

CARE Submission to the Review of the Gambling Act 2005

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Introduction

About CARE

1. CARE (Christian Action Research and Education) is a well-established mainstream Christian charity providing resources and helping to bring Christian insight and experience to matters of public policy and practical caring initiatives in the UK. CARE has a long track record of advocacy on the issue of gambling regulation right across the United Kingdom and we believe we can add value to the review being conducted by the Department of Culture, Media and Sport. CARE made a submission to the call for evidence on loot boxes.
2. Our submission answers questions 1, 2, 10-12, 15, 22, 24-26, 28, 29, 34, 36, 38-40, 43, 45.
3. Our submission does not need to remain confidential and we are happy to be contacted for further information.

Calling for a public health approach

4. We welcome the launch of this review into the Gambling Act 2005. We have become increasingly concerned about the framework governing gambling policy and practice. The current framework is failing to protect consumers (eg the most recent collapse of Football Index¹) and those who are vulnerable to gambling-related harm. As a recent academic article on the gambling in Britain stated, *“Gambling is an ordinary pastime for some people, but is associated with addiction and harmful outcomes for others...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.”*² **We believe a public health approach to responding to the challenges posed by gambling-related harm is the right approach to take.**
5. In 2018, CARE commissioned ComRes to conduct polling on public attitudes to gambling. Between 19th and 21st January 2018 ComRes interviewed 2,036 GB adults online. Data were weighted to be demographically representative of all British adults aged 18+ by age, gender, region and social grade. The polling revealed that around 14.5 million people in Great Britain know someone with a gambling problem and that **the majority of adults in Britain (63%) said that problem gambling is a significant issue in Britain**. This clearly underlines the seriousness of the challenge. 66% of men (61% of men and women) think that the UK Government should make it compulsory for all gambling companies to pay a larger and equitable proportion of profit or turnover towards funding help for problem gamblers. Just 20% disagree (21% of men and women). The public concerns about the effects of gambling have only increased since then. In 2020, 83% of respondents agreed that there are too many opportunities for gambling, 75% agreed that gambling is dangerous for family life and 63% agreed that gambling should be discouraged.³

¹ <https://www.theguardian.com/football/2021/mar/18/football-index-gambling-commission-warned-january-2020>

² Muggleton N et al, The association between gambling and financial, social and health outcomes in big financial data, Nature Human Behaviour | VOL 5 | March 2021 | 319-326, <https://www.nature.com/articles/s41562-020-01045-w>

³ See Figure 9, Gambling behaviour in 2020: Findings from the quarterly telephone survey, 21 February 2021, <https://beta.gamblingcommission.gov.uk/statistics-and-research/publication/year-to-december-2020#files>

6. It is now time for significant reform to the legislative and policy framework and we hope this review of the Gambling Act will lay the foundation for necessary change. We urge the Government to focus on prevention of harm and as they make this review to recognise that the objectives of the current Gambling Act 2005 do not include an objective to increase revenue for the gambling industry. **We recommend that there should be a new objective in any revised legislation that includes a public health objective.** There should also be joined up policy responsibility across Whitehall that does not just encompass regulation but also health. We note that in 2018, Public Health England was asked to carry out a review of the evidence relating to the public health harms of gambling.^{4 5} While initially scheduled to be published in 2019, the publication is now due later this year.⁶

Summary of Additional Recommendations (in Question order)

7. *Online protections*

- Late night online gambling should be prohibited under licensing conditions;
- Increased awareness of GAMSTOP;
- Promoting online gambling to children/young people and facilitating online gambling by children/young people should be prevented. This should include restrictions on the promotion of remote gambling to children ideally in legislation and at the very minimum in future Licensing Codes;
- Testing criteria for online games should include the possible addictiveness and harms of new products before approval is granted. If a game proves to be too harmful, it should not be approved;
- There should be a category system for online gambling products, which should be used to set stake limits for online gambling products;
- The equalisation of speed of play and spin, so that no game can be played quicker online than in a casino, betting shop or bingo hall;
- There should be a focus on preventing young people from gambling on eSports.

8. *Advertising, sponsorship and branding*

- Gambling advertising should be far more restricted than currently;
- Individuals who have self-excluded are not targeted by adverts or by tipsters and affiliates, who are active on social media;
- There should be a requirement for the regulator to be proactive in reviewing sites and apps that are of particular interest to young people to ensure that gambling adverts are not targeting children;
- Further research on what messaging on gambling harms is effective with consumers.
- Careful consideration needs to be given by the Government to the position of Northern Ireland with regard to gambling advertising. The Government should engage with the Northern Ireland Executive and relevant statutory agencies in that jurisdiction on these issues.

9. *Gambling Commission's power and resources*

- There should be reform to ensure the Gambling Commission is truly independent of the industry; has the resources it needs to effectively regulate what is now a huge industry; focuses on preventing gambling related harm and consumer protection rather than permitting the excesses of industry; and is able to prove flexible and adaptable in a rapidly changing and dynamic regulatory environment;

⁴ See PQ [HL7791](#), answered 29/5/2018

⁵ <https://www.gov.uk/government/publications/gambling-related-harms-evidence-review/gambling-related-harms-evidence-review-scope>

⁶ See [Lord Ashton on 15 Jan 2019](#) and PQ [HL13935](#), answered 4 March 2021

- The Commission needs to be willing to impose greater penalties, including the revocation of licenses for breaches of licensing terms and conditions as well as the criminal law;
- increased transparency on enforcement and a detailed annual statement on action against unlicensed remote gambling sites;
- financial support must be provided by the gambling industry for research, treatment and education through the introduction of a compulsory levy on gambling operators providing services to consumers either on or offline.

10. *Consumer Redress*

- There should be a Gambling Ombudsman;
- There should be a duty of care on gambling operators.

11. *Age Limits and Verification*

- There should be an age limit of 18 across all gambling products;
- There should be a comprehensive set of offences concerning encouraging underage gambling;
- New legislation should address this lacuna that 16- and 17-year-olds are not considered to be young people for the purposes of some aspects of gambling.

12. *Land based gambling*

- Voluntary changes proposed to encourage: i) set time and spend limits, ii) mandatory alerts, and iii) algorithms to identify problematic play should become obligatory licensing social responsibility conditions;
- The requirement for local authorities to permit new gambling shops should be removed and local authorities should be allowed to take account of the demand and local circumstances when making licensing decisions;
- There should not be changes to allow contactless payments. The ban on credit cards for gambling which took effect in GB in April 2020 should be extended to cover contactless payment by mobile phones, other devices and debit cards;
- Gambling premises should be regularly inspected by qualified regulators.

Online Protections - players and products

Q1: What evidence is there on the effectiveness of the existing online protections in preventing gambling harm?

13. Online gambling presents special challenges because unlike betting shops, gambling is available 24 hours a day, 7 days a week from a multitude of different websites. In the latest Gambling Commission Industry Statistics published in November 2021, 39.9% of the gambling market in GB is remote (online gambling) and is the largest combined sector of the gambling market.⁷ The 2018 Gambling Commission Review of Online Gambling suggested that this will rise to 50% over the next few years.⁸ Data from 2019 suggests that 50% of online gambling is via mobile phones; and 95% takes place at home.⁹ Despite attempts by the Government and the regulator to keep pace with developments, CARE is concerned about the growth in online gambling.

⁷ Industry Statistics, April 2019-March 2020, Published November 2021, *Gambling Commission*,

<https://beta.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2020>

⁸ Gambling Commission, Review of Online Gambling, March 2018, <http://www.gamblingcommission.gov.uk/PDF/Online-review-March-2018.pdf>

⁹ Gambling Participation 2019, *Gambling Commission*, Feb 2020, pages 15 and 17

<https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-participation-in-2019-behaviour-awareness-and-attitudes.pdf>

14. In an Editorial published in late 2017, *The Lancet* noted that “*Less publicised is the growth of online gambling, with a potentially greater danger to health than other forms of gambling, particularly for those younger than 16 years of age.*”¹⁰ In September 2020, a Government Minister in the House of Lords said, “*online gambling has a much higher risk of harm than land-based gambling*”.¹¹ Gambling related harm with online gambling is also likely to be more prevalent than for other types of gambling. 2016 data for GB showed a problem gambling rate of 9.2% for online gambling on slots, casino or bingo games (compared to the general population where the prevalence rate is around 0.7%) with rates of low risk gambling for online gambling on slots, casino or bingo games at 21.9% and moderate risk gambling 13.7%.¹² In Gamcare’s 2019/20 report of helpline statistics they reported that “*Online gambling was reported as problematic by 75% of Helpline callers, compared to 46% for offline gambling in 2019/20. A greater number of callers than in previous years are reporting issues with online gambling activities.*”¹³
15. These figures suggest that there should be **specific action taken to ensure that adult consumers are able to manage their online gambling**: We have previously argued there should be a license condition which means that sites with a UK license cannot take bets between midnight and 6 am, a time when individuals prone to gambling related harm are particularly vulnerable. In February 2020, the Advisory Board for Safer Gambling said, “*Gambling late at night is recognised as being associated with harmful gambling. We recommend that operators be encouraged to take this into account in their approach to targeting customers with online marketing during this period of play.*”¹⁴ The latest data from Gambleaware published in early March 2021 looking at data from 140,000 accounts suggest that for those we were online late at night “*Late night play was associated with greater spending intensity (average loss-per-minute) in the case of both live and virtual casino games and somewhat elevated intensity in slots.*”¹⁵ **We recommend the Gambling Commission should ensure that late night play is prohibited under licensing conditions..**
16. It is essential for public health that there continues to be a focus on self-exclusion. We welcome the fact that Gambling websites that operate in Great Britain **are required to be part of GAMSTOP**.¹⁶ We note that in July 2020, IPSOS published a *Process and Impact Evaluation of the Self-Exclusion Multi-Operator Schemes*, which concluded that these schemes are effective, at least in the short term, for those who use them but there is generally low public awareness of these schemes.¹⁷ The Gambling Commission’s 2019 Report on Gambling stated that of those who gamble 53% are not aware of self-exclusion.¹⁸ In our view, **the lack of awareness of the scheme is a significant issue which requires remedial action on the part of the Gambling Commission, relevant Government Departments and GAMSTOP itself**. See also our answer to Q11 about advertising to those who have self-excluded.

¹⁰ Problem gambling is a public health concern, *The Lancet*, vol 390, 2 September 2017

[http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736\(17\)32333-4.pdf](http://www.thelancet.com/pdfs/journals/lancet/PIIS0140-6736(17)32333-4.pdf)

¹¹ House of Lords Hansard, 10 September 2020, col 908 <https://hansard.parliament.uk/pdf/lords/2020-09-10>

¹² Gambling behaviour in Great Britain in 2016, September 2018, <https://www.gamblingcommission.gov.uk/PDF/survey-data/Gambling-behaviour-in-Great-Britain-2016.pdf> pages 63, 3, and 55

¹³ Gamcare, Helpline Annual Statistics, Year Ending 31 March 2020, page 9

<https://d1ygf46rsya1tb.cloudfront.net/prod/uploads/2020/10/GamCare-Helpline-Statistics-Report-2019-20-FINAL.pdf>

¹⁴ Advisory Board for Safer Gambling: advice to the Gambling Commission on actions to reduce online harms, para 29, September 2019, <https://www.rgsb.org.uk/PDF/Online-harms-advice.ABSG.pdf>

¹⁵ See press release, Habits of 140,000 online gambling accounts in Great Britain detailed by new research, 12 March 2021, <https://www.liverpool.ac.uk/researcher/news/articles/habits-of-140000-online-gambling-accounts-in-great-britain-detailed-by-new-research> and NatCen and University of Liverpool, Exploring Online Patterns Of Play Interim report, 9 March 2021, page 35, https://www.begambleaware.org/sites/default/files/2021-03/PoP_Interim%20Report_Short_Final_0.pdf

¹⁶ <https://www.gamstop.co.uk/>

¹⁷ This is a report covering online and off-line exclusion schemes, but the fieldwork took place before GAMSTOP was a licensing condition. See Executive Summary, pages 6 and 8

<https://about.gambleaware.org/media/2247/18-038856-01-moses-combined-evaluation-report-final-for-publication.pdf>

¹⁸ Gambling Participation in 2019, Feb 2020, *Op Cit* page 21

17. In 2017, the Gambling Commission stated, “*new technology is providing children with opportunities to experience gambling behaviours through products, such as free-to-play casino games, social media or within some computer games, which do not have the same level of protections or responsible gambling messages as regulated gambling products.*”¹⁹ **We believe that both promoting online gambling to children/young people and facilitating online gambling by children/young people are unacceptable and should be prevented.** (see also our answers to Q11, Q15 and Q38). We fully support Principle 4 of the 2018 paper of the Advisory Board for Safer Gambling,²⁰ *Children, young people and gambling: A case for action: “Priority should be given to protecting children and young people from the rapidly developing risks of online gambling.”*²¹ Evidence suggests that “*there is an association between early gambling participation and problem gambling in adulthood*”²² and that patterns of problem/moderate risk gambling are “*set by the age of 20 years*”.²³
18. According to the Young People and Gambling 2019²⁴ figures on the gambling participation of 11-16-year olds in Great Britain:
- There was a small but significant increase in online gambling over the previous 7 days from 1% of 11-16 year olds in 2018 to 3% in 2019.²⁵
 - 7% had spent their own money on online gambling on at least one occasion in the previous year, while 6% had gambled online using a parent’s account (some of these on the National Lottery sites which would be available to young people aged 16).²⁶
 - 12% had played gambling-like games online (free and paid but without prizes) within the previous year.²⁷ 29% of those who played online gambling-style games played these *before* gambling for money.²⁸
 - 47% who play online gambling-style games do so via an app of which 18% had played via Facebook or another social media app. 10% had played via social media websites.²⁹
 - 17% had accessed free demo games via gambling apps and 10% on gambling websites.³⁰
19. **Any future regulation should include restrictions on the promotion of remote gambling to children ideally in legislation and at the very minimum in future Licensing Codes.** For instance, the current social responsibility code 3.2.11 should include the requirement to ‘*not deliberately provide facilities for gambling in such a way as to appeal particularly to children or young people, for example by reflecting or being associated with youth culture*’, which already apply in the non-remote SR measures (see paras 3.2.1, 3.2.3, 3.2.7).³¹ It is indefensible not to have included this requirement for remote operators.

¹⁹ <http://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2017/Children-experiencing-gambling.aspx>

²⁰ Previously the Responsible Gambling Strategy Board, <http://www.rgsb.org.uk/Home.aspx>

²¹ <https://www.rgsb.org.uk/PDF/Gambling-and-children-and-young-people-2018.pdf> page 10

²² Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures, October 2017, para 3.23

²³ https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655969/Consultation_on_proposals_for_changes_to_Gaming_Machines_and_Social_Responsibility_Measures.pdf

²⁴ Emond A, Griffiths MD and Hollen L, *A longitudinal study of gambling in late adolescence and early adulthood: the ALSPAC Gambling Study*, December 2019, page 4

²⁵ <https://about.gambleaware.org/media/2069/alspac-gambling-study-report-for-gamble-aware-dec-2019.pdf>

²⁶ We are aware that a Young People and Gambling Survey for 2020 has been published. However, as the Gambling Commission acknowledges, the study was significantly impacted by the onset of COVID-19 and consequently could not be scaled to the national population unlike the figures from the year before. Therefore we have used the 2019 figures.

²⁷ Young People and Gambling 2019, A research study among 11-16 year olds in England and Wales, November 2019

²⁸ <https://www.gamblingcommission.gov.uk/PDF/Young-People-Gambling-Report-2019.pdf> page 1

²⁹ *Ibid*, page 5

³⁰ *Ibid*, page 5

³¹ *Ibid*, page 37

³² *Ibid*, page 36

³³ *Ibid*, page 36

³⁴ <http://live.gamblecom.cloud.contensis.com/PDF/LCCP/Licence-conditions-and-codes-of-practice.pdf>

- Q2: What evidence is there for or against the imposition of greater controls on online product design? This includes (but is not limited to) stake, speed, and prize limits or pre-release testing.
20. We would submit that there are strong arguments to introduce greater controls on online (and indeed offline) product design. The gambling industry has proven to be highly innovative in its ability to introduce new products to market. We acknowledge that currently new gambling products are indeed submitted to the Gambling Commission for testing which they then outsource to other specialist companies. However, like the House of Lords Select Committee on the Social and Economic Impact of the Gambling Industry (HLSC), we find it astonishing that the current *“testing criteria do not consider the addictiveness or potential harm that could be caused by each game; instead the weight of testing is simply to establish “fairness” to the consumer.”*³² It seems **manifestly obvious to us that the possible addictiveness and harms of new products should be assessed before approval is granted. If a game proves to be too harmful, it should not be approved.**
21. The Public Accounts Committee (PAC) has argued that there needs to be **action on the stakes for online fixed betting as well as offline.**³³ This has also been a call from the Gambling Related Harm APG who have argued for limits on stakes and deposits online;³⁴ as has the Advisory Board For Safer Gambling³⁵; and the Social Market Foundation.³⁶ The latter is also urging classification of online games (e.g., the B, C and D type classification for offline games) as is the House of Lords Select Committee, saying, *“that the Government should work with the Gambling Commission to establish a category system for online gambling products... [and] the Government and the Gambling Commission should use the online product categories to set stake limits for online gambling products.”*³⁷ **We support this recommendation from the House of Lords Select Committee and urge the Government to make this change.**
22. We would also support moves to restrict the speed of play on online betting products to the same speeds which are possible offline. As Parke, Parke and Blaszczynski have noted: *“rapid and continuous forms of gambling, ceteris paribus, are associated with a higher rate of loss... This in turn can encourage further gambling participation as the higher rate of loss increases the probability of the player experiencing negative emotions and anxiety in response to losses, and therefore increasing the need and motivation to chase and recoup losses. In addition, rapid and continuous forms of gambling also facilitate emotionally reactive, persistent and escalating gambling engagement, because of the virtually unlimited opportunity to gamble on such products.”*³⁸ The House of Lords Select Committee recommended on the back of this kind of evidence *“the equalisation of speed of play and spin, so that no game can be played quicker online than in a casino, betting shop or bingo hall.”*³⁹ **We agree with this recommendation and call on the Government to include it in new legislation.**⁴⁰

³² House of Lords Select Committee on the Social and Economic Impact of the Gambling Industry: Gambling Harm - Time for Action, July 2020, July 2020, paras 172 <https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/79.pdf>

³³ House of Commons Public Accounts Committee, Gambling regulation: problem gambling and protecting vulnerable people, July 2020, page 3, <https://committees.parliament.uk/publications/1626/documents/19602/default/>

³⁴ Online Gambling Harm Inquiry Interim Report November 2019, page 5, <http://www.grh-appg.com/wp-content/uploads/2019/11/Interim-APPG-Report-November-final-1.pdf>

³⁵ Advisory Board for Safer Gambling, September 2019, *Op Cit*, para 31

³⁶ Social Market Foundation, Gambling Review and Reform, Towards a New Regulatory Framework, August 2020, page 9 <https://www.smf.co.uk/wp-content/uploads/2020/08/Gambling-review-and-reform-August-2020.pdf>

³⁷ HLSC, July 2020, *Op Cit*, paras 185 and 186, page 52

³⁸ Jonathan Parke, Adrian Parke and Alex Blaszczynski, prepared for the Responsible Gambling Trust, Key Issues in Product-Based Harm Minimisation: Examining theory, evidence and policy issues relevant in Great Britain (2016):

<https://www.begambleaware.org/media/1362/pbhm-final-report-december-2016.pdf>, page 40

³⁹ HLSC, July 2020, *Op cit*, para 193

⁴⁰ We note that in February the Gambling Commission issued changes to the technical standards for online slots to take effect on 31 October 2021

https://assets.ctfassets.net/j16ev64qyf6l/F1ZfKRkJE0UWSsyiXZs4j/7c00a6fc546f77abc7bb6d0acbd66a86/Online_games_design_and_reve_rse_withdrawals_consultation_responses.pdf

Q10: Is there any additional evidence in this area the government should consider?

23. We are also concerned about **the increase in gambling on e-Sports by those under 18**. ESports is a burgeoning area of competitive video gaming attractive to young people⁴¹ where skins gambling is involved. Like other sports, individuals bet on the outcomes of these video games; and other forms of gambling are associated with these games.⁴² Academic evidence suggests, “*Consumption of esports had small to moderate association with video game-related gambling, online gambling, and problem gambling.*”⁴³ Other evidence suggest that “*increased spectating of eSports is associated with increased levels of gambling both online and directly related to video games*”⁴⁴ and that the rate of gambling related harm could be a significant concern.⁴⁵
24. The Gambling Commission’s Report on Gambling Participation in 2019 suggests that 6% of people have ever bet on eSports; 4% in the previous 12 months.⁴⁶ Previous data published by the Commission suggested that of those adults who bet on eSports, 88% have bet with money and 90% have bet with in-game items (including skins) and 78% have gambled with both.⁴⁷ The 2019 figures note that betting with “items” decreased significantly.⁴⁸ (Note that these figures cover adults only and not young people). However, spend on Esports has been reported as part of the COVID gambling data which showed a 2,922% increase in spending between March 2019 and March 2020.⁴⁹ It is not clear if this data covers both adults and young people. **Recent academic evidence highlighted that there are young under-age males involved in eSports gambling.**⁵⁰ The 2020 report *The Effect of Gambling Marketing and Advertising on Children, Young People And Vulnerable Adults* suggests that 17% of the Twitter accounts following eSports gambling belong to children under the age of 16.⁵¹ The House of Lords Select Committee (HLSC) also raised the concern about young people being attractive to gambling on eSports.⁵² **There should be a focus on preventing young people from gambling on eSports.**

Advertising, Sponsorship and Branding

Q11: What are the benefits or harms caused by allowing licensed gambling operators to advertise?

25. We understand the motivation behind gambling advertising in what is a highly competitive industry. However, we are deeply concerned about the sheer amount of gambling advertising in the United Kingdom and the impact this may have on individuals vulnerable to gambling related harm. We are especially concerned about the impact of advertising on children and young people.
26. One of the main arenas in which gambling advertising is particularly prevalent is in the realm of

⁴¹ Responsible Gambling Strategy Board’s *Children, young people and gambling: A case for action*, 2018, page 10
<https://www.rgsb.org.uk/PDF/Gambling-and-children-and-young-people-2018.pdf>

⁴² For a complete list see Table 3 of Macey J, Humari J, eSports, skins and loot boxes: Participants, practices and problematic behaviour associated with emergent forms of gambling, *New Media & Society*, 2019, Vol. 21(1) 20-41
<https://journals.sagepub.com/doi/abs/10.1177/1461444818786216>

⁴³ Macey J, Humari J, Investigating relationships between video gaming, spectating esports, and gambling, *Computers in Human Behaviour*, (2018) 344-353, <https://www.sciencedirect.com/science/article/pii/S0747563217306659>

⁴⁴ Macey J, Humari J, eSports, skins and loot boxes: *Op Cit*

⁴⁵ *Ibid*, page 33 reported “Rates of problematic gambling behaviour in the sample appear substantial, with those classified as either being problematic gamblers or at moderate or low risk of developing problematic behaviour totalling 50.3% of the sample, with rates of 4.5%, 18% and 27.8%, respectively.” Authors argued that this could be a function of the self-selecting group who entered they survey and “requires additional scrutiny” (page 36)

⁴⁶ Gambling Participation 2019, Feb 2020, *Op Cit* page 20

⁴⁷ Virtual currencies, eSports and social casino gaming - position paper, March 2017, page 2,
<http://www.gamblingcommission.gov.uk/PDF/Virtual-currencies-eSports-and-social-casino-gaming.pdf>, See also Macey J, Humari J, 2019, *Op Cit*, See Table 2 for list of all forms of currency being used to gamble on eSports

⁴⁸ Gambling Participation 2019, Feb 2020, *Op Cit*, page 20

⁴⁹ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Covid-19-research/Covid-19-updated-August-2020/Gambling-business-data-on-gambling-during-Covid-19-updated-August-2020.aspx>

⁵⁰ Macey J, Humari J, 2019, *Op Cit*, Abstract, Table 4, pages 34 and 37

⁵¹ Page 4, https://about.gambleaware.org/media/2160/the-effect-of-gambling-marketing-and-advertising-synthesis-report_final.pdf

⁵² HLSC, July 2020, *Op Cit*, para 146, page 43

sports. There is virtually no sport which cannot be gambled on in the United Kingdom. A lot of focus has understandably been given to elite football and the ubiquity of advertising for gambling products on live broadcasts.⁵³ However, it should be noted that gambling advertising is found far beyond football as well. Much of this material is watched by children and young people which is of real concern. We note that the HLSC has made a number of recommendations on advertising related to sporting events, which we urge the Government to consider.⁵⁴ The Westminster Gambling Related Harm APPG has called for a ban on all gambling advertising.⁵⁵ Due consideration should also be given to the view put forward by the Royal College of Psychiatrists to the HLSC, where they stated: “*gambling adverts should be banned from any daytime TV. The watershed should be increased to 11 o’clock, and certainly no gambling adverts at any time near sporting events.*”⁵⁶ **Our view is that gambling advertising should be far more restricted than currently.**

27. The July 2020 Report by the Money and Mental Health Policy Institute also advocated for being able to **self-exclude from online gambling adverts**. They cited their own research with individuals suffering from mental health problems of whom 85% said it was impossible to avoid seeing online gambling adverts.⁵⁷ **The new framework should ensure that individuals who have self-excluded are not targeted by adverts or by tipsters and affiliates, who are active on social media.**
28. The GB IPSOS report on young people and advertising reported that between 2015 and 2018 there had been a 24% increase in spending on gambling advertising. The report concluded, “*The relationship between advertising and actual gambling behaviour is complex; yet, triangulation of the evidence produced by this research project would suggest that there are reasonable grounds for concern. In the absence of conclusive longitudinal research and wider comparisons, there is a clear link between gambling advertising and the attitudes, current and likely future behaviours of children, young people and vulnerable adults... The application of the precautionary principle advocates taking preventative measures even if cause and effect relationships are not fully established.*”⁵⁸ (highlights added)
29. The report said that while adverts are not targeting children *per se* (e.g., through children’s websites), there are adverts that “*could appeal directly to children and young people*” because of their content. “*21% of Traditional Betting Tweets, 59% of eSports Betting Tweets, and 37% of eSports Content Marketing Tweets were judged to contain features that could plausibly appeal directly to children and young people, largely accounted for by the use of images and animations. Examples of this included cartoon or animated style graphics, and features such as popcorn, lucky charms and unicorns, and game-like avatars*”.⁵⁹
30. The HLSC said, “*Although the link between an increase in gambling advertising and greater gambling-related harm has not been established, we have no difficulty in concluding that gambling advertising seen by children and young people may have serious repercussions later in their lives.*”⁶⁰

⁵³ See for example Cassidy, Rebecca and Ovenden, Niko. 2017. Frequency, duration and medium of advertisements for gambling and other risky products in commercial and public service broadcasts of English Premier League football. Working Paper. UNSPECIFIED, SocArXiv. [Report], <https://research.gold.ac.uk/id/eprint/20926/>

⁵⁴ HLSC, July 2020, *Op Cit*, paras 517, 518 and 524, pages 132-133

⁵⁵ Gambling Related Harm All Party Parliamentary Group, *Online Gambling Harm Inquiry*, June 2020, page 12 <http://www.grh-appg.com/wp-content/uploads/2020/06/Online-report-Final-June16-2020.pdf>

⁵⁶ See <https://committees.parliament.uk/writtenevidence/220/html/>

⁵⁷ Page 28, <https://www.moneyandmentalhealth.org/online-gambling/>

⁵⁸ Ipsos, *The impact of gambling marketing and advertising on children, young people and vulnerable adults*, March 2020, pages 2 and 8-9 <https://www.ipsos.com/sites/default/files/ct/publication/documents/2020-03/gambling-marketing-advertising-effect-young-people-final-report.pdf>

⁵⁹ *Ibid*, page 6

⁶⁰ HLSC, July 2020, *Op Cit*, paras 493-4, page 126

31. According to the Young People and Gambling 2019 figures on the gambling participation of 11-16-year-olds in Great Britain:⁶¹
- 49% have seen gambling advertisements on social media, compared with 58% on television.⁶² 11% have ever received direct marketing from gambling companies.⁶³
 - 7% said that adverts had prompted them to spend money on gambling.⁶⁴
 - 12% follow gambling companies on social media (14% of boys).⁶⁵ The 2018 data suggested that those who follow gambling companies on social media were three times more likely to have spent money on gambling in the previous seven days than young people who do not follow gambling companies on social media.⁶⁶
 - 14% of boys have received direct marketing from gambling companies.⁶⁷
32. The 2020 data is more limited because of the pandemic and does not include Wales. The published data reported that “58% of 11-16-year-olds have ever seen or heard gambling adverts or sponsorship, of which 7% said this had prompted them to gamble when they weren’t already planning to.”⁶⁸
33. We are **concerned by any advertising or actions by gambling companies that encourage young people into gambling**, especially online advertising via social media and access to gambling type games online. Guidance issued by the ASA and Committee of Advertising Practice (CAP) in 2018 aims to tackle advertising that appeals to children⁶⁹ and we note recent a consultation to strengthen rules and guidance for gambling ads to protect children and young people, which closed in January.⁷⁰ The advice from CAP on Q&As about gambling advertising says that “*The medium in which an ad appears doesn’t affect whether or not its content has particular appeal to children.*”⁷¹ A regulatory statement on gambling advertising came into force on 1 April 2019.⁷² While we recognise that enforcement of the advertising codes lies with ASA/CAP, since data from the 2018 report showed 24% of 11-16 year olds who have ever played online gambling-style games follow gambling companies on social media,⁷³ **CARE recommends that there should be a requirement for the regulator to be proactive in reviewing sites and apps that are of particular interest to young people to ensure that gambling adverts are not targeting children.** We welcome the fact that the licensing conditions require compliance with UK advertising codes.⁷⁴ We welcome that from 2020, the Gambling Industry Code for Socially Responsible advertising has required operators to ensure advertising is targeted only at those over 25 years old on social media and to restrict YouTube channels and content to 18 years old and over.⁷⁵ We also welcome the fact that in September 2020, the Gambling Commission issued

⁶¹ Young People and Gambling 2019, *Op Cit*

⁶² *Ibid*, page 51

⁶³ *Ibid*, page 55

⁶⁴ *Ibid*, page 54

⁶⁵ *Ibid*, page 54

⁶⁶ Young People and Gambling 2018, *Gambling Commission*, page 36 <https://www.gamblingcommission.gov.uk/PDF/Gambling-and-children-and-young-people-response-2018.pdf>

⁶⁷ Young People and Gambling Report 2019, *Op Cit*, pages 54-55

⁶⁸ Young People and Gambling 2020, *Gambling Commission*

⁶⁹ <https://beta.gamblingcommission.gov.uk/statistics-and-research/publication/young-people-and-gambling-2020>

⁶⁹ *Betting and Gaming: Appeal to Children*, 2 August 2018, <https://www.asa.org.uk/advice-online/betting-and-gaming-appeal-to-children.html>; *Regulatory statement: gambling advertising guidance Protecting Children and Young People - gambling guidance* <https://www.asa.org.uk/uploads/assets/uploaded/43072c78-8a0e-4345-ab21b8cbb8af7432.pdf>

⁷⁰ <https://www.asa.org.uk/news/consultation-on-new-strengthened-rules-and-guidance-for-gambling-ads-to-protect-children-and-young-people.html>

⁷¹ See download on <https://www.asa.org.uk/resource/gambling-advertising-q-a.html>

⁷² Regulatory statement: gambling advertising guidance Protecting children and young people Annex A - Gambling advertising: protecting children and young people, CAP, April 2019 <https://www.asa.org.uk/uploads/assets/uploaded/9ee3f18a-569e-430b-b17e328a83d449a0.pdf>

⁷³ Young People and Gambling 2018, *Op Cit*

⁷⁴ <https://www.gamblingcommission.gov.uk/for-gambling-businesses/Compliance/General-compliance/Social-responsibility/Advertising-marketing-rules-and-regulations.aspx>

⁷⁵ Industry Group for Responsible Gambling, *Gambling Industry Code for Socially Responsible Advertising*, Oct 2020, para 55, page 10 <https://safergamblingcommitments.co.uk/wp-content/uploads/2020/12/IGRG-6th-Edition.pdf>

joint guidance with Facebook about how to limit gambling ads on that social media platform.⁷⁶ A similar document was published at the end of 2019 for Twitter.⁷⁷

Q12: What, if any, is the evidence on the effectiveness of mandatory safer gambling messages in adverts in preventing harm?

34. We note a recent study published in 2020 in the *Public Health Journal* on the visibility of age restriction warnings, harm reduction messages and terms and conditions in paid-for gambling advertising.⁷⁸ At the current time, the content and inclusion of such warnings and messages is a matter of self-regulation. This study, the first of its kind, considered a sample of 300 advertisements for gambling products across a range of media including the print press, the internet, TV and radio amongst others. The study found that “one in seven adverts (14%) did not feature an age restriction warning or harm reduction message. In adverts that did, 84% of age restriction warnings and 54% of harm reduction messages had very poor visibility. At least one in ten adverts did not contain T&Cs. In adverts that did, 73% had very poor visibility. For restriction warnings, harm reduction messages and T&Cs, most appeared in small fonts and age outside the main advert frame. Most harm reduction messages did not actually reference gambling-related harms.”⁷⁹ This study should be of considerable concern. **It suggests the current self-regulatory approach to such advertising is failing to provide clear warnings about gambling-related harms and age limits on gambling.**
35. However, we also note that the current industry messaging of “When the FUN stops, stop” has actually been found in academic research to potentially lead to increased gambling when compared to a situation where no harm reduction message is provided at all.⁸⁰ Often when this advertising is used, the term FUN is particularly emphasised again reiterating a connection between gambling and fun. This highlights the need for the detail of the relevant messaging being provided not to be simply left to the industry to determine. **We recommend further research on what messaging on gambling harms is effective with consumers.**

Q15: Is there any additional evidence in this area the government should consider, including in relation to particularly vulnerable groups?

36. One additional comment we would make pertains to the position of Northern Ireland with regard to gambling advertising. Gambling law and policy is devolved to the Assembly. However, due to the nature of the communications market in the United Kingdom, much of the communications content in Northern Ireland comes from Great Britain. Regulation of the internet is also a reserved matter which is an important fact in terms of modern gambling advertising. From our experience of providing the secretariat for the All-Party Group on Reducing Harm Related to Gambling at the Northern Ireland Assembly, it is evident to us that considerable confusion exists amongst policymakers in the jurisdiction over what the scope of the powers of the Assembly are in this area.⁸¹ It is well known that Northern Ireland has a particular difficulty with gambling related harm. In 2016, Northern Ireland had a problem gambling prevalence rate of 2.3% compared to a figure of 0.5% in England.⁸² **Careful consideration needs to be given by the Government to the position of Northern Ireland with**

⁷⁶ See <https://www.gamblingcommission.gov.uk/news-action-and-statistics/news/2020/Gambling-Commission-partners-with-Facebook-to-release-guidance-aimed-at-helping-consumers-limit-gambling-content.aspx> and the [Guidance document https://www.gamblingcommission.gov.uk/PDF/Twitter-consumer-guide.pdf](https://www.gamblingcommission.gov.uk/PDF/Twitter-consumer-guide.pdf)

⁷⁷ <https://www.gamblingcommission.gov.uk/PDF/Twitter-consumer-guide.pdf>

⁷⁸ Critchlow et al, “Visibility of age restriction warnings, harm reduction messages and terms and conditions: a content analysis of paid-for gambling advertising in the United Kingdom,” *Public Health*, 184(2020) 79-88

⁷⁹ *Ibid*, page 79

⁸⁰ Newall PWS, Walasek L, Singmann H, Ludvig EA. Testing a gambling warning label's effect on behaviour. arXiv2019 <https://doi.org/10.31234/osf.io/dxfkj>

⁸¹ <http://aims.niassembly.gov.uk/mlas/apgdetails.aspx?&cid=1666>

⁸² <https://www.communities-ni.gov.uk/sites/default/files/publications/communities/2016-ni-gambling-prevalence-survey-main-report.pdf>

regard to gambling advertising and we would submit it is important for the Government to engage with the Northern Ireland Executive and relevant statutory agencies in that jurisdiction on these issues.

Gambling Commission's Powers and Resources

Q16: What, if any, evidence is there to suggest that there is currently a significant black market for gambling in Great Britain, or that there is a risk of one emerging?

37. We are sceptical of claims made on the part of the industry that there is a risk of a “significant black market” emerging in terms of gambling. **At this time, no compelling evidence has emerged suggesting a significant market of this nature currently exists.** In this regard, we note the recent comments of the former Chief Executive of the Gambling Commission Neil McArthur who stated the following in a letter to a cross-party group of MPs: “*We know that licensed operators and their trade bodies are concerned about the impact of the illegal market, but **our own evidence suggests that the impact may be being exaggerated.***”⁸³ (Highlight added) However, even if there was a risk of such a market emerging, this would make a strong case for better enforcement of the laws which are currently in place rather than lowering standards across the industry. The overall emphasis of regulation should be driving up consumer standards and protections rather than lowering them. As McArthur goes on to say in his letter, “*In any event, we are not convinced by the argument that suggests that raising standards in the licensed market will prompt consumers to gamble with illegal operators.*”⁸⁴ Furthermore, it is important to emphasise that the Commission should be ensuring that websites that are acting without a licence should be subject to enforcement action by the Commission (see also our answer to Q20.)

Q19: Is there evidence on whether the Gambling Commission has sufficient investigation, enforcement and sanctioning powers to effect change in operator behaviour and raise standards?

38. We believe serious and legitimate questions arise over the **independence of the Gambling Commission, its funding model and the lack of focus on consumer protection.**

39. The Gambling Commission has a budget of £19.9m from licensing fees to regulate a £14.3bn industry.⁸⁵ We note the recommendation in the HLSC report recommending the creation of “*a new funding structure*” and a triennial review of the Commission.⁸⁶ Statistics published by the Gambling Commission show that public trust that ‘gambling is fair and can be trusted’ has fallen dramatically from 49% in 2008 to 34% in 2016⁸⁷ and 29% in 2020.⁸⁸ The Gambling Commission’s Strategy 2018-2021 said, “*There are also significant public concerns about the volume, nature and scheduling of gambling advertising and the impact this could have on future generations.*”⁸⁹ These statistics do not point to a well-regulated gambling industry. A number of highly reputable sources have raised serious concerns during 2020 about the effectiveness of the work of the Gambling Commission:

- The PAC said in June, the “*Gambling Commission have failed to adequately protect consumers at a time of considerable change in the sector, as gambling increasingly moves online and new games become popular.*”⁹⁰

⁸³ Rob Davies, “UK gambling firms accused of exaggerating scale of black market betting”, *The Guardian*, 18 Jan, 2021, <https://www.theguardian.com/society/2021/jan/18/uk-gambling-firms-accused-of-exaggerating-scale-of-black-market-betting>

⁸⁴ *Ibid*

⁸⁵ Gambling Commission Annual Report and Accounts 2019-20, 12 November 2020, <https://www.gamblingcommission.gov.uk/PDF/Annual-Report1920.pdf>

⁸⁶ HLSC, July 2020, para 201, page 56 and para 239, page 65

⁸⁷ Gambling Commission, Strategy 2018-2021, page 2 <http://www.gamblingcommission.gov.uk/PDF/Strategy-2018-2021.pdf>

⁸⁸ See Figure 7 Gambling behaviour in 2020: Findings from the quarterly telephone survey, 21 February 2021, *Op Cit*

⁸⁹ Gambling Commission, Strategy 2018-2021, *Op Cit*, page 6

⁹⁰ PAC, July 2020, *Op Cit*, page 3, <https://committees.parliament.uk/publications/1626/documents/19602/default/>

- The HLSC said the Commission and the Government department overseeing it had “*seldom been proactive*”.⁹¹
 - The National Audit Office (NAO) has argued “*The Commission is unlikely to be fully effective in addressing risks and harms to consumers within the current arrangements.*”⁹²
 - The Westminster Gambling Harm APPG says the Commission is “*not fit for purpose*”.⁹³
40. These concerns have been highlighted by the failure of Football Index.⁹⁴ We also note the fact that the role of the Commission has also come under scrutiny during the pandemic. The industry pledged a 10-point plan,⁹⁵ but this has been criticised as “*very weak*” by the Gambling Related Harm APPG⁹⁶ as has the industry’s advertising policy during the pandemic and the guidance issued by the Gambling Commission.⁹⁷ The PAC criticised the Commission for not pre-emptively placing direct requirements on the industry to prevent harm to the public.⁹⁸
41. **All of these factors would highlight to us that the Gambling Commission is in need of significant root and branch reform.** It needs greater resources than it currently has to effectively regulate the industry and consideration needs to be given to its powers and how it uses them. **There should be reform to ensure the Gambling Commission is truly independent of the industry; has the resources it needs to effectively regulate what is now a huge industry; focuses on preventing gambling related harm and consumer protection rather than permitting the excesses of industry; and is able to prove flexible and adaptable in a rapidly changing and dynamic regulatory environment.**
- Q20: If existing powers are considered to be sufficient, is there scope for them to be used differently or more effectively?
42. We note the ability of the Gambling Commission to levy fines and penalties on gambling operators when they breach their licensing conditions. This is a helpful power for the Commission to have and it has been welcome that the Commission has been willing to impose more significant financial penalties in recent times. However, we are concerned at the finding of the HLSC that “*Fines currently imposed and penalties agreed by the Gambling Commission do not make a sufficient impact on large corporations.*”⁹⁹ We believe the Commission **needs to be willing to impose greater penalties, including the revocation of licenses for breaches of licensing terms and conditions as well as the criminal law.** Without the threat, of real and serious consequences, some gambling operators have been shown to be willing to engage in damaging and negative practices which are harmful to individuals, families and communities.
43. CARE is concerned that there is **insufficient enforcement against unlicensed remote gambling websites.** Unlicensed gambling websites do not need to follow the social responsibility requirements set out by the Gambling Commission. The Government has repeatedly said that voluntary arrangements with payment providers for financial transaction blocking would suffice to ensure that unlicensed websites do not operate in the UK. The Gambling Commission has committed to providing

⁹¹ HLSC, July 2020, *Op Cit*, para 294, page 80

⁹² National Audit Office Report, *Gambling regulation: problem gambling and protecting vulnerable people*, February 2020, page 43
<https://www.nao.org.uk/wp-content/uploads/2020/02/Gambling-regulation-problem-gambling-and-protecting-vulnerable-people.pdf>

⁹³ APPG, June 2020, *Op Cit*, page 5

⁹⁴ <https://www.theguardian.com/football/2021/mar/18/football-index-gambling-commission-warned-january-2020>

⁹⁵ <https://bettingandgamingcouncil.com/news/10pledges-safergambling/>

⁹⁶ APPG, June 2020, *Op Cit*, pages 19-21

⁹⁷ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/News/gambling-commission-instructs-tighter-measures-to-protect-consumers-during-lockdown>

<https://www.gamblingcommission.gov.uk/news-action-and-statistics/Statistics-and-research/Covid-19-research/Consumer-interaction-%E2%80%93-Additional-formal-guidance-for-remote-operators-during-COVID-19-outbreak.aspx>

⁹⁸ PAC, July 2020, *Op Cit*, page 11, para 11

⁹⁹ HLSC, July 2020, para 227.

more public information on enforcement actions against unlicensed websites. In a Parliamentary Question answered on 17 March 2021, the Government said they had taken enforcement action against 59 websites in 2019/20 and at that point 74 in 2021/22.¹⁰⁰ It is not clear what enforcement action this might be nor how significant these numbers are in terms of the total number of websites operating illegally. CARE recommends **increased transparency on enforcement and a detailed annual statement on action** against unlicensed remote gambling sites.

Q22: What are the barriers to high quality research to inform regulation or policy making, and how can these be overcome? What evidence is there that a different model to the current system might improve outcomes?

44. We would point to a lack of funding as a significant barrier to the production of high quality research to inform regulation or policy making. While the rhetoric of the Government has consistently pointed to the need for “evidence-based” policymaking, this has not been backed up with the financial resources to conduct high quality research or to obtain consistent survey evidence. As the PAC noted, *“In its evidence the Department repeatedly referred to the need for evidence-based policymaking. However, despite gaps in the evidence base, the Department has not proactively funded gambling related research.”*¹⁰¹ The introduction of a mandatory levy on the gambling industry is at least an obvious partial remedy to this problem which we consider further below in Q24.

Q24: Is there any additional evidence in this area the government should consider?

45. Money for Research, Education and Treatment (RET) on gambling harms is badly needed right across the United Kingdom. CARE has been arguing for the introduction of a statutory levy on gambling providers to provide the lion share of the funding, especially as the voluntary model has been described as having *“fallen short of their objectives.”*¹⁰²
46. It is well known gambling-related harm comes with significant societal costs. In 2016, the Institute for Public Policy Research produced an estimate of the costs which gambling related harm leads to in Great Britain. They estimated *“the excess fiscal costs incurred by individuals who are problem gamblers is between £260 million to £1.16 billion per year.”*¹⁰³ Even at the lower end of this estimate, the costs to the Exchequer are substantial.
47. While there is a requirement under the licensing conditions and codes of practice for operators to provide money for research, education and treatment, **the amount given is voluntary.**¹⁰⁴ The HLSC, Westminster APPG on Gambling Related Harm and the Social Market Foundation all recommend the Government take action to introduce a mandatory levy.¹⁰⁵ Indeed, the Gambling Commission¹⁰⁶ and the Advisory Board for Safer Gambling¹⁰⁷ has recommended the Government take this step as well.
48. The Government already has the power under section 123 of the Gambling Act 2005 to introduce a statutory levy. We **recommend that financial support must be provided by the gambling industry**

¹⁰⁰ PQ [HL14063](#), answered 17 March 2021

¹⁰¹ PAC, July 2020, *Op Cit*, page 5

¹⁰² Para 1.4, page 17, <https://www.gamblingcommission.gov.uk/PDF/consultations/ADR-CI-RET-ResponseDocument.pdf>

¹⁰³ Thortley et al, “Cards on the Table: The Cost to Government Associated with People who are problem gamblers in Britain”, *IPPR*, December 2016, https://www.ippr.org/files/publications/pdf/Cards-on-the-table_Dec16.pdf

¹⁰⁴ Gambling Commission, Licensing Conditions and Codes of Practice, October 2020, Social Responsibility Code Provision 3.1.1 para 2, page 34, <https://www.gamblingcommission.gov.uk/PDF/LCCP/Licence-conditions-and-codes-of-practice.pdf>

¹⁰⁵ HLSC, *Op Cit*, June 2020, para 557; APPG, *Op Cit*, June 2020, *Op Cit*, page 5; Social Market Foundation, *Op Cit*, August 2020, page 55

¹⁰⁶ Gambling Commission, Strategy 2018-2021, page 12, <http://www.gamblingcommission.gov.uk/PDF/Strategy-2018-2021.pdf>

¹⁰⁷ Advisory Board for Safer Gambling Progress Report on the National Strategy to Reduce Gambling Harms, June 2020, page 1, <http://www.rgsb.org.uk/PDF/Progress-Report-on-the-National-Strategy-to-Reduce-Gambling-Harms.pdf>

for research, treatment and education through the introduction of a compulsory levy on gambling operators providing services to consumers either on or offline. Crucially, the sums raised by the levy should not be controlled by the gambling companies. The funds should be independently managed and distributed through the Gambling Commission or another relevant body. The levy must be enough to pay for: the treatment of all problem gamblers who request it; research into problem gambling; and strategies to prevent people becoming problem gamblers in the first place. The new National Responsible Gambling Strategy must be fully funded.¹⁰⁸

49. We note that when CARE commissioned ComRes to conduct polling on public attitudes to gambling in 2018 (referred to above), 66% of men (61% of men and women) agreed that the UK Government should make it compulsory for all gambling companies to pay a larger and equitable proportion of profit or turnover towards funding help for problem gamblers. Just 20% disagree (21% of men and women).

Consumer Redress

Q25: Is there evidence of a need to change redress arrangements in the gambling sector?

50. CARE believes there needs to be a stronger consumer focus than has been in place previously. We would point to the PAC report which raised the lack of consumer support for individuals who have had disagreements with gambling operators¹⁰⁹ since it is not within the remit of the Gambling Commission to help individual consumers in these situations. **The Westminster Gambling Harm APPG¹¹⁰ and the HLSC¹¹¹ have advocated for a Gambling Ombudsman. We agree with those calls.** A Gambling Ombudsman with binding powers would fill a lacuna which currently exists for consumers and would provide a clear and transparent way for consumers to engage with gambling operators.

Q26: If so, are there redress arrangements in other sectors or internationally which could provide a suitable model for the gambling sector?

51. CARE would highlight other ombudsman schemes which are already in place within the United Kingdom as models for the Government to consider. We would highlight in particular the Financial Ombudsman Service set up under part XVI and Schedule 17 of the Financial Services and Markets Act 2000¹¹² as well as the Energy Ombudsman¹¹³ and the Rail Ombudsman schemes.¹¹⁴ None of these ombudsman schemes provide an exact parallel for what would be needed with regard to the gambling sector, but they are instructive in terms of what is possible within the legal framework we currently have.

Q28: Is there any additional evidence in this area the government should consider?

52. Given the long-term impact, gambling can have on individuals and their families, **we support the proposal that there should be a legal duty of care on gambling operators.** This is a position supported by the APPG.¹¹⁵ The HLSC argues for a breach of statutory duty if a customer has suffered losses because the operator contravened the licence conditions and social responsibility code.¹¹⁶

¹⁰⁸ <http://www.reducinggamblingharm.org/>

¹⁰⁹ PAC, July 2020, *Op Cit*, para 5, page 7; para 7, page 8 and para 21, page 14

¹¹⁰ APPG, November 2019, *Op Cit*, page 10

¹¹¹ HLSC, July 2020, *Op Cit*, para 413, page 107

¹¹² <https://www.legislation.gov.uk/ukpga/2000/8/part/XVI>

¹¹³ <https://www.ombudsman-services.org/sectors/energy>

¹¹⁴ <https://www.railombudsman.org/about-us/governance/>

¹¹⁵ APPG, June 2020, *Op Cit*, page 62

¹¹⁶ HLSC, July 2020, *Op Cit*, para 389, page 101

Age Limits and Verification

Q29: What evidence is there on the effectiveness of current measures to prevent illegal underage gambling in land-based venues and online?

53. The answers to earlier questions set out concerns about advertising and the statistics on young people's participation in gambling. All of that raises concerns about the effectiveness of the current measures. The 2020 data on young people and gambling suggests 1.9% of 11-16-year-olds in England and Wales are considered 'problem' gamblers.¹¹⁷ That figure in itself should be evidence that the current measures not preventing underage gambling. **We are very concerned that the problem gambling rate amongst young people, who are not supposed to be able to gamble, is higher than for adults.** This suggests the need for further action to protect children and young people
54. CARE welcomes changes to the Licensing Codes from May 2019 **which require age verification for free to play games**, as we have been concerned about the ability of children and young people to access these games.¹¹⁸

Q34: What are the advantages and disadvantages of category D slot machine style gaming machines being legally accessible to children?

55. There is evidence that some individuals who go on to develop gambling addictions in later life started out gambling on category D slot machines as children. Gambling with Lives, a charity made up of parents whose children tragically took their own lives as a result of gambling addiction, in evidence to the House of Lords Select Committee pointed to the fact that in many of these cases their children started gambling on slot machines before they were 18.¹¹⁹ Great Britain is an outlier internationally in allowing children to gamble on these machines. It seems incongruous to us to state that children should not be allowed to gamble online or buy lottery tickets until they are eighteen (from April 2021) (which we wholeheartedly believe should be the case) but are allowed to gamble on category D slot machine style gaming machines. This sends out a mixed message. **CARE recommends that there should be an age limit of 18 across all gambling products.**

Q36: What, if any, is the evidence that extra protections are needed for the youngest adults (for instance those aged between 18 and 25)?

56. CARE points the Review to a recently published study in the Lancet entitled "*Suicidality and gambling among young adults in Great Britain: results from a cross-sectional online survey.*"¹²⁰ According to the authors, this study is the first to have illustrated an association between problem gambling and suicide attempts amongst a large sample of young people aged 16-24 in Great Britain. The research found that "*problem gambling could be a substantial risk factor for suicide attempts among both young men and young women. Though this association might be explained in part by a common aetiology such as impulsive or risk-taking personality type, the association persisted even after adjusting for these factors.*"¹²¹ **This is a significant finding illustrating the tragic reality that gambling addictions can lead to a higher risk of suicide for young people.** This would point to the need for greater protections for young adults from gambling related harm.

¹¹⁷ <https://beta.gamblingcommission.gov.uk/statistics-and-research/publication/young-people-and-gambling-2020>

¹¹⁸ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/News/free-to-play-games-being-available-through-gambling-affiliates>; <https://www.gamblingcommission.gov.uk/news-action-and-statistics/News/new-age-and-identity-verification-rules-changes-to-the-lccp-from-tuesday-7-may>

¹¹⁹ HLSC, July 2020, *Op Cit*, para 473, page 121

¹²⁰ Heather Wardle and Sally McManus, "Suicidality and gambling among young adults in Great Britain: results from a cross-sectional online survey", *The Lancet Public Health*, 2021;6, e:39-49, <https://reader.elsevier.com/reader/sd/pii/S2468266720302322?token=3809D7AD2BE2BC5B313E2D9396764DED5C72A093FC085851196CCE6A4832534167427A584D48E0F2A50D479CDBAD003>

¹²¹ *Ibid*

Q38: Is there any additional evidence in this area the government should consider?

57. As we have made clear earlier, it should not be allowable to advertise or encourage children and young people to gamble. To ensure this does not occur, **we recommend that there should be a comprehensive set of offences concerning underage gambling.** These should include inviting children to gamble online, including online gambling games, whether on a gambling website or social media, even when there is no exchange of money. This is due to the fact that some online games are designed with child friendly images which lead to the risk of drawing children into the habit of gambling at a young age, with the potential of later gambling addiction. Professor Mark Griffiths, of the international gaming research unit at Nottingham Trent University has said, “*Research has shown that when we look at those children who are problem gamblers, the No 1 risk factor is playing games online for free.*”¹²² Robust age verification, both online and offline, is imperative and the legislation in this area should be strengthened. It is of note that young people are deemed to be 11-16 but not adults until 18. The PAC Report raised this lacuna for 16 and 17 year olds in their report.¹²³ **New legislation should address this lacuna.**

Land-Based Gambling

Q39: What, if any, changes in the rules on land based gambling would support the government’s objectives as set out in the document? Please provide evidence to support this position, for instance how changes have worked in other countries.

58. Further reform on Category B machines should continue to focus on **rigorous regime for player protections.** A GambleAware report published in October 2017 said that the execution of responsible gambling initiatives “*was frequently disappointing*”, commenting in particular on the message “*When the Fun Stops, Stop*” as ineffective for some gamblers.¹²⁴ Commenting on their publication Gambleaware said it showed that the gambling industry as a whole is “*poor at giving staff suitable training in how to promote safe gambling amongst customers. The report also revealed customers felt existing responsible gambling messages are often confusing and unclear.*”¹²⁵

59. In the Government’s Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures, October 2017, CARE argued that given the poor track record of the offline industry in supporting initiatives to prevent problem gambling, **the voluntary changes proposed** to encourage: i) set time and spend limits, ii) mandatory alerts, and iii) algorithms to identify problematic play **should become obligatory licensing social responsibility conditions** since a voluntary approach has not seen sufficient change to help problem gamblers. That continues to be our position, so we support the Gambling Commission’s initiative to increase player protection on all B machines. We supported the proposal in the Commission’s 2019 *Call for Evidence: Player Protections on B Machines* to consider the use of tracking data as long as the data protection issues are addressed, and that data is used only with the player’s consent, but there does not seem to have been any further action as a result of this consultation.¹²⁶ There should also be a continued focus on self-exclusion.

¹²² 8 October 2017, <http://www.dailymail.co.uk/news/article-4961078/Online-bookies-use-cartoons-target-children.html>

¹²³ PAC, July 2020, *Op Cit*, para 6, page 7

¹²⁴ Responsible Gambling: Collaborative Innovation Identifying good practice and inspiring change, Oct 2017, pages 10, 50 and 80.

¹²⁵ <https://about.gambleaware.org/media/1581/revealing-reality-igrg-report-for-gambleaware.pdf>

¹²⁶ <https://about.gambleaware.org/media/1585/2017-10-04-revealing-reality-igrg-report.pdf>

<https://consult.gamblingcommission.gov.uk/author/catbcallforevidence/>

Q40: What evidence is there on potential benefits or harms of permitting cashless payment for land based gambling?

60. CARE fully supported the Government's rationale for not allowing contactless payments as a direct form of payment for gaming machines in 2017.¹²⁷ We agree that players should not be able to directly use their debit or credit cards with gaming machines and **this should not be changed to allow contactless payments**. We support the ban on credit cards for gambling which took effect in GB in April 2020, as players should not be gambling with money they do not have.¹²⁸ **This should be extended to ensure that contactless payment by mobile phones, other devices (eg smartwatches) or debit cards is not used as an alternative form of payment to get around the credit card ban.**¹²⁹

Q43: Is there evidence on whether licensing and local authorities have enough powers to fulfil their responsibilities in respect of premises licenses?

61. The terms of reference to this review state that one of the objectives the Government has in this review is to *"Ensure there is an appropriate balance between consumer freedoms and choice on the one hand, and prevention of harm to vulnerable groups and wider communities on the other."* **We would submit that the evidence indicates that an appropriate balance is currently not being struck in terms of the siting of land-based gambling establishments.** We are aware of the decline in the number of gambling establishments in Great Britain in recent years. Nonetheless, it is impossible to know what the future may hold in terms of land based gambling. At the current time, online gambling is indeed gaining market share and this trend may continue. However, the Government would be wise to be open to the possibility that trends can change. In our view, the best approach in this area would be to repeal or reform section 153 of the Gambling Act 2005. This section effectively requires local authorities to permit gambling establishments to open as long as they are operating in accordance with licensing requirements even if there is no demand for their product.

62. We would submit that the decision to remove the 'demand test' for the siting of new betting shops, bingo halls and casinos has proven to be a retrograde step and should be re-considered. As the House of Lords Select Committee note: *"Allowing operators to decide "on commercial grounds alone" where to locate new betting shops has resulted in betting shops being disproportionately located in places where people can least afford to gamble: what is referred to as "clustering" or "bunching". The Estates Gazette's evidence showed that 'more than half of the nation's 6,000 bookies are in the UK's most deprived areas', and that 56% of all the big four's betting shops are located in the top 30% most deprived areas in England. 78% of the stores of Paddy Power are located in the top 40% most deprived areas. An article published in the Estates Gazette at the same time included the chart below showing that over 20% of betting shops are located in the top 10% most deprived areas, with only 2% in the 10% least deprived areas; in between there is a direct correlation."*¹³⁰

63. The Local Government Association has called for cumulative impact tests to be introduced to enable councils to reject applications for **new betting shops** where there are already existing clusters of shops and for licensing laws to be updated to allow councils to take health issues associated with problem gambling and anti-social behaviour concerns into account. The HLSC supports giving local authorities to determine whether a new betting shop would benefit the whole community.¹³¹ We

¹²⁷ Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures, October 2017, *Op Cit*, paras 4.21-22
¹²⁸ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/News/gambling-on-credit-cards-to-be-banned-from-april-2020>
<https://www.gamblingcommission.gov.uk/PDF/Consultation-responses-2020/Credit-card-responses-document-final-for-the-pdf-version.pdf>

¹²⁹ See PQ [73119](#), answered 16 July 2020

¹³⁰ HLSC, July 2020, *Op Cit*, para 112, page 35

¹³¹ HLSC, July 2020, *Op Cit*, paras 255-261, pages 68-69

agree. **The requirement for local authorities to permit new gambling shops should be removed and local authorities should be allowed to take account of the demand and local circumstances when making licensing decisions.**

64. Northern Ireland, due to its failure to reform its gambling laws, has maintained the demand test within its legislative framework. Unlike in Great Britain, they have not seen a significant rise in the number of gambling establishments or the ‘clustering’ effect which has been much remarked upon in Great Britain. While the law and policy in Northern Ireland on gambling is deeply flawed, they avoided some of the difficulties which have been caused by the removal of the demand test.

Q45: Is there any additional evidence in this area the government should consider?

65. We are concerned about the evidence reported by the PAC on the intelligence picture the Gambling Commission has with regard to land-based gambling. The PAC highlighted the fact that the Gambling Commission “*receives very few reports on local licensing authority inspections of gambling premises. In 2018-19, 119 licensing authorities out of 380 in Great Britain did not conduct any inspections, including almost all licensing authorities in Scotland, and around 60 had not conducted any for the past three years.*”¹³² To our mind this is deeply concerning. It is important for public confidence and for consumer protection that **gambling premises are regularly inspected by qualified regulators**. It is evident this is not taking place in far too many parts of Great Britain at this point. This may relate to a lack of financial resources on the part of the Gambling Commission and local authorities. However, whatever is causing this issue needs to be resolved.

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¹³² PAC, July 2020, *Op Cit*, p5