsman for consumer protection with statutory authority to carry out affordability checks and to take action to protect individuals and their families where necessary.

Data sharing by banks and gambling operators is necessary for an ombudsman to effectively protect gamblers from disproportionate harm and to make rapid decisions regarding customer disputes. In fact, it must be a regulatory requirement. In this, we lean heavily on the principles of open banking and the precedent set by the Financial Ombudsman Service (FOS). The FOS settles disputes between consumers and business that provide financial services including: mortgages, bank accounts, loans, etc; providing free service to millions every year. Additionally, the FOS sets a clear standard for transparency and disclosure of private data.

As it stands, the data pool required for accurate affordability measures does not exist under one roof. This is where we expect the ombudsman to work with the financial sector to coordinate the use of banking data. In doing so, we rely on the precedent set by credit bureaus to collect essential financial data in a central location so that banks do not have to share data directly with each other. This also ensures consistent quality of analysis and can be accomplished by building on existing structures and frameworks in the financial sector. It is critical that these measures are enforced by legislation, not good will, so that all banks are held to the same standard.

The CSJ is aware that financial data will contain information that is commercially sensitive and personal. As a result, we recommend transparency of regulatory actions to encourage accountability while emphasizing the importance of data protection. In doing so, we rely on additional precedent from open banking and credit agencies. It is generally understood that for credit checks and open banking to be effective, data must be shared for accurate analysis and assessment so long as it is protected. It is worth noting here that banks have a duty of care to ensure that they are not processing funds that are the proceeds of illicit activity. As the case study illustrates, gamblers may turn to crime in order to fund their addiction. Affordability checks offer early detection of problematic gambling behaviour before a gambler engages in illicit activity.

We foresee the ombudsman working with experts in the field (experts by lived experience, clinicians, researchers, academics, data scientists, financial sector etc.) to determine which indicators of harm are needed for effective affordability checks (payday loan uptake, age of customers, time and rate of gambling, percentage of discretionary income spent, etc.). Accurately determining where these thresholds are placed is critical for intervention so advocate for further research, round tables, and collaboration with experts to determine exactly what factors must be considered and how data should be analysed. We recommend that anonymised data of all domestic banks be used in this step, building on the research carried out by Muggleton et al.

Once risk factors can be accurately identified and agreed upon, we recommend that the ombudsman work with data analysts, banks, and credit agencies to construct an algorithmic tool capable of classifying a persons financial harm on a scale. A grading system eliminates the need to share highly specific and volumous customer data outside of the financial sector while affording the regulatory body accurate signposts for gambling-related harm. This is a system that is very similar to one that beBettor⁸² has implemented in its affordability checks to good measure. The ombudsman would be responsible for determining the threshold for affordability and also capable of changing any criteria if further data suggests this is necessary.

The following graph is a conceptual framework of the way that gambling harm could be measured for affordability checks.

Level of Harm	Examples of Factors	Example of Action taken
1	No financial harm evidenced,	No intervention taken
1-6	Ombudsman monitors increases in gambling spend that translate to gambling-related harm.	Escalating interventions are made as an individual's gambling spend increases. These interventions will be determined by an expert panel working in coordination with the gambling ombudsman and may be changed/ adjusted to increase efficacy.
7-10	More significant harms evidenced. These might include missed priority bills. At the higher end we might see Individuals or their dependents are experiencing extreme financial harm.	Individual might be blocked from gambling platforms and betting shops.

82 <https://www.bebettor.com/>

In turn, the ombudsman would use the index of harm developed by experts to ensure that markers of harm are accurately identified in the financial data. We envisage a system similar to that carried out by credit bureaus to analyse data for gambling related harm instead of credit scores. The financial sector is uniquely situated to accurately assess a disordered gambler's financial situation, all gambling transactions, future and immediate expenditures, dependents, and familial requirements, and through machine learning assess whether the thresholds have been met. This eliminates the need for a £100 "soft cap" by providing a better metric to ensure that all gamblers are protected from gross financial harm. Additionally, the use of banking data allows the regulatory body to holistically assess other behavioural factors such as loss chasing and duration of play in determining gambling-related harm. Gamblers not suffering from evident financial harm will not be affected by these interventions.

Any and all decisions made about affordability must rest with the third-party ombudsman and its decision must be enforced by the operators. Whilst we rely on banks to provide the necessary data to advise the ombudsman of the level of financial distress caused to a customer by their gambling, banks must continue to exercise the will of their customers. Put another way, the financial agency of the individual is worth protecting as a civil liberty and the offer of money by any individual to place a bet, must be honoured by the bank. However, there is a distinction between the protection of the right to offer a bet and the duty of the operator to assess whether it would be appropriate to accept it. Our proposed system would see the operator made aware in cases where it would be unsafe to accept a bet, it would demand that they comply with their duty to deal with that customer fairly under advice of the ombudsman and that may include slowing of play, setting prescribed limits and even refusing the bet altogether.

The responsibility to deny an attempt to gamble must remain on gambling operators, who are, and must continue to be, responsible for any improperly accepted bet.

Recommendation 3:

The CSJ recommends that banks are placed under a duty of care to share limited and necessary data with the gambling ombudsman as well as follow any guidelines set by the ombudsman to ensure customer safety. In turn, we recommend that the ombudsman operate with complete transparency, notifying individuals, and family members of any decisions or actions taken.

It is critical that the industry standard only allows consumers to use debit cards or cash transactions supported by debit cards. This allows banks to assess all gambling spend, while ensuring operator accountability. With the rise of cryptocurrency and other online payment options, it is imperative that regulation only allows online gambling transactions with payments directly from an individual's UK bank account. Given the rate of innovation and change in online currencies, we view this as the best long-term solution.

Recommendation 4:

The CSJ recommends that all gambling transactions must be verified via debit card details to confirm an individual's identity and thereby provide the financial sector holistic data on all gambling spend. This includes cash transactions where identification of the customer requires a chip and pin entry before the cash bet is made. Additionally, with the rise of cryptocurrency and other online payment options, it is imperative that the regulatory body only allow gambling with the British Pound until other methods can be adequately regulated.

Affordability checks warrant that all gambling transactions, including lottery tickets, scratch cards, and loot boxes, be classified as such on Merchant Category Codes (MCC). MCCs are four-digit numbers issued with a debit card and used to categorize transactions completed with that card that a debit card issuer uses to categorize transactions consumers complete using a particular card. The financial sector uses these codes to classify goods or services provided to categorizations to track and restrict transactions. This classification would allow the ombudsman to accurately track an individual's gambling spend to determine affordability.

The use of MCCs to identify gambling spend must also apply to other gambling technologies that allow the use of physical currency, either coinage or paper bills. Before a customer can utilize physical currency, they must enter their debit card details, thereby confirming their identity and providing the financial sector accurate data on their gambling spend. This step is critical in two areas: first, it allows affordability checks to be holistic and accurate, ensuring that there are fewer opportunities to bypass; second, it drastically reduces the problem of underage gambling by ensuring customers' identities. Whilst we foresee that there may be potential workarounds developed by gamblers, an affordability system that is built on big data will lay an effective groundwork that allows for flexibility and adaptability to address these developments.

Recommendation 5:

The CSJ recommends that all gambling transactions must be designated as such on Merchant Category Codes. While this is already the case for the majority of gambling products, it must also include loot boxes in video games and any future gambling products.

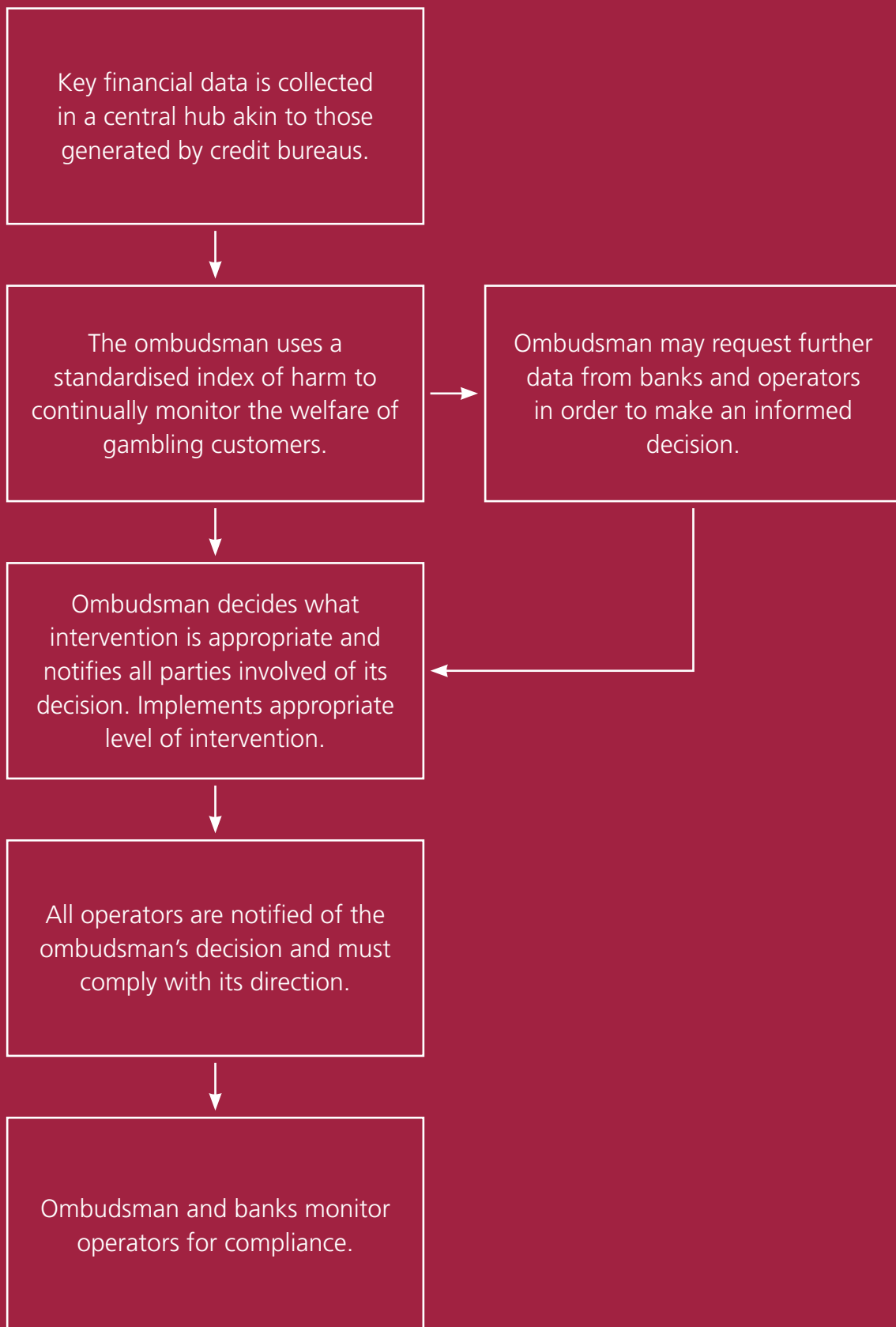
The classification of all gambling spend by MCCs also allows for banks to use machine learning to review gambling customers' financial positions and gambling spend. An algorithmic approach ensures objectivity in affordability measures and limits any privacy concerns individuals may have. Benchmarks must be set by the third-party ombudsman to ensure that affordability measures do not impinge on citizens' freedom while ensuring that other citizens are protected from gambling-related harm. We encourage a public consultation on this matter to clarify exactly where any threshold should be set. This is critical to ensure that consumers are blocked from gambling transactions only when it is clear that any continuation would result in the loss of their house or the ability to meet priority bills.

Once a customer has reached the affordability threshold set by the regulatory body, gambling operators must take immediate action to block that user from their platforms. In this regard, we welcome the single customer view that has been proposed by the SMF, but in the interim suggest that customers can be tracked by their debit card details. This allows operators to block customers from utilizing online gambling but also land-based cash games. While we expect operators to take action to stop gamblers from experiencing gambling-related harm, banks will not be required to take any action other than honoring all transactions and providing the ombudsman with necessary data.

In addition, the regulatory body must contact the individual who has been blocked from gambling transactions to offer treatment or other meaningful interventions that must be both immediate and satisfactory. In the interim, this function could be carried out by a combination of NHS and Gamcare.

Finally, to ensure operator compliance, we foresee the use of gambling data acting as a positive feedback loop. If the financial sector records any additional gambling transactions from individuals who have breached the affordability threshold set by the regulatory body, the gambling operator will be subject to fines and loss of license. Gambling Operators will be held responsible for any further harm caused by gambling with banks merely operating as a reliable source of data for the ombudsman. We recommend the regulatory body take a strong position regarding operator malpractice to ensure that consumer protection becomes a priority.

Process of affordability checks



To best illustrate the affordability model, it is critical to understand the way it will impact a gambler. For the purposes of explaining the real-world implications of our proposed system, a illustrative example is provided here:

James won his first bet a few years ago. He usually places his bets as part of social activities with friends, only ever wagering on fantasy football and horse racing. James can afford the bets he is placing and finds that he really enjoys betting with his friends. It gives him a sense of belonging and he enjoys what it adds to events. At this stage, James is not presenting any financial indicators of gambling harm and the ombudsman would have no cause to intervene in any way.

Soon James begins increasing his gambling. Instead of just premier league fantasy, he begins placing wagers on mid-week games and he decides to bet on greyhounds and Formula 1. Using the index of harm, the bank notifies the ombudsman of his now escalated category of risk and that James has increased his gambling spend and is no longer saving a percentage of his income in a retirement fund. At this point, the ombudsman may decide to notify James of his increase in gambling spend and provide resources informing him of the harms surrounding gambling.

However, James decides to continue gambling. It is now summer, and he realises that he cannot afford vacation with his mates. Instead of quitting gambling, James doubles down and decides to win back his losses. He begins posting larger stakes and betting more frequently. At this juncture, the bank notifies the ombudsman of his now escalated category of risk; realising that he is incurring significant losses due to persistent gambling and is beginning to demonstrate loss chasing behaviour in sessions. Using its model of gambling-related harm, the ombudsman may decide that the appropriate intervention for James is to recommend that gambling operators slow his speed of play and ensure that he is not participating in VIP programs which encourage increased gambling spend.

While the interventions for James are beneficial, he continues gambling. Soon he starts to miss priority bills and is spending a large percentage of his salary on gambling products. As this problematic behaviour continues, James enters into debt so that his car is not repossessed. At this point, and in reaction to a further notification by the bank of an escalated level of harm, the ombudsman assesses the situation and realises that James is about to lose his both his car and energy supply in the next month unless something is done. The ombudsman may now chose to notify all gambling operators that accepting bets from James is unsafe. Once this decision is made, the ombudsman will contact James to inform him of this decision and provide details to gambling treatment centres.

However, like many disordered gamblers, James decides that he will not enrol in treatment or stop. Instead, he pawns the watch that his grandfather gave him so that he can continue gambling. In an attempt to bypass the operators who have limited his online spending, James takes this money to a betting shop. However, as with all customers wishing to use cash, he is required to enter his debit card and pin number at the desk before placing a bet, the betting shop recognises the person and the notification of his severe financial distress and denies him entry and does not allow him to gamble. Notified of this attempt to gamble, the ombudsman calls James to ensure that he is receiving sufficient help and care and continues to follow up with him over the next months. James decides against receiving treatment but is able to continue working and does not lose his house, car, or family as a result of gambling.

Early Intervention:

I believe the majority of the harm myself and our children suffered as a result of disordered gambling were prior to our knowledge of the gambling. This was the time when we had little money, spent less time together, had less experiences as a family and felt confused and not committed to. Since the revelation of the true extent of the gambling disorder, we have been able to work on recovery together, putting necessary prevention measures in place to move forward with our future along with repaying the debts accrued as a result. Since the gambling has stopped, we are in a much better place emotionally, financially and are committed as a family. We're also much more knowledgeable about gambling-related harms and honest and open with each other.

Charlotte Bradley, affected other, Co-Founder of Future-Proof Project CIC

While we have focused on the most extreme measures to prevent gambling-related harm, it is important to note that this same process of harm identification through financial data can be effectively applied to early interventions for gamblers. Muggleton et al. clearly showed that gambling-related harm is not reserved for only the most affected gamblers. In fact, even individuals who fall below the 25th percentile of gamblers are likely to begin experiencing harms. This sentiment is echoed by treatment practitioners, those with lived experience, and dozens of gambling charities all who emphasize the importance of early intervention. We, therefore, recommend that the ombudsman analyses the data presented by the financial sector and determine effective early interventions for gamblers.

Once again, we believe that the most appropriate measure can be determined by experts across gambling, including but not limited to lived experience, fintech, and banking. Solutions may include but not be limited to: push notifications in banking apps to warn of increased gambling spend, education requirements for novice gamblers, limits on the rate of gameplay, and even gambling blocks from the most addictive forms of online products.

Deposit Limits on Gambling Platforms:

Currently, banks are unable to view the exact rate by which an individual gambles. This is because most gambling platforms require that an individual makes a deposit to their gambling account before using those funds to gamble. As a result, banks can assess the amount deposited and spent but not when, where, or how.

However, gambling deposits are not necessarily a bad thing. Research shows that limiting bank deposits plays an important psychological role in limiting gambling spend. For this reason, we recommend some form of deposit limit to gambling accounts. As with affordability checks, this measure will be different for each individual. The purpose of this measure is twofold:

1. First, deposit limits would provide banks that carry out affordability checks with more data points, leading to increased accuracy.
2. Secondly, and more importantly, deposit limits would create increased friction for gamblers to deposit large sums of money into their gambling accounts.

Similar to affordability checks, deposit limits will be different for each individual. Therefore, we foresee the ombudsman using a model similar to credit reference agencies when determining the deposit limit for each individual.

While this model relies on banks to provide key financial data, operators must also play an important role in determining harmful play. Operators have the ability to analyse game play for trends in harmful behaviour and must alert the ombudsman of their findings. Ultimately, for deposit limits to be effective, the ombudsman must work closely with both banks and operators to ensure consumer protection.

Recommendation 6:

The CSJ recommends limiting any and all deposits to gambling accounts based on individualised banking data. Similar to affordability checks, the exact mechanisms of this process should be developed by the gambling ombudsman and a panel of experts.

Conclusion:

| *Affordability checks need to happen. Immediately.*

| - Lived experience gambler

Gambling is not the safe, harmless leisure activity that the gambling industry would have us believe. For hundreds of thousands of gamblers, disordered gambling presents a wide range of harm ranging from financial difficulties to mental health problems. Often, these harms affect many people who are close to the gamblers including family, friends, and colleagues.

Considering the severity of gambling-related harm, its extent and impact must be accurately identified and assessed. Our research suggests that more must be done for this to happen; from understanding gambling-related harm itself to how it affects the families, friends, and communities of disordered gamblers.

Most importantly, as we address this “*analogue law in a digital age*” we must tackle the issue of technology in gambling. This paper calls for a fundamental change in approach to tackling gambling-related harm. We view technology as the solution, not the problem.

It is technology that allows us to create individualistic, accurate and effective affordability that are focused on limiting gambling-related financial harm. The ability to utilise big data to identify and prevent gambling-related harm is a decisive step from generalised paternalistic interventions. The financial sector knows how much an individual spends on gambling, which gambling platforms they use, if they chase their losses, how many dependants rely on them for financial security, and also if there are any outstanding bills. Algorithms that utilise this data can identify indicators of gambling-related harm by analysing patterns of gambling spend. These markers of harm can be used by the gambling ombudsman determine interventions.

The solution we propose builds upon these analytical capabilities while offering a regulatory framework to make this possible: the creation of a truly independent third-party ombudsman for consumer safety to liaise between banks, gamblers, and gambling operators breaking the regulators association with industry funding and connection.

Our aim is to provide protection for the vulnerable without impacting personal agency through prohibitionist regulations. We have proposed a practical solution with a focus on protecting vulnerable gamblers from harm, without handing a competitive advantage to the unregulated sector or infringing the rights of any gamblers. The government has the knowledge base, experience, and system to create effective interventions.

We must go from being a world leader in the liberalisation of gambling as the Budd report suggested, to becoming a world leader in this challenge to protect the vulnerable from undue harm. Ultimately, Government must take responsibility for this public health crisis and be an effective agent of change to deliver protections for the most vulnerable, their families, and society from gambling-related harm.

Appendix:

Appendix A: Implementing the gambling levy to fund research into gambling prevalence, harm, and treatment is imperative:

Both researchers and the House of Lords noted that data on all areas of gambling-related harm can be unreliable or non-existent. The Lords inquiry states that “*all the witnesses who have spoken to us about the available data have without exception criticised the lack of reliable data and the urgent need for more research.*” Given the lack of understanding around the complexities of gambling-related harm, it is imperative that research is carried out immediately and effectively. An example of this has been demonstrated by recent research performed by both the University of Oxford and Kings College London into the granular data that can be used in such a task.

Additionally, funding for research and prevention is far from sufficient. According to the AGSB, since 1991, the National Institute for Health Research has conducted 151 alcohol research studies while only one study on gambling. Similarly, since 2006 Research Council UK has conducted 540 alcohol research studies while they have only completed 22 gambling research studies. These statistics portray the dearth of research in this area. We recommend that the gambling levy is instituted to help fund much needed research on gambling and gambling-related harm.

Appendix B: A new framework for addiction treatment is needed:

Ideally, those suffering from gambling-related harm should have access to fair and well-advised resources to help them find lasting recovery. No one should be left behind on the road to recovery. However, there are limited resources available for problem gamblers who are seeking to overcome their addiction. When compared to other addictions, there is little to catch gamblers as they fall through the system. In large part, this can be attributed to a dismantling of our capacity to treat those in addiction, as the sector has been de-skilled and the infrastructure compromised.

Currently, a problem gambler must address the various harms individually and through separate channels. For instance, gambling-related family breakdown is treated differently than gambling-related debt which in turn is addressed differently than gambling-related suicide. This leaves problem gamblers fighting an uphill battle, even after they have overcome their addiction. As a result, we see high rates of relapse for disordered gamblers who do enter treatment.

The CSJ recommends the prevention and recovery model set out in our report, Road to Recovery as policy that would have a substantial effect in decreasing gambling-related harm. The report recommends the creation of a single government agency the ‘Prevention and Recovery Agency’ (PRA) as well as a common addiction strategy.

- The PRA will enable Localism to succeed by directing appropriate and protected funding to each area and holding each LA to account for their delivery of the Addiction Strategy.
- The PRA will act as a means of sharing information and good practice, as well funding re-training and research into what works.
- The Agency will continue and accelerate the promising work of PHE and other government departments providing support for initiatives and means of working such as FDAC, Social Prescribing, Individual Placement and Support AD, Troubled Families and Housing First.

Problem gambling and gambling-related harm must be addressed holistically and from all angles with a cross-departmental approach and increased addiction spending. This would be funded in part by a gambling “*smart levy*” which is tied to regulation compliance.

The lack of a sufficient safety net or strong national policy to effectively target addictions, including gambling addiction, is why the CSJ recommends taking immediate action to stop the devastating harm caused by problem gambling.

Appendix C: The case against gambling advertising, marketing, and inducements.

Future gambling behaviour of our children is a real worry for us. We try to discourage gambling language in the home, talk openly with the oldest children about gambling-related harms and help them to understand marketing intentions so they can recognise what gambling advertising is trying to achieve by promoting the products at all hours across all platforms. Children as young as three have been found able to recall specific brands seen through advertising yet it isn't until around the age of seven or eight that they begin to understand marketing intentions. This is truly terrifying, considering children are often exposed to gambling advertising at home on the television during the daytime until school starting age. We need to protect our children, the future generation from the same harms that the current generation are experiencing as a result of these practices.

Charlotte Bradley, affected other, Co-Founder of Future-Proof Project CIC

The scale and character of gambling advertising activities raises important questions for regulators, social media companies, and the gambling industry. Multiple reports show that children and vulnerable groups are active in conversations around gambling and are regularly consuming and sharing highly visual advertising. Additionally, researchers, show new types of content arising, which is likely to be more appealing to children (and the general population) and which make almost no reference to the risks associated with gambling.

In order to tackle these problems, existing regulations around access to gambling advertisements need to be tightened and enforced. The evidence shows the negative impact of gambling advertising on individuals, with increased spending, greater likelihood of betting, and normalisation of gambling. The government has a duty to protect vulnerable people and children from gambling advertising and its effects. Given that the point of advertising is to encourage people to gamble, there is a clear case for ending all gambling advertising, marketing and inducements and adopting more stringent restrictions. Rather than merely following the steps of Spain, Italy and Australia in the restriction and elimination of gambling marketing, the UK must take its place as a global leader.⁸³

As a result, we call for the comprehensive elimination of gambling marketing, inducements, and advertising in the UK. If, as domestic gambling operators claim, advertising has no effect on consumer behaviour, then eliminating it altogether should not have a massive effect on the gambling industry. While a partial ban on televised advertising during live sport has been widely supported in the UK, evidence suggests that this single measure would not be sufficient to reduce children and vulnerable peoples' exposure to harmful advertising. We recommend that policymakers consider an approach akin to that applied in tobacco control, which takes into consideration all forms of advertising, including promotion and sponsorship. Additionally, the implementation of the Tobacco Advertising and Promotion Act 2002, would provide a guideline for advertising regulation that could easily be followed.

Likewise, it is critical that gambling advertising is banned on online games such as FIFA which young children often play for many hours daily. The same goes for online gamblers who have self-excluded and may continue to receive marketing from betting companies, either directly or through social media advertising. This marketing tactic is clearly outside the Licence Conditions and Codes of Practice which operators are required to comply with. We recommend that operators ensure they do not market to those that have self-excluded, and the Gambling Commission take steps to ensure it is more vigilant in this area.

To achieve this, it is vital that regulators ensure that they are able to measure and understand the developing landscape of online discussion and respond to new forms of gambling. Otherwise, damaging content, and its impact on children and vulnerable groups is likely to remain prevalent but undetected - hidden in plain sight.⁸⁴

83 Djohari, N., Weston, G., Cassidy, R., Wemyss, M. and Thomas, S. (2019). Recall and awareness of gambling advertising and sponsorship in sport in the UK: a study of young people and adults. *Harm Reduction Journal*, [online] 16(1). Available at: <https://harmreductionjournal.biomedcentral.com/articles/10.1186/s12954-019-0291-9> [Accessed 23 Feb. 2021].

84 Ibid.

Appendix D: More must be done to address disordered gambling in the criminal justice system:

The criminal justice system acknowledges the clear need to deal with underlying addictions that can drive offending behaviour. This is an approach which is, in equal measures, pragmatic and compassionate. The Criminal Justice Act 2003 specifically acknowledges the need for a specific Alcohol Treatment Requirement and a Drug Treatment Requirement. We have heard evidence from alliance charities of gambling's role as a hidden driver of crime and a great many cases of people being pulled into offending behaviour as the consequences of their gambling threatens their security.

There is domestic precedent for this sort of CJS intervention. GamCare has already lent significant support to the criminal justice system in its effort to increase awareness of gambling issues and better the CJS response. This can be seen in the Hertfordshire Pilot on Gambling and Crime.⁸⁵ Julia Fazackerley, Head of Development at GamCare, says⁸⁶:

“Our recent work has involved building relationships from the ground up and raising awareness about gambling harms. While many police, prison and probation staff know anecdotally about the link between gambling and crime, there are very few structures in place to help assess or address this, and we’re focused on changing that.

We encourage the government to build on its clear and welcome new focus on rehabilitation and to consider introducing measure that could see gambling treatment more readily available and recognised as part of a sentencing package. We recommend the creation of the Gambling Treatment Requirement and in any event a review of the criminal justice systems response to this potential driver of offending behaviour.

85 <https://www.gamcare.org.uk/news-and-blog/news/hertfordshire-pilot-on-gambling-and-crime-releases-final-report-and-recommendations/>

86 *ibid*

The Centre for Social Justice

Kings Buildings

16 Smith Square

Westminster

SW1P 3HQ

t: +44 (0) 20 3150 2326

Twitter: @csjthinktank

www.centreforsocialjustice.org.uk

