

14 April 2025

Commons Health and Social Care Committee
House of Commons
London
SW1A 0AA
By email: @parliament.uk
Dear

Follow up to the Gambling Commission's recent appearance

Thank you for inviting me to give evidence to the Health and Social Care Committee last week. As the body responsible for collecting Official Statistics around gambling in Britain, we play an important role in helping to ensure that the public policy debate is well informed by evidence. In that regard we felt it would be helpful to write to you to follow up on some points raised by other witnesses and set out some of the evidence around these topics.

During the first session of the inquiry, there are three specific statements I would like to follow up on.

- "one third of 11–16-year-olds are t	using land based"
- "in 2020 up to 20%	of young people had some form of problem gambling'
"skins betting among	young adults is as risky as online slots"
In relation to the first point raised by than "from local estimates". For the points raised there was no source provided.	

Each year, the Commission publishes a Young People and Gambling report in partnership with Ipsos. This report provides the Official Statistics on young people and gambling. This report focusses on young people and their gambling behaviour, attitudes and awareness. The 2024 Young People and Gambling report was <u>published in November 2024</u>.

The 2024 Young People and Gambling report found that 27 percent of 11- to 17-year-olds had spent their own money on any gambling activity in the 12 months prior to completing the survey.

The most common types of gambling activity that young people spent their own money on were legal or did not feature age restricted products, namely:

- playing arcade gaming machines such as penny pusher or claw grab machines (20 percent)
- placing a bet for money between friends or family (11 percent)





• playing cards with friends or family for money (5 percent).

These statistics would not support an assertion, at a national level at least, that a third of 11-16 years old are using land based gambling.

To understand the context in which young people experience online gambling, all young people in the survey were separately asked if they had ever used their parents' or guardians' accounts to gamble online, with or without their permission. This covered playing National Lottery games online, or playing on gambling websites or to place bets online. Overall, 8 percent of young people (11-17 years old) had used their parents' or guardians' accounts for online gambling, with most having their permission (7 percent overall), as opposed to not having their parents' or guardians' permission (2 percent overall).

The same patterns are apparent when looking at specific types of online gambling as 6 percent of young people had played National Lottery games online using their parents' or guardians' account with their permission, compared to 1 percent without their permission. Similarly, 6 percent had played on gambling websites or placed bets online via their parents' or guardians' account with permission, compared to 2 percent without permission.

The youth-adapted problem gambling screen: the Diagnostic and Statistical Manual of Mental Disorders, Fourth Edition – Multiple Response Juvenile (DSM-IV-MR-J) was used to identify gambling behaviours among young people that participated in the survey. A total of 1.5 percent of young people scored 4 or more on the DSM-IV-MR-J, 1.9 percent scored 2 or 3, and 23.2 percent scored 0 or 1.

A person who confirmed that they had undertaken 4 or more of the behaviours or actions asked about in the past year was considered a person who is experiencing 'problem' gambling, a score of 2 or 3 was used to identify a person experiencing 'at-risk' gambling and a score of 0 or 1 indicated a person who is not experiencing any 'problems' with their gambling. Again, the official data does not support the assertion that 20% of young people had some form of problem gambling.

In February, the Commission <u>published qualitative research</u> conducted by 2CV, with 11- to 17-year-olds, to build on and contextualise the findings from the annual Young People and Gambling survey. This research provides recommendations for the Commission and other stakeholders and explains how responsibility for improving young people's understanding of gambling harms is shared.

As part of the Commission's first set of consultations connected with our commitments in the 2023 White Paper, the Commission consulted on tightening age verification in premises. As a result of this consultation, the Commission introduced new rules which mean all gambling land-based licensees, including smaller licensees, must carry out age verification test purchasing. In addition, the Commission also changed the good practice code to say licensees should have procedures that require their staff to check the age of any customer who appears to be under 25 years of age, rather than under 21 years of age.

All licensees are required to have and put into effect policies and procedures designed to prevent underage gambling, and to monitor the effectiveness of those policies and procedures. One way of testing the effectiveness is by undertaking test purchase exercises using third parties to see if controls are working as intended. During the period April 2023 – March 2024, the headline test purchasing rate – individuals being challenged, was 94%. This is an increase from 93% from April 2022 – March 2023 and from 92% from April 2021 – March 2022. The Commission is not complacent and whilst these figures do show an improvement year on year, it shows that there is still work to be done by the Commission, local authorities and individual operators to ensure that young people are protected from gambling.

In December, the Commission took swift action to close down illegal websites operating alongside popular online gaming site Roblox. These third-party websites had been set up to allow users to gamble 'Robux', the in-game currency. The Commission worked to have these sites closed virtually immediately, and geo-blocked after they reemerged in a different format.

The Commission takes the issue of illegal gambling incredibly seriously and as part of our wider work on tackling illegal operators, the Commission has been taking increased action. Illegal operators do not provide the level of protection for consumers that is required in the legal market, they undercut licensed operators and do not contribute to the Exchequer or funding for research, education and treatment of gambling harm.

Since April 2024, the Commission has issued over 1,150 cease and desist and disruption notices. In the same time period, over 118,000 URLs have been refereed to Google and Bing and over 81,000 have been removed by the search engines. In addition, over 470 websites have been referred to Google, Bing and Yahoo. Alongside search engines, the Commission is working proactively with other enforcement agencies such as HMRC and key facilitators such as payment providers and advertisers. Criminals will always look for ways to target vulnerable people and we will continue to raise awareness to parents and carers to be vigilant about sites used by children.

I also wanted to further explain the Gambling Commission's processes and statutory powers with regard to investigating complaints, which was touched on during the hearing. The Commission works within statutory timescales under section 121(3) of the Gambling Act 2005 (the Act) which requires the Commission to issue a notice to impose a financial penalty within 2 years from the day on which the breach occurred or began to occur, or if later, the day on which the breach came to the knowledge of the Commission.

However, all significant individual complaints are escalated and reviewed by our compliance team where proportionate and appropriate decisions have to be made. We have to consider a number of factors such as:

- What were the requirements in place at the time
- Is there prima facie evidence to suggest that a breach may have occurred
- Have we dealt with similar conduct in previous cases or enhanced compliance activity
- Is there a likelihood that sufficient evidence can be secured and does the timescales since the breach restrict that ability.

In practice however, it is unlikely that an historic case will be raised that is over 2 years and there has not been some form of assurance gathered around an operator's compliance, whether that is through compliance assessments or formal investigative activity.

The Commission, after 2 years, would still have the ability to consider the option to commence a review of the operator's operating licence under section 116 of the Act however, if we consider it appropriate to take regulatory action at the conclusion of the review our powers available may be restricted if the timescale for imposing a financial penalty has passed. We could still consider, under section 117 of the Act, to impose additional licence conditions or warnings or suspension/ revocation of a licence. In relation to the case raised during the hearing and which our has written to him about, the gambling activity complained about had begun four years prior to the complaint being made and related to gambling activity that happened during a period for which the Commission took regulatory action against the operator in question.

I hope this has set out and clarified some of the evidence base, especially around young people and gambling. Please do not hesitate to get in touch if you have any further queries on this or any other area of the Commission's work.

Yours sincerely,

