

Advice from the Advisory Board for Safer Gambling to inform the Gambling Commission's response to Government in relation to the review of the Gambling Act 2005

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Introduction

This document sets out independent advice provided to the Gambling Commission (the Commission) by its Advisory Board for Safer Gambling (ABSG) in relation to the Government's review of the Gambling Act 2005. The advice includes a set of priority recommendations on how this once in a generation review can result in a safer gambling industry for Great Britain.

Background

In December 2020, the [Department for Digital, Culture, Media and Sport \(DCMS\) launched its review of The Gambling Act 2005](#). The Commission, as set out in section 26 of the Gambling Act 2005, is the government's statutory advisor on gambling.

The Commission's advice to government is underpinned by a wide range of available evidence. In addition, in the development of its advice, the Commission also seeks input from its own advisory groups. These are:

- Advisory Board on Safer Gambling (ABSG)
- Digital Advisory Panel (DAP)
- Lived Experience Advisory Panel (LEAP).

ABSG's role

[ABSG's role is to provide the Gambling Commission with advice on safer gambling](#) based on its members' expertise across a range of relevant disciplines. [ABSG is made up of experts](#) with backgrounds in public health, research and academia, psychology, regulation, consumer protection and health care. The Commission website also includes a register of members interests.

ABSG's advice

ABSG was asked to give the Commission advice on each topic within the scope of the Government's Review of the 2005 Act. ABSG was also asked to highlight its top priority recommendations for the review to address and key issues where action to make gambling safer could be prioritised within the Commission's existing powers and the current legislative framework. ABSG was also asked to flag any priority recommendations that fall outside the official scope of the review, but which they recommend are given consideration given the opportunities they present to make gambling across Great Britain safer.

ABSG's advice is set out as follows. In each area, ABSG is asked to highlight recommendations for legislative change, and recommendations which could be taken forward within the existing legislative framework.

Executive Summary

Priority recommendations

What are ABSG's priority recommendations for the Gambling Commission's advice to Government on how the Gambling Act Review can make gambling safer?

A Gambling Act fit for the 21st Century

Key changes to make gambling safer include:

- place prevention of harm at the centre of the Act's revised objectives through a new duty of care on operators - prioritising suicide prevention
- enact a statutory levy to enable a multi-agency response to gambling harms
- mandate new requirements for player protections on affordability, stake limits, speed of play and warning labels on online products
- establish the principle that online gambling products should have limits on stakes, speed of play and other risk factors to products that are equivalent to those offered in land-based environments
- mandate a single customer view mechanism, administered by an independent body
- strengthen consumer redress mechanisms through the creation of an independent ombudsman and a new consumer redress code
- mandate new curbs on advertising and marketing of gambling products
- increase regulatory powers and resources to regulate for a 21st Century industry and digital age.

Context

Public safety is the first priority of government and regulation. Since 2005, consumers have seen a marked change in accessibility, products, and promotional techniques in the gambling market. Alongside this has been an increase in international evidence of gambling related harms. Some stakeholders argue for the status quo by referring to the stability in prevalence rates of problem gambling over the last 10 years, but closer scrutiny suggests that these simple estimates of prevalence of whole populations mask the rise in harmful consequences on individuals, their families and wider communities. This is particularly so amongst young people, minority populations and disadvantaged groups. [Public Health England's \(PHE\) Gambling-related harms evidence review](#) found higher prevalence amongst

those with poor mental health, low life satisfaction, living in the most deprived communities.¹ The review concluded that harmful gambling is likely to make existing health inequalities worse. For example, rates of death are twice as high for problem gamblers than the general population and there are an estimated 409 gambling-related suicides annually. Gambling harms are unequally distributed across communities and across products.

A modernised Gambling Act must therefore include both a duty of care and a prevention of harm narrative, which reflect these changes in products and practices. Key elements of this approach will include:

- mandating better protection for consumers
- placing new requirements on operators to adapt their products and practises to keep customers safe and offer them informed choices.

Mandating protection of those at risk requires a cross-government, systems wide and multi-agency response to reducing harms. The Act should create a Framework for Institutional Co-ordination, bringing together agencies and experts in working groups to address specific challenges. For prevention, this could bring together Ofcom, Advertising Standards Authority (ASA), the Gambling Commission and Financial Conduct Authority (FCA), and experts from computer science and public health to look at online gambling and marketing, generate research evidence and specific policy proposals. For treatment, it could create a platform for the Department of Health and Social Care (DHSC) and equivalent bodies in Scotland and Wales, public health bodies, local authorities and third sector to look at better accountability and coordination of education, treatment and support. It would also include gambling as a risk factor in national suicide prevention strategies, and mandate recording of data on gambling harm by NHS agencies, local authorities and coroners. Some of this work could run in parallel with the work on safety by design in the Online Safety Bill. Such changes would reflect the evidence on the wider determinants of gambling harms.

The focus of harm prevention in the 2005 Act is too narrow as it refers to protecting ‘children and vulnerable people’. This language is contrary to what the evidence tells us about gambling harms. [A consumer’s ‘vulnerability’ is rarely static. It is situational or market based \(PDF\)](#).² A modernised Gambling Act should align with legislation that already underpins financial markets and consumer protection. This would enable the development of proportionate regulatory protections and encourage more proactive approaches to consumer protection. Harm reduction should sit within a public health narrative, in the context of a dynamic interplay between vulnerability, risk and environmental factors.

Key recommendations

ABSG’s key recommendations are as follows.

Place prevention of harm at the centre of the Act’s revised objectives through a new duty of care on operators. This legal obligation is well established in many United Kingdom (UK) industries including healthcare, transport and environmental services to ensure the safety and wellbeing of consumers. It would be an effective mechanism for mandating actions by operators to prevent harm arising, creating a new focus on product safety and on the wider determinants of health and well-being.

¹ [Gambling-related harms evidence review](#), Public Health England, September 2021 (now the Office for Health Improvement and Disparities)

² [Consumer vulnerability across key markets in the European Union \(PDF\)](#), European Commission, January 2016

Enact a statutory levy to fund a multi-agency response to prevention, treatment and research. The case for a statutory levy has been further strengthened by PHE's economic review of gambling related harms, which concluded that 50 percent of the economic burden related to gambling harm is a direct cost to government.

A 1 percent levy would provide the appropriate infrastructure to improve public protection, reduce the costs of harm, create equity across the industry and drive a culture of independent research. This recommendation is central to delivering a whole-systems approach to reducing gambling harms. [ABSG's Advice on funding mechanisms](#)³ provides more detail and [the 2021 Progress Report on the National Strategy to Reduce Gambling Harms illustrates that the voluntary system continues to be a barrier to progress on prevention, treatment, and research](#).⁴

Mandate new requirements for player protections on affordability, stake limits, speed of play and warning labels on online products. ABSG recommend that online protections must adhere to the principle that online gambling products should not be significantly different to their land-based equivalents in terms of maximum stakes, speed of play⁵ and other factors, which could increase the risk of harm for players.

Mandate a single customer view mechanism, administered by an independent body. ABSG recommend this because making better use of data is the principal way in which online play can be made safer and harms detected earlier. The modernised Act should lay the foundations for data to be used in a way that increases protection.

Strengthen consumer redress mechanisms to reflect principles of timeliness, accessibility, fairness, and transparency through the creation of an independent ombudsman and improved consumer redress codes. In the interim, operators should be required to take responsibility for handling complaints linked to 'social responsibility' failings, based on an agreed code, and there should be stronger enforcement measures on those failing to comply.

Introduce new curbs on advertising and marketing of gambling products. This should be underpinned by a public health approach, which includes a focus on those at risk of harm and the application of the precautionary principle. Exposure is a key risk factor, and it is not possible to screen out children and young people or at-risk gamblers. A ban on TV, radio, print media and billboard marketing and sponsorship, and new curbs on online marketing activity would address this.

Existing research shows that sports sponsorship plays a significant role in increasing exposure to gambling marketing and has a strong influence on children. So far, this issue has not been treated as a priority in legislation. The Gambling Act review is an important opportunity for the Commission to highlight the absence of a public health approach in this area and the risks this creates for children.

Increase powers and resources available to the Commission to regulate for a 21st century industry and digital age. This must include greater capacity and capability to deploy technical innovations in monitoring and enforcement actions, and greater autonomy on the fees required to deliver effective regulation.

³ [Advice to the Gambling Commission on a statutory levy](#) ABSG, September 2020

⁴ [Progress Report on the National Strategy to Reduce Gambling Harms – Year 2](#), ABSG, July 2021

⁵ [A speed-of-play limit reduces gambling expenditure in an online roulette game: Results of an online experiment](#), Newall et al., 2022

Advice – by theme

Online protections

ABSG's advice on the protection of online gamblers, including rules to minimise the risks associated with online products themselves, and the use of technology to support harm prevention.

Problems to be addressed are as follows.

Online gambling has come to out-grow land-based - the latest available data shows it now accounts for 77.5 percent of the gambling market excluding lotteries ([52.3 percent including lotteries](#))⁶. It is likely to continue to increase in line with trends across other industries and expand into new products such as virtual reality gambling. As a result, the ease of gambling has increased, with knock-on effects of adverts, marketing, social media, and low visibility of warnings. There is limited evidence of operators intervening proactively with customers experiencing harm.

Evidence also indicates that the online gambling sector has become reliant on a relatively small group of highly engaged players. This player base is at greater risk of harm. For online betting, [5 percent of customers are providing 85 percent of revenue \(PDF\)](#).⁷ The top 1 percent are staking more than £20,000 and providing 52 percent of operator wins. The 50 percent of customers who bet the least are contributing a very low proportion of total revenue. Evidence also shows online gambling is concentrated in residents of areas of multiple disadvantage (measured by the Index of Multiple Deprivation); and 15 percent of customers losing £10,000 to £20,000 per year live in 20 percent of the most deprived areas in Great Britain (GB). The industry's revenue from heavy loss sessions suggests it is unlike a 'typical' leisure activity – heavy loss sessions are common and involve significant amounts of money.

New 'big data' techniques are being applied to gambling behaviour, producing objective indicators not previously available. For example, [Research looking at the spending patterns of online gamblers](#) also shows a strong correlation between expenditure on online gambling and negative indicators of personal welfare such as levels of debt, sleepless nights and missed mortgage repayments.⁸ It also shows a concerning correlation with increased morbidity. This research shows that negative consequences are associated with gambling far beyond the most engaged 1 percent – negative associations were strongly correlated with consumers in the highest quartile of online gambling expenditure. This picture is reinforced by [Behavioural Insights Team analysis of banking data](#) which [found concerning levels of expenditure in around 10 percent of a sample of 1.5 million customers \(PDF\)](#). This presents a contrasting picture compared to self-reported problem gambling prevalence rates.

New evidence is also highlighting differential effects of gambling products. Online casino games and slots are associated with high spend, frequency and duration of play. 80 percent of these accounts are associated with high loss sessions. [Gambling research has for a long time found links between higher levels of harm and the following product characteristics:](#)

⁶ [Industry Statistics](#), Gambling Commission, November 2020

⁷ [Exploring patterns of play \(PDF\)](#), interim report, Forrest & McHale, NatCen, March 2021 – the dataset analysed covered the largest operators, accounting for approximately 85 percent of the total value of the online market and can therefore be seen as a robust basis for understanding the market as a whole

⁸ [The association between gambling and financial, social and health outcomes in big financial data](#), Muggleton et al, Nature Human Behaviour, February 2021

high betting frequency, high win, high house edge, and high perceived personal control over outcomes.⁹ Online and/or mobile casino products have the highest potential betting frequency, due to the speed of play and ability to engage in this gambling format at any time and at any location. However, gambling products are constantly evolving, and in the last twenty years the prominence of online accessibility has also shifted sports betting towards a higher frequency pattern of activity, such as in-play betting, which has [all of the product characteristics associated with higher levels of harm](#).¹⁰

[A meta-analysis of 104 international prevalence studies](#) showed that engagement with online gambling was the highest out of 57 risk factors for predicting problem gambling.¹¹ Much of this may be due to the product characteristics of online gambling highlighted previously.

Recommendations on online protections

ABSG's key recommendations are as follows.

Online games should have the same stake and speed limits as land-based equivalents

Many stakeholders have taken the view that the 2005 Act is 'analogue legislation' no longer fit for a 'digital age'. Online gambling has changed the nature of gambling products and how consumers experience them. This means many online products are faster, available to play 24 hours a day, 7 days a week and at higher stakes, or contain other features, which increase risks that are not found in their land-based equivalents. For example, casino roulette is played at a speed of roughly one spin per minute. [Online roulette, however, has been found over two experiments to have an average speed of play of one spin every 21 seconds](#) - nearly three times as fast.¹²

ABSG recommend that modernised legislation establishes the principle that speed of play, stakes, and other risk factors are consistent across online and land-based gambling. This would mean regulation introducing a speed of play limit on online gambling, so that no game can be played faster than its in-person equivalent. Stake limits should be revised to bring online casino games and slots in line with those found on fixed-odds betting terminals and also speed of play limits revised to bring their speed in line with land-based casinos.

Stronger requirements on affordability – particularly in relation to deposits and levels of loss

Changes to stake size and speed of play limits alone are not sufficient. To reduce the risk of financial harm, limits on loss or deposits would be required as they are closely linked to the amount people spend and the financial harm they can suffer.

⁹ [Gambling, a review of the literature and its implications for policy and research : a Home Office research unit report](#), D.B Cornish, HMSO, 1978

¹⁰ [Structural characteristics of fixed-odds sports betting products](#), Newall, Russell and Hing, Journal of Behavioral Addictions, April 2021

¹¹ [A meta-analysis of problem gambling risk factors in the general adult population](#), Allami et al, Addiction, February 2021

¹² [A speed-of-play limit reduces gambling expenditure in an online roulette game: Results of an online experiment](#), Newall et al., 2022

Setting universal limits on these features is not straight forward as different people can spend different amounts before harm occurs. ABSG endorse the focus the Gambling Commission is placing on affordability. It is important that swift action is taken to set clear expectations for operators to act when revised affordability thresholds are met. This should not be delayed for the duration of the Gambling Act review. The Commission can use existing powers – but for the longer-term, legislative underpinning for this approach would be beneficial.

Strengthen safer gambling principles

[The Gambling Commission's 'game design' initiative](#) is a good example of evidence being used to mandate safer gambling requirements for all operators through more direct regulation.¹³ The resulting consultation led to restrictions on reverse withdrawals and clearer requirements on the way online slots are presented to consumers. This aims to create consistency between operators where we have good evidence exists of risks to consumers.

This approach should be expanded and make use of new technologies which can identify vulnerabilities and trends and trigger earlier interventions. For example, there is evidence of further improvements which could be made to reduce risks to consumers. At present, operators offer customers the opportunity to set deposit limits on their websites. This tends to involve a 'drop-down' box with a menu of options, often including values of hundreds of thousands of pounds. This led to concerns that, while customers may be setting limits, the design 'nudged' towards setting these at meaningless levels. Research from the Behavioural Insights Team showed [that consumer behaviour was positively influenced if operators moved away from using drop down boxes and used a 'free text' approach](#).¹⁴ Independent testing showed this led to more meaningful limits being set. Despite the positive impact demonstrated in a randomised controlled trial – considered to be a gold standard in consumer research – operators report a reluctance to adopt this approach until their competitors do so. Barriers to implementing changes in game design could impede the take up of other promising technologies – such as [work being developed by LAB Group to develop predictive technologies to identify layers at risk of harm](#) and make changes to their customer experience to mitigate these risks.

In common with other commercial settings, operators' reticence to act may be due to a concern that they will be disadvantaged if their competitors do not make similar improvements. ABSG recommend that the Commission use its powers to catalyse change and bring greater consistency through changes to licence conditions. Leaving it to operators has meant that the process too slow and has not responded to new and compelling evidence of the ways in which design features influence patterns of play towards higher spend and more risky behaviours.

Signage and warning labels

We recommend that steps are taken to introduce clearer and more impactful information to players – including information on risks and the cost of play. Currently, information about the average cost of play is found only on virtual online gambling games, and not in other formats such as sports betting. Additionally, the information that is found on online gambling games

¹³ [Online games design and reverse withdrawals](#), Gambling Commission, February 2021

¹⁴ [Can behavioural insights be used to reduce risky play in online environments \(PDF\)](#), Behavioural Insights Team, October 2018

is typically inaccessible and inconsistent, and evidence has shown that it is in a format which [at least half of gamblers do not understand \(for example “return to player \(RTP\)”](#)).¹⁵

It will require investment of adequate resources and access to specialist expertise to develop effective ways to explain these issues to consumers and measure its impact. As discussed later in this advice, additional regulatory resources will be needed to develop the Commission’s capacity in a range of areas. This should be supported by collaboration with partners with relevant expertise to assist on this type of project.

ABSG’s key recommendation is that this work is prioritised. The optimal approach will need careful design so that effective communications can be developed. A promising area for it to explore stems from [research on alternative ways of explaining cost of play between products](#).¹⁶ There is evidence for statistically-significant reductions in gambling expenditure when, compared to current information, [gamblers are informed of the average percentage of staked funds lost to the gambling operator](#) (house edge) and that RTP is a statistical long-run average which need not reflect any individual session of gambling.¹⁷ Finding effective ways to apply this type of learning to player messaging could help consumers make better informed choices and reduce the risk of progressing towards harmful gambling.

Mandate an independent ‘Single Customer view’ so data is used to improve protections for players who are experiencing harm

The move to online should have greatly increased operators’ ability to address gambling related harm because they hold data on player activity. Analysis suggests that operators, in common with other online business, use data in a variety of ways to understand their customers and promote their products. Profiling is therefore already commonplace, but at present it is not adequately focused on prevention of harm – as is demonstrated by the Commission’s recent [Compliance and Enforcement Report](#).¹⁸

The ability to detect harm is further diminished by at-risk gamblers being more likely to engage with multiple gambling formats and multiple operators.¹⁹ At present operators can only observe markers of harm within a customers’ play on their own website – this means that much of the opportunity to detect harmful play is lost.

The Commission should require the industry to make more effective use of the opportunity for player protection from the data available from online gambling. Creating a ‘Single Customer View’ so that data on consumers’ overall behaviour can be analysed has been proposed for some time and this review provides an opportunity to mandate it. Progress in this area has been extremely slow compared with other sectors such as financial markets.

¹⁵ [Risk communication improvements for gambling: House-edge information and volatility statements](#), Newall, Walasek and Ludvig, Psychology of Addictive Behaviors, 2020

¹⁶ [House-edge information and a volatility warning reduce gambling initiation and persistence: superior alternatives to return-to-player percentages](#), Newall et al, Preprint, July 2021

¹⁷ [Responsible Gambling Telephone Intervention to High-Risk Gamblers by a State-Owned Gambling Operator in Sweden: Study Protocol for a Study on Effectiveness, User Satisfaction, and Acceptability](#), Hakansson et al, International Journal of Environmental and Research and Public Health, 17(23) 2020

¹⁸ [Gambling Commission publishes Compliance and Enforcement Report](#), Gambling Commission, December 2021

¹⁹ [Breadth and depth involvement: Understanding Internet gambling involvement and its relationship to gambling problems](#), LaPlante, Nelson and Gray, Psychology of Addictive Behaviors, 2014

The Commission also requires the capacity and expertise to critically review big datasets of this kind - and ensure it has a high level of assurance operators are using the dataset effectively.

Marketing and advertising

ABSG's advice on the positive and negative impacts of the advertising and marketing of gambling products and brands, including incentives and safer gambling messaging.

Problems to be addressed are as follows.

Absence of a public health approach to gambling marketing and advertising

It is widely acknowledged that a public health approach is needed to reduce gambling harms.^{20,21,22} A key feature of public health approaches in all other contexts includes a focus on creating and maintain safety in the environment – by which we mean the places consumers live their lives and interact with businesses and each other. [This includes the physical environment and online.](#)²³

One of the most noticeable changes since the Gambling Act 2005 Act is the increased visibility of marketing, advertising and sponsorship for gambling – which has now become a key feature of our physical and online environments. The negative consequences and risks associated with high levels of exposure to gambling marketing therefore need to be considered carefully as part of a public health approach to reduce gambling harms.

Gambling marketing in Great Britain is characterised by high expenditure and heavy rotation. [This is typical of advertising strategies in highly competitive markets.](#)²⁴ There can be a tendency, as in all forms of mainstream marketing, for gambling companies to compete with one another for maximum rotation and visibility. This maintains high levels of spend and in turn high levels of brand exposure.

[Gambling firms spent £6.6 million weekly on television and radio marketing in 2020.](#)²⁵ This now includes an extensive digital presence alongside television, radio, and physical marketing (such as print media and billboards).²⁶ Expenditure has been rising too, between 2014 and 2017, overall expenditure increased from £1billion to £1.5billion. [The greatest area of growth in marketing expenditure was online \(PDF\).](#)²⁷

²⁰ [National Strategy to Reduce gambling Harms](#), Gambling Commission, April 2019

²¹ [Is gambling an emerging public health issue for Wales, UK?](#) Journal of Public Health, Atherton, F., & Beynon, C, 2019

²² [Gambling Industry Committee](#), House of Lords, June 2020

²³ [The Lancet Public Health Commission on Gambling](#), The Lancet, January 2021

²⁴ [Media in Focus: Marketing effectiveness in the digital era](#), Binet and Field, IPA, 2017

²⁵ Neilsen Advertising Intelligence Service 2021 in [Wardle et al, 2021](#). Data presented at the Betting and Gambling Impact Study Interims Findings Presentation 10 March 2021

²⁶ Hornle et al (2019) identified six forms of online advertising in 2019 – banner advertising placed by ad exchanges, marketing generated by searches, paid for social media advertising, the use of affiliates and influencers to promote products, user generated advertising content and affiliate ads via gambling tipsters.

²⁷ [Gambling advertising and marketing spend in Great Britain](#), Regulus, 2018

All the evidence points to [increasing exposure as a key risk factor](#).²⁸ Key negative aspects of gambling advertising identified in the literature are [high exposure of gambling marketing to children and young people](#)²⁹ and high exposure and [direct marketing of at risk and recovering gamblers](#).^{30,31}

High exposure for children – which increases the risk of harm

The [high levels of exposure amongst children have been measured by the Gambling Commission's research on this topic](#).³² This showed 69 percent of 11–16-year-olds reported seeing or hearing gambling adverts or gambling sponsorship and 49 percent had seen gambling adverts on social media websites. 11 percent also reported [receiving direct marketing](#) – including emails, texts and messages via social media platforms such as YouTube, Twitter, and Instagram.³³

In addition to evidence of exposure, Commission data also indicates evidence of this leading to potentially harmful behaviour change. 7 percent of 11 to 16-year-olds reported that advertising or sponsorship prompted them to spend their own money on gambling when they otherwise had not planned to do so. The same survey also showed that those who had ever spent money online gambling were more likely to report that marketing and advertising had influenced them compared to those who had never gambled. It should be noted that apparently low percentages equate to large numbers of children. Although some of the gambling prompted by this marketing may have taken place legally, this evidence illustrates that many young people are gambling more at a young age due to the lack of a public health approach in respect of marketing for gambling.

These concerns about the impact of exposure on children are supported by many other studies – both in Great Britain and internationally. [A large cross-sectional study of young people](#) found a strong association between gambling exposure, frequency of gambling and gambling problems later in life.³⁴ Research published by Ipsos MORI last year also concluded [that exposure to marketing as a child was a significant factor in gambling later in life](#).³⁵ Many other studies have confirmed this finding – as demonstrated in the following section on protection of children and young people.

It is concerning that the process of operators preparing children to gamble is allowed to commence so early in life and without consent of the parent or child. Similar concerns have [led other jurisdictions to enact stronger legislation to limit or reduce exposure](#). Italy, Spain

²⁸ [Factors that influence children's gambling attitudes and consumption intentions: lessons for gambling harm prevention research, policies and advocacy strategies](#), Pitt et al, Europe PMC, February 2017

²⁹ [Assessing the impact of cue exposure on craving to gamble in university students](#), Ashrafioun et al, August 2021

³⁰ [Television gambling advertisements: Extent and content of gambling advertisements with a focus on potential high risk commercial messages](#), Hakansson et al, Europe PMC, April 2019

³¹ [Wagering advertisements and inducements: Exposure and perceived influence on betting behaviour](#), Hing et al, National Library of Medicine, Sept 2019

³² [Young people and gambling survey 2019](#), Gambling Commission, 2019

³³ ["Get a £10 Free Bet Every Week!"—Gambling Advertising on Twitter: Volume, Content, Followers, Engagement and Regulatory Compliance](#) Rossi, Nairn, Smith and Inskip, Journal of Public Policy and Marketing, July 2021

³⁴ [Exposure to gambling advertisements and gambling behaviour in young people](#), Clemens et al, Springer, 2017 (Journal uses a paywall)

³⁵ [The effect of gambling advertising on children, young people and vulnerable adults](#), Ipsos MORI, March 2020

and Australia have introduced bans³⁶ and already imposed fines for failings by operators.^{37,38}

Sports sponsorship

A key factor driving the visibility of marketing for gambling – for both children and adults - is [sports sponsorship](#).³⁹ The [reach of this marketing is extensive](#).⁴⁰ For example, one study found [gambling logos on screen](#) for 71 percent to 89 percent of BBC's 'Match of the Day' Premier League highlights show.⁴¹ This TV programme is viewed by many children as well as adults and is just one example of the pervasive nature of gambling marketing. A key concern about this form of marketing is that it does not allow children's exposure to be 'screened out'. Research has shown that measures such as the so-called '[whistle to whistle ban on gambling marketing has very limited impact on overall levels of exposure](#)'.⁴²

Sports sponsorship has been shown to create a strong association between watching sport and [participating in gambling](#).^{43, 44} It also has the effect of [building positive views of gambling](#) in ways which present a high risk of harms being suffered later in life.⁴⁵

In the UK, some football clubs are already moving away from sponsorship arrangements with gambling companies because of their concerns about its impact on supporters.^{46,47}

Contested evidence on causality

Some industry stakeholders have suggested that there is no direct causal link between gambling marketing and harms to consumers. This assertion is misleading and reflects a narrow interpretation of the evidence base, much of which does not include reference to more recent developments in digital profiling and marketing. One [recent large-scale study found a clear link between inducements and gambling frequency](#), intensity, and at-risk behaviours, with impact on those most at risk of harm.⁴⁸

The existing research has shown that marketing acculturates values and creates consensus. The greater the exposure, the stronger the bond created between product and customer and the brand trust effect. It is well known that marketing interacts with many other social

³⁶ [Italy's government moves to ban all adverts for gambling](#), The Local, July 2018

³⁷ [First Italian gambling advertising ban fine against a news website](#), GamingTechLaw.com March 2021

³⁸ [Google fined for breach of the Italian gambling advertising ban](#), GamingTechLaw, November 2020

³⁹ [Shirt sponsorship by gambling companies in the English and Scottish Premier Leagues: global reach and public health concerns](#), Bunn et al, University of Glasgow, January 2018

⁴⁰ ['It's basically everywhere': young adults' perceptions of gambling advertising in the UK](#), Torrance et al, Oxford Academic, December 2020

⁴¹ [Frequency, duration and medium of advertisements for gambling and other risky products in commercial and public service broadcasts of English Premier League Football](#), Cassidy et al, 2017

⁴² [Examining the frequency and nature of gambling marketing in televised broadcasts of professional sporting events in the United Kingdom](#), Purves et al, Public Health, July 2020

⁴³ [On the normalisation of online sports gambling among young adult men in the UK: a public health perspective](#), McGee, Public Health, 2020

⁴⁴ [Recall and awareness of gambling advertising in sport in the UK: a study of young people and adults](#), Djohani et al, Harm Reduction Journal, 2019

⁴⁵ [Young people's awareness of the timing and placement of gambling advertising on traditional and social media platforms: a study of 11–16-year-olds in Australia](#), Thomas et al, University of Bristol, October 2018

⁴⁶ [Bolton doing right thing by cutting betting links](#), say chief executive, BBC Sport, September 2021

⁴⁷ [Luton Town 'not comfortable' with gambling sponsorship](#), says chief executive, November 2018

⁴⁸ [Impact of wagering inducements on the gambling behaviors of online gamblers: a longitudinal study based on gambling tracking data](#), Balem et al, Addiction, August 2021

influences and behaviour change is rarely direct or with a single cause and this makes a causal link difficult to show. Moreover, there is no evidence that marketing is not harmful.

This is not an extensively researched policy area from which the risk of harm linked to marketing should be dismissed. In fact, the opposite is true. The quantum of research spent on gambling harms since 2010 relative to other addictions such as alcohol or drug use is low. In the last 15 years, Research Councils UK have funded 540 alcohol related studies compared with only 22 gambling related studies.⁴⁹ Moreover, much of the available research on which this view is based examined traditional modes of content marketing, [not internet-based methods such as targeted online marketing](#), or content shared between peers.⁵⁰ Many academics will [not accept funding donated on a voluntary basis from the industry](#).⁵¹ As argued later in this advice, the weakness in current funding for research is another barrier which this review should address.

Whilst a more extensive research base and use of objective research technologies is evolving, ABSG advocate a precautionary approach. The current evidence base should not be used to achieve the opposite goal of permitting diminished corporate responsibilities. Further research is needed to inform ethical industry practices and effective harm reduction strategies.⁵²

Online gambling creates unmet regulatory challenges

The growth of online marketing is a relatively new phenomenon. It has developed almost entirely since the 2005 Act was created. Online marketing is based on [algorithms that calculate the interests of the consumer](#) and the likelihood they will respond.⁵³ It operates through a broad ecosystem of gambling apps, social media, content marketing agencies, data brokers, ad exchanges (such as Double-Click (Google) Microsoft Bing, Clickbooth),⁵⁴ influencers (in this context 'tipsters') and content designed to be shared from peer-to-peer. Research published by the Commission found [over 41,000 children were following gambling advertising on social media](#).⁵⁵

Online marketing creates new challenges for regulation and government. The current regulatory approach tends to focus primarily on content and the deliberate targeting of specific population groups (for example, children or adults who are deemed vulnerable).

Weaknesses of regulations on targeting and placement

The Committee of Advertising Practice's (CAP) current minimum standards state that gambling marketing should not be served to people using internet search terms which suggest they are seeking treatment or support for a gambling problem or other negative key

⁴⁹ [Advice to the Gambling Commission on a statutory levy](#), ABSG, September 2020

⁵⁰ [A sieve that does hold a little water – gambling advertising and protection of the vulnerable in the UK](#), Hornle and Curran, Legal Studies 38 (4), July 2018

⁵¹ [Open letter from UK based academic scientists to the secretary of state for digital, culture, media and sport and for health and social care regarding the need for independent funding for the prevention and treatment of gambling harms](#), BMJ, July 2020.

⁵² [Emergent gambling advertising: a rapid review of marketing content, delivery and structural features](#), Torrance et al, 2021

⁵³ Placement of online marketing is generated through a complex and sometimes opaque ecosystem as discussed in: [Regulating online advertising for gambling – once the genie is out of the bottle...](#), Hornle et al, Information & Communication, May 2019

⁵⁴ [What is the future of data driven advertising](#), Dataconomy, December 2018

⁵⁵ [Young people and gambling survey 2019](#), a research study of 11–16-year-olds in Great Britain, Ipsos, October 2019

words. These minimum requirements may prevent people being served with online marketing in very specific circumstances, but they do not protect the far larger proportion of at-risk consumers whose online behaviour means they will be targeted with a high volume of gambling marketing driven by predictive algorithms.

Research shows that [problem and at-risk gambling are associated with high levels of spend](#), long duration of gambling sessions, or [use of multiple online gambling accounts](#).⁵⁶ Gamblers with these online profiles will be targeted by algorithmic marketing tools. The same processes that make this form of marketing commercially successful [directly increase exposure for consumers](#) who are at greater risk of harm.⁵⁷

Operators and the wide range of agencies involved in serving online marketing should have the ad-tech tools to steer adverts away from those at risk of harm. At present, there is no evidence to give us confidence this is happening. A [recent review by the ASA](#) showed that avatars designed to be recognisable online as children, were served gambling marketing as frequently as equivalent 'adult' avatars.⁵⁸ These disappointing results confirm the industry's low starting point, as well as the importance of the [Commission's work on the so called 'ad-tech' challenge](#).⁵⁹ If basic risk-factors, such as age are not being adequately identified and those under 18 are not being protected from exposure to online marketing, it raises significant doubt as to whether effective protections are being routinely deployed in relation to other factors which would indicate a consumer at risk.

There is an opportunity to influence social media and internet businesses to develop practices that will help reduce exposure for people who are at greater risk of harm. The [recent announcement from Google that it will phase out cross site or third-party tracking cookies](#) suggests that consumer expectations and the threat of tighter regulations has triggered action by Google.⁶⁰ Mozilla Firefox and Apple already block these cookies by default. However, further action by regulators is required.

Extensive exposure to online gambling marketing also results from content shared from peer-to-peer. Online content is designed to be shareable, generating greater reach and impact. Influencers – such as tipsters – also generate content which has the same effect. This activity is not covered by the regulation of operators. Inevitably, it reaches children as there is no requirement for age verification from social media companies. There is a risk that oversight of this form of marketing will fall into a 'legislative gap' between the Gambling Act Review and the [Government's Online Safety Bill](#)⁶¹ which currently makes no mention of gambling, although it does include reference to limits on advertising to children. Fresh thinking is needed to address this issue, reflected in wider calls from both the Competition and Markets Authority and the Advertising Standards Authority for stronger enforcement tools to address influencer (tipster) advertising.⁶²

⁵⁶ [Levels of problem gambling](#), Gambling Commission, 2018 and [Remote gambling research](#), PWC, 2016

⁵⁷ [Regulating online advertising for gambling – once the genie is out of the bottle...](#), Hornle et al, Information & Communication, May 2019

⁵⁸ [ASA calls on advertisers to make better use of online targeting tools to minimise children's exposure to age restricted ads in mixed age audience sites](#), ASA, July 2021

⁵⁹ [Industry challenges](#), Gambling Commission, 2019

⁶⁰ [Google promises to drop personalised ad tracking](#), BBC News, March 2021

⁶¹ [Draft Online Safety Bill](#), DCMS, May 2021

⁶² [Formal meeting \(oral evidence session\): The work of the Department for Digital, Culture, Media and Sport](#), 23 November 2021

Weaknesses of regulations on content of gambling marketing

Regulation of online gambling marketing has a strong focus on the suitability of its content. Codes are set out by CAP and enforced by the ASA. These include:

- gambling marketing must not exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons
- gambling marketing must not suggest that gambling can be a solution to financial concerns, an alternative to employment or a way to achieve financial security
- gambling marketing must not use content that is of particular appeal to children.

Although these principles appear reasonable, in reality, their application relies on a degree of subjective judgement. [Application in practice is therefore seen to be inconsistent](#).⁶³ These principles frequently conflict with the traits of gambling which typically appear in marketing – for example, sports stars, opportunities to win large sums of money, apparently attractive odds, and glamorous portrayals of casinos.

Research analysing a large sample of marketing content found widespread evidence of inconsistency and [frequent examples of content not meeting CAP requirements](#).⁶⁴ For example, marketing showing odds for complex bets do not make it clear how unlikely such outcomes really are, which is exploitative of susceptibilities. [Inducements and incentives embedded within marketing are associated with loss of control](#), further exploiting the susceptibilities of gamblers.⁶⁵ These findings are supported by [recent research on the effects of gambling advertising by Ipsos MORI](#), who also highlighted the risk that gambling marketing may play on the susceptibilities of children, young people and adults at risk of being harmed by gambling activity.⁶⁶

Recent research found highly significant differences between CAP guidance on content deemed to have particular appeal to children (for example, cartoons and animals), compared to what children themselves perceived as having a strong appeal (for example, sports stars).⁶⁷

Over reliance on industry-designed safer gambling messaging

There are significant concerns about industry generated responsible gambling messages. These tend to have low visibility⁶⁸ and do not reflect the seriousness of the link between gambling expenditure and harm for example, “When the fun stops, stop”. This example is by no means unique, with similar safer gambling messages used elsewhere.⁶⁹

⁶³ [Visibility of age restriction warnings, harm reduction messages and terms and conditions: a content analysis of paid-for gambling advertising in the United Kingdom](#), Critchlow et al, Public Health, July 2020

⁶⁴ [Get a £10 Free Bet Every Week!—Gambling Advertising on Twitter: Volume, Content, Followers, Engagement and Regulatory Compliance](#) Rossi, Nairn, Smith and Inskip, Journal of Public Policy and Marketing, July 2021

⁶⁵ [Impact of wagering inducements on the gambling behaviours, cognitions and emotions of online gamblers: a randomised study sample](#), National Library of Medicine, Challet-Bouju et al, Nov 2020

⁶⁶ [The effects of gambling advertising on children, young people and vulnerable adults](#), Ipsos MORI, March 2020

⁶⁷ What are the odds? How gambling adverts appeal to children and young people on Twitter, Nairn

[Forthcoming]

⁶⁸ [Visibility of age restriction warnings, harm reduction messages and terms and conditions: a content analysis of paid-for gambling advertising in the United Kingdom](#), Critchlow et al, 2020

⁶⁹ New South Wales Lotteries in Australia uses the message, “Have fun & play responsibly”, and the state monopoly gambling provider in Ontario, Canada, has a “PlaySmart” campaign which tells gamblers to “keep the fun in the game”.

Overall, the evidence suggests little beneficial effect of current messages on consumer behaviour, with [the most extensive evidence showing no beneficial effect occurring for “when the fun stops, stop”](#).⁷⁰

Recommendations on marketing and advertising

Our review of the available evidence has concluded:

- sufficient evidence exists to support concerns about the links between gambling marketing and harms – in particular, its effects on children and young people, – but also a much broader range of consumers who could be susceptible to harms
- the existing evidence base on gambling marketing, and what can be inferred from well-established evidence on the effects of marketing from other areas of public health, supports the application of a precautionary principle
- the current regulatory approach is no longer fit for purpose and requires a new approach to the regulation of online activity as a priority – this should be aligned with the [Government’s new Artificial Intelligence Strategy](#).⁷¹

Changes in legislation need to strike the right balance between public protections and consumer choice and economic factors. A shift is needed to re-balance in favour of a public health approach which places greater emphasis on public protection.

ABSG’s key recommendations are as follows.

Introducing a ban on all gambling marketing in television, radio, printed media, billboards and sports sponsorship. These traditional forms of marketing do not allow children or vulnerable people to be screened out of the audience and contribute to an environment which includes a damaging level of exposure.

Existing research shows that sports sponsorship plays a significant role in increasing exposure and has a strong influence on children. So far, this issue has not been treated as a priority in legislation. The Gambling Act review is an important opportunity for the Gambling Commission to highlight absence of a public health approach in this area and the risks this creates for children and future generations.

As outlined above, online marketing is the other key area of concern. Taking a precautionary approach, a ban on this form of advertising is also recommended. This would be supported by existing evidence of associated harm. But recognising this would require a significant policy change, first steps would be as follows.

Creating a new Framework for Institutional Coordination to address the challenges presented by online marketing and the complex interconnection between operators, social media, tipsters and ad exchanges. This should include setting tighter requirements on the use of so called ‘ad-tech’ by mandating best practice and recognising the risks associated with currently unregulated components of these online ecosystems.

Using legislation to mandate social media platforms to screen out the following and sharing of gambling tweets by children and young people. Recognising this would require some

⁷⁰ [No credible evidence that UK safer gambling messages reduce gambling](#), Newall et al, February 2021

⁷¹ [National AI Strategy](#), UK Government, September 2021

fundamental changes to social media firms and would have interconnections with other aspects of online safety, this should be considered within the package of measures being developed in connection to the [Government's Draft Online Safety Bill](#) – which currently makes no mention of gambling.⁷²

Making greater use of transparency as a means of driving up standards. Online gambling marketing creates many thousands of impressions on consumers daily. But unlike traditional advertising on television, radio, print and billboards, it is not clear where these adverts appear, what their content is, and who is seeing them or indeed who sponsors them. Work is needed on an appropriate way of making this data more open to scrutiny.

A single customer view, as outlined in the section of this advice on online protections, would create longer-term options for directing marketing away from at-risk consumers.

Advocating that young people should play a greater role in determining what content is considered to have 'particular' appeal. This would help create more effective rules to help reduce inappropriate content.

Ensuring operators no longer have responsibility for designing the responsible gambling messages they provide to consumers. This includes the messaging they provide in marketing, on their websites and at point of sale. These should be replaced by independently developed messages created by public health agencies with input from people with lived experience. These messages should be appropriately evaluated, with results published so learning can take place to allow the development of effective approaches.

Protection of children and young people

ABSG's advice on:

- the effect that gambling as a child can have on gambling in later life
- whether there are products that carry a greater risk of harm for children and young adults.

Problems to be addressed are as follows.

ABSG's advice in relation to protection of children and young people is based on concern about:

- gambling harms being experienced by children at present
- harms that will be suffered later in life due to exposure and influence experienced in childhood
- other online harms from 'gambling-like' products – where greater regulation of the online environment is required to protect children.

⁷² [Draft Online Safety Bill](#), DCMS, May 2021

Current experience of harms

There are approximately 55,000 children classified as problem gamblers in the UK.^{73,74} Given that problem gambling rates typically underestimate the extent of harms related to gambling, this figure is unlikely to reflect the true picture of children harmed.^{75,76}

It is important to note that children are also harmed by the gambling of others, in particular their parents, due to their emotional and financial dependence on them. This adds to the case for action to prevent harms related to gambling across all age groups.

Children have been found to be more vulnerable to developing gambling problems because of their developmental and cognitive immaturity. They also have been found to be more sensitive to marketing and exposure within their home or family environment to gambling related harm.⁷⁷ Surveys of average spend found that 11–16-year-olds who had gambled in the past [7 days had spent on average £17](#)⁷⁸ Surveys also showed that only [60 percent of 11–16-year-olds feel well informed](#) about the risks of gambling.⁷⁹

Longer-term impacts

Because the period of childhood and adolescence is a key stage of development, [harms during this critical window have been found to impact not only current outcomes](#) but their future potential and outcomes.⁸⁰ In the section above on gambling marketing, we have already set out our concerns about the long-term effects of high levels of exposure which is now a key feature of life for children growing up in Great Britain.

Gambling in childhood and adolescence is also a risk factor for subsequent gambling addiction⁸¹ owing in part to a greater propensity for risk taking and lower levels of understanding of control of outcomes in games of chance,^{82,83,84} Co-occurring non gambling related risk factors identified in studies include socioeconomic status, attention deficit disorders, autistic spectrum disorders, ethnicity; anti-social behaviours amongst peers, poor academic performance, violence, alcohol use.⁸⁵ PHE's Evidence Review concluded that impulsivity, substance use, male gender and mental health (depression) were key risk

⁷³ [Trends in children's gambling 2011-2017](#), H Wardle, London School of Hygiene and Tropical Medicine, 2018.

⁷⁴ [Young people and gambling survey 2019](#), Gambling Commission, 2019 – 1.7% rate for 11–16-year-olds – confidence interval of 35,000-70,000

⁷⁵ [Adolescent Gambling: A Review of an Emerging Field of Research](#), Blinn-Pike et al, Journal of Adolescent Health, 2010

⁷⁶ [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), H. Wardle, Addictive Behaviours, March 2019

⁷⁷ [Gambling in children and adolescents](#), Alan Edmond and Mark D Griffiths, British Medical Bulletin, September 2020

⁷⁸ [Young people and gambling survey 2019](#), Gambling Commission, 2019

⁷⁹ [Young people and gambling survey 2019](#), Gambling Commission, 2019

⁸⁰ [Measuring gambling-related harms among children and young people: A framework for action](#) Blake et al, Ipsos MORI Social Research Institute, April 2019

⁸¹ [Attitudes, Risk Factors, and Behaviours of Gambling among Adolescents and Young People: A Literature Review and Gap Analysis](#), Riley et al, International Journal of Environmental Research and Public Health, February 2021

⁸² [Adolescent Gambling: A Review of an Emerging Field of Research](#), Blinn-Pike et al 2010, Journal of Adolescent Health, September 2010

⁸³ [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), H. Wardle, Addictive Behaviors, March 2019

⁸⁴ [Gambling in children and adolescents](#), Alan Edmond and Mark D Griffiths, British Medical Bulletin, September 2020

⁸⁵ [The Gambling Factors Related with the Level of Adolescent Problem Gambler](#), Kang et al, International Journal of Environmental Research and Public Health, June 2019

factors with the highest degree of confidence, noting the lack of evidence on wider family and societal influences on gambling habits.

We have limited longitudinal research to draw on in relation to developmental impacts of gambling. A notable exception is a study based on a large cohort of people growing up in Bristol gives valuable insights.⁸⁶ This longitudinal study shows a high rate of onset of gambling harms among 17 to 20-year-olds – suggesting that once young people can legally access the full range of commercial gambling opportunities, they are significantly more vulnerable to harm. This raises questions about how the environment young people are growing up in can lead to harms later in life as well as the standards of protections for people in early adulthood.

Research shows that an adult problem gambler is 21 times more likely to remember frequently using Category D slot machine style gambling machines as a child, compared to an adult non-gambler.⁸⁷ This research tested recollection of a range of activities, with past use of Category D machines showing the strongest correlation to problem gambling in adulthood.

Online harms

55 percent of children aged 5 to 15 in the UK have their own smartphone and 97 percent have access to the internet.⁸⁸ ABSG have also previously highlighted concerns about wider risks associated with gambling-like behaviours involved in other forms of online activity.⁸⁹

Lines between gambling and video gaming are also blurred. Lootboxes are in-game features that allow consumers to either spend real world money or stake in-game items for a chance of winning something of an unknown value. [ABSG's detailed advice on this topic sets out the case for change.](#)⁹⁰

There is a strong association between spending on lootboxes and problem gambling status. This detriment exists for both children and adults. One study estimated the association to be of a similar magnitude to the link between problem gambling and the use of online slots and casino games. Even when lootboxes are not paid for, evidence from research shows children still perceive using these games as gambling. This suggests that even though these products do not meet the legal definition of gambling, children are still experiencing them as such.⁹¹ As a result, ABSG recommends that these products are not available to children.

ABSG recommends that the Commission use the Gambling Act Review as an opportunity to increase the focus on this issue and ensure that ownership for it is identified with the Government's Online Safety Bill and suitable arrangements are made to enforce this stronger approach to protection of young people from online harms. The Online Safety Bill, which addresses the much broader challenges of achieving a safer online experience for children, includes a duty of care and a focus on the consequences of actions on these population groups as a means of achieving greater protection, building on the [Information](#)

⁸⁶ [Gambling and problem gambling among young adults: Insights from a longitudinal study of parents and children \(PDF\)](#), Forrest and McHale, University of Liverpool, 2018

⁸⁷ [Recollected usage of legal youth gambling products: Comparisons between adult gamblers and non-gamblers in the UK and Australia](#), Newall et al, Addictive Behaviours, October 2020

⁸⁸ [Children and parents: media use and attitudes report \(PDF\)](#), OFCOM, April 2021

⁸⁹ [Reducing online harms: ABSG's response to the Government's White Paper \(PDF\)](#), ABSG, July 2019

⁹⁰ [Lootboxes: Advice to the Gambling Commission from ABSG](#), ABSG, August 2021

⁹¹ [Lootboxes: Advice to the Gambling Commission from ABSG](#), ABSG, August 2021

[Commissioner's Office \(ICO\) statutory Age Appropriate Design Code](#). These developments point to the emergence of stronger protections for children if passed into law.

Recommendations on protection of children and young people

ABSG's recommendations are as follows.

As set out in the preceding section, regulation and legislation should be updated with regards to marketing to address their current and long-term impact on children.

[ABSG has previously set out its view that commercial gambling should be an activity for adults only](#).⁹² Age limits should be updated in legislation to include making 18 plus only:

- all Category D machines which share obvious features with fruit machines. This would leave penny falls and crane grabs as the only products available to under-18s
- society lottery products - this would bring these into line with the National Lottery and reflect the increased focus on instant wins within this category of gambling.

The wider online harms agenda being addressed by the Government should set out a legislative framework for regulatory collaboration. Through this, lootboxes should be restricted to people aged 18 and over – regardless of whether they are paid for or not with video games. Although these products do not meet a technical definition of gambling, they are nonetheless experienced as such by children. Research shows a correlation between these products and harmful effects. It is recommended that the Online Safety Bill should make explicit reference to gambling-like behaviours and the risks they present. A multi-agency response by Ofcom, Trading Standards, the Gambling Commission, the Advertising Standards Authority, and others is required. This should be underpinned by clearly defined roles for each agency, a well-specified policy framework, and specific outcome metrics. Regulations are only effective if there are agencies with responsibility for enforcement and resources to monitor and oversee the market. New legislation should be drafted in a way that allows for new and emerging products to be captured if they include the feature of introducing gambling-like behaviours to children online.

Children and young people have a right to information about the risks of gambling. They should be given information in a format that is appropriate to their developmental stage via school curricula, and college and university campaigns. It is important that appropriately skilled and experienced organisations are involved in delivery to minimise the risk of unintended consequences. ABSG recommends that legislation is amended to provide the statutory basis for leadership in this area from national public health bodies and Government Departments.

Regulatory powers and resources

ABSG's advice in relation to the gaps in the Gambling Commission's powers and resources, including specific views on the current arrangements for funding and commissioning research and prevention activity.

Problems to be addressed are as follows.

⁹² [Children, young people and gambling: a case for action](#), RGSB, 2018

Funding for commissioning research, treatment and prevention activities

Despite efforts by the Commission and other stakeholders to improve the current voluntary system, it remains unfit for purpose. [As set out in previously published advice](#), its weaknesses include ⁹³:

- lack of transparency
- absence of equity across operators
- track record of insufficient funding
- perceptions of a lack of independence of research from industry
- unpredictability and barriers to distributing funds to where they can have the most impact – such as the statutory services and third sector organisations that will not accept funds from voluntary contributions.

Funding to improve access to data for research

Funding is also needed to expand the Commission's role in improving transparency surrounding data on gambling. Improvements to data access for gambling research is vital. Recent high-profile pieces of research have used unique big data sources and demonstrated the value of increased transparency - for example, [Forrest and McHale \(2021\)](#)⁹⁴ and [Muggleton et al \(2021\)](#)⁹⁵. More investment is required to expand opportunities for future research which can draw on data to show people's real gambling behaviour and activities which can lead to harm being experienced. New data driven techniques, such as data scraping to obtain qualitative data at a quantitative scale, and use of kinetic feedback to determine risk of harmful behaviour at an early stage should become a routine part of the regulatory toolkit. Opportunities should be developed for sharing data from related sectors such as financial, health and coronial records. These steps would help re-balance and enhance the research base towards objective data collection and analysis, replacing the over reliance on often highly contested surveys and self-reports to understand gambling harms.

Inadequate regulatory resources

Current funding levels at the Commission are insufficient to deliver compliance and enforcement responsibilities on land-based premises alongside a fast-growing online market, which now accounts for over half of the total industry's gross gambling yield (GGY).⁹⁶

In order to regulate online gambling, the Commission requires additional technical capacity and capability. The [UK Online Harms White Paper made clear that technology systems must adopt a 'safety by design' principle](#), and that there must be ethical deployment of algorithms.⁹⁷ Increased capacity to review and understand how operators use algorithms and other technology will be essential to effective online gambling regulation. These resources should be used to ensure effective methodologies are used to detect harmful gambling, to develop better insights into the relative harmfulness of different products, and to ensure effective information for players is developed – such as warning labelling. Resources

⁹³ [Advice to the Gambling Commission on a statutory levy](#), ABSG, September 2020

⁹⁴ [Exploring patterns of play](#), interim report, Forrest & McHale, NatCen, March 2021

⁹⁵ [The association between gambling and financial, social and health outcomes in big financial data](#), Muggleton et al, Nature Human Behaviour, February 2021

⁹⁶ [Industry statistics](#), Gambling Commission, May 2021

⁹⁷ [Draft Online Safety Bill](#) – Societal harm and the role of platform design, 2021

are also needed for building the Commission's capacity to analyse and assess novel or innovative gambling business models.

Risks associated with the black market have also been noted as a potential threat to consumers. Individual choice for a consumer demands responsibility from the supplier. Resourcing the Commission to better mitigate these risks is the appropriate response. The Commission should be equipped with resources to take a proactive approach to detection and disruption. As with most issues online, disruption of illegal gambling also requires a multi-agency response – marketing via social media is a key issue to focus on.

Most importantly, new risks constantly develop, so it is essential for there to be greater flexibility in the mechanisms which set regulatory fees. At present, the approach is too static, and this has led to severe resource pressures being faced by the Commission. The gambling market, particularly online, includes rapidly evolving innovations – such as utilisation of cryptocurrencies and the emergence of [virtual playing cards](#)⁹⁸ and [fan tokens](#)⁹⁹. In terms of shirt sponsorship in football, [there is already a trend towards teams being sponsored by mobile stock trading apps and cryptocurrencies](#), two 'gambling-like' enterprises that are unlikely to be affected by any potential restrictions on gambling sponsorship in football.¹⁰⁰ It is important that resources and capacity exists so that a proactive approach is taken to identifying and mitigating risks¹⁰¹. Inevitably, over the lifetime of the updated Gambling Act, there will be further new innovations, which cannot yet be predicted. The ability to adapt and respond is essential – this is not possible when regulatory resources are linked to licenses issues rather than an assessment of risk.

Regulatory resources are also needed for local authorities to effectively carry out their statutory role in regulating gambling – such as risk assessment of new and existing premises and test purchasing. Existing legislation exists, but funding is a barrier to effective implementation.

Recommendations on regulatory powers and resources

ABSG's key recommendations on this topic are as follows.

Introduce to legislation a statutory levy on all gambling operators, to replace the current system of voluntary donations to fund research, education and treatment. A statutory levy, set at one percent of gross gambling yield (GGY), would provide a sustainable basis for partnerships to deliver effective research, prevention and treatment activities and open up a wider range of distribution and partnership opportunities. To co-ordinate the distribution of funding an independent Safer Gambling Levy Board should be established.

More should be done to provide researchers with access to high-quality big data. This should include anonymised data on consumers real gambling behaviour so that better insights can be generated through independent research into the risks associated with gambling and opportunities to mitigate them. As highlighted earlier, an independent single

⁹⁸ [Sorare raises \\$680 million for its fantasy sports NFT game](#), Techcrunch, September 2021

⁹⁹ [European football clubs jump into crypto with Socios 'Fan Tokens'](#), Sifted, October 2021

¹⁰⁰ [Gambling marketing bans in professional sports neglect the risks posed by financial trading apps and cryptocurrencies](#), Newall & Xiao, 2021

¹⁰¹ There is a strong overlap with the general trend of financial speculation including on home trading apps like Etoro, Robinhood and cryptocurrency exchanges like Binance and Coinbase.

customer view would play an important role in achieving this aim. This would be supported via funds from a levy.

Regulatory resources, raised via the Commission's fees on operators, urgently require expanding. This would allow the Commission to access greater technical capacity, develop a better understanding of new and novel business models and data tools, and to enable effective disruption of the black market.

Regulatory resources also need to be more flexible. It should be possible to adjust fee levels and structures when resources are needed to address new and emerging risks. This would allow a more agile approach to regulation than is currently possible.

A major barrier to effective regulation is lack of enforcement powers across jurisdictions. International cooperation is challenging, but possible and could be strengthened through legislation (requirements to share information on enforcement action, convictions, greater transparency on blacklisted websites).

Customer redress

ABSG's advice on the redress arrangements that should be in place for individual customers who feel like they have been treated unfairly by gambling operators.

Problems to be addressed are as follows.

Current arrangements for consumer redress rely on eight independent Alternative Dispute Resolution (ADR) providers. These bodies have direct contractual arrangements with gambling operators. There is a lack of public confidence in this system because:

- direct funding arrangements between ADR providers and operators create a clear perception of lack of independence from industry. Feedback indicates that consumers have low confidence that the system will treat them fairly
- it is limited to dealing with contractual issues only. They do not deal with 'social responsibility failings' – such as situations where operators fail to make appropriate affordability checks and allow a consumer to gamble excessively. Nor do they consider complaints that a company allowed an individual to gamble following self-exclusion from a website or premises, unless there is evidence that the way that the company handled the situation was a breach of their contractual terms and/or there is evidence that the company's actions in the treatment of this situation relied on unfair contract terms
- there is an unrealistic expectation that consumers will be able to take operators to court if they are not satisfied with the outcome of a complaint – or if it falls outside the narrow remit for ADR provision. There is a significant power imbalance between consumers and operators which make this expectation unfair
- the Gambling Commission has limited powers and resources to provide oversight of the ADR process and its outcomes
- feedback from consumers who have used the current system suggest it can be slow and inaccessible - particularly so for those experiencing harm because of their gambling. Consumers also lack clarity about how the resolution process works, what are their rights and support to help them navigate through it

- there is also a missed opportunity to learn from a single dataset of complaints data, which would indicate new and emerging risks faced by consumers in the gambling market.

Recommendations on customer redress

ABSG recommend that consumer redress should be strengthened, reflecting principles of timeliness, accessibility, fairness and transparency.

The creation of an independent ombudsman, with statutory powers to investigate complaints about breaches of contract, affordability and harm would provide the best option. It would provide consumers of gambling products to exercise their rights as they do for other products and services.

Establishing such a body would take time but should be included in the revised legislation. In the interim, greater responsibility for action should be placed on operators, and stronger enforcement of those who fail to comply. Initial steps would support the longer-term creation of an ombudsman. These first steps should include the following.

A new voluntary consumer redress code and an offer of ADR where failings are in relation to contractual obligation, affordability or harm. The code would be produced by an Independent Review Group which would include people with lived experience. It would be administered by each operator, who would be required to abide by the code for their consumers. If complaints were not resolved by the operator, the complaint would be referred to a single ADR provider who would make independent decisions on whether or not the code had been applied. Compliance with the code could be made a condition of licencing in the revised Act. This would need adequate resourcing.

Gambling companies would be required to provide returns on the number and outcomes of complaints that were referred, with details of complaints upheld and redress paid. These data would be published by the Commission on a quarterly basis. The Commission would have responsibility for examining trends and initiating an investigation where concerns over an operator's practices emerged.

Any individual and their family referred to ADR would also be assessed for a pathway referral for treatment and support. Greater investment should also be made in explaining the process and available protections to consumers to help them better navigate through the system with more confidence.

This proposal reflects the trend in other sectors, including banking, law and telecommunications. In these sectors the regulators have worked with industry to agree a voluntary code – this would have value as an intermediate step towards codes which could be built upon by an ombudsman. The contingent reinforcement model is one example of the application of a successful voluntary code, although it addresses a different context.

Land-based protections

ABSG's advice on the use of cashless technologies, tracked play in land-based environments, local authority powers and machine allocations in casinos and pubs.

Problems to be addressed are as follows.

The land-based sector includes licensed betting offices, adult gaming centres, casinos, bingo premises and family entertainment centres.

Despite the impact of Covid-19 and although the overall number of licensed betting offices is in decline, land-based betting is still the third largest sector of the gambling industry by GGY (after online gambling and the National Lottery) and should not be overlooked as gambling legislation is updated. One in three people who bet on sports events in land-based premises are classed as problem or at-risk gamblers.¹⁰² Nearly half (48.5 percent) of this sector's GGY, however, comes from machines¹⁰³ and 12.7 percent of people who play machines in bookmakers are classed as problem gamblers. Nearly half (49 percent) are classed as either problem or at-risk gamblers combined.

Other land-based sectors face similar challenges. Casino table games are associated with problem or at-risk gambling in 32.5 percent of participants. The casino sector also generates 27.7 percent of its GGY from slot machines – a product where 29.8 percent of players are classed as problem or at-risk gamblers combined.¹⁰⁴

The bingo sector generates nearly half (46.2 percent) of its GGY from machines, and all GGY in adult gaming centres is also from machines. Machine GGY across all sectors totalled £470.6 million – with Category B3 machines the dominant product – making up 84 percent of this market. These products are associated with a fast speed of play (spins every 2.5 seconds) and other characteristics associated with gambling harms.

The data above only provides a high-level illustration of ABSG's concerns. Although these figures are high, ABSG note that problem and [at-risk gambling data has the potential to significantly under-state the true scale of associated harms](#).¹⁰⁵ The data also clearly shows there should be no complacency about the risk of harm in any specific land-based gambling sector.

Recommendations on land-based protections

ABSG's recommendations on this topic are as follows.

Require account-based gambling in land-based premises

A feature of all land-based gambling is the relative anonymity associated with it. Unlike online gambling, there is rarely an account or audit trail to allow operators to see harmful gambling behaviours across different gambling sessions or between premises.

ABSG recommend that the Gambling Act Review is used as an opportunity to update legislation so that effective use of account-based data to prevent harm is required across land-based sectors. Although technical solutions would need to be developed to implement effective use of data, legislation should create the legal basis to make this a priority. The need for good quality data should be an underlying principle in any new legislation designed

¹⁰² [Health Survey for England](#), NHS, 2018 (source for all problem and at-risk gambling data in this section)

¹⁰³ [Industry statistics, May 2021](#) (covering the period April-Sept 2020), Gambling Commission, May 2021 (source for all industry data in this section)

¹⁰⁴ This percentage relates to machines across a range of different types of venue.

¹⁰⁵ [Problem gambling vs gambling-related harms](#), Gambling Commission, October 2020

to update the current Act and improve foundations for a reduction in gambling harms in the land-based sectors. This would create parity with online, where all gambling already must be account-based.

Account-based gambling would allow harmful behaviour to be identified and appropriate action taken. It would remove the anonymity which means operators are able to continue to transact with players who are suffering harm without the accountability that would be created through an auditable data trail. It would also ensure that people who are self-excluded are prevented from gambling, and it would create a strong barrier for under-age gambling. Furthermore, it would assist in reducing the risk of money laundering.

Account-based gambling would also help fill a significant gap in research knowledge by making more data on land-based gambling available for research. For example – [the study by Muggleton et al](#)¹⁰⁶ using banking data was largely unable to assess this form of gambling due to the absence of data. Although some of these benefits would be achieved by allowing cashless payments, this would still not allow a full picture of gambling behaviour unless this was also combined with account-based play.

There are examples internationally which show how account-based play can be implemented practically and effectively. It has also been shown that gamblers have welcomed these initiatives and recognised benefits – both to players suffering harm and those who are not.¹⁰⁷ In Sweden, a player tracking system has been in place for over five years. The scheme in Sweden is also connected to tracking gambling activity in the online environment.¹⁰⁸

A strengthened system for land-based gambling will face similar challenges to a ‘single customer view’ for online. It is important that data drives improvements in player safety and is not used for any other commercial practices – such as targeting marketing or promotional offers. To achieve this, data will need to be managed independently, and there should be transparency over how the data is used and the outcomes it helps deliver.

Ensure player protection opportunities are achieved from cashless payments

The overall trends in the wider retail economy have seen a decline in the popularity of cash and a move towards cashless payments. This trend has been accelerated by the Covid-19 pandemic, and transaction limits on contactless payments have been increased to support consumers’ and retailers’ preferences for handling less cash.

A move towards cashless payments systems, if designed appropriately in combination with account-based play, would support the production of big data sets. It could enhance activity recommended above to move towards a stronger system of tracked and observable gambling behaviour.

¹⁰⁶ [The association between gambling and financial, social and health outcomes in big financial data](#), Muggleton et al, Nature Human Behaviour, February 2021

¹⁰⁷ [Reaching out to big losers leads to sustained reductions in gambling over 1 year: a randomized controlled trial of brief motivational contact](#), Jonsson et al, Addiction, January 2020

¹⁰⁸ [Responsible Gambling Telephone Intervention to High-Risk Gamblers by a State-Owned Gambling Operator in Sweden: Study Protocol for a Study on Effectiveness, User Satisfaction, and Acceptability](#), Hakansson et al, International Journal of Environmental and Research and Public Health, 17(23) 2020

Any developments to introduce cashless technology should have safer gambling features built in. Automated interventions are preferable to those that require active intervention from venue staff. Binding pre-commitment limits and cooling-off periods are examples of such built-in features. This is a key part of the cashless technology being trialled in New South Wales, Australia. One of the key drivers of change in Australia is the opportunity to take advantage of cashless technology to reduce risks of money laundering through cash-based gambling.

Cashless technology can be delivered in many different ways. Player cards such as those introduced in Las Vegas and in many casinos in Great Britain are essentially a marketing exercise. But cashless technology could be designed with elements of friction added –such as mandatory pre-commitments, or for example separate deposits and winnings so that customers receive winnings separately.

Strengthen local powers to prevent new premises in deprived communities

Data on problem and at-risk gambling shows that [problem gambling rates are highest in the most deprived geographical areas](#) and amongst those in lower paid employment.¹⁰⁹

Although the number of non-remote gambling premises is reducing overall (by 10 percent in the last year in the May 2021 [Industry Statistics](#)¹¹⁰), a structural pattern has been established where premises are often concentrated in more deprived communities.^{111 112} This is particularly the case for licensed betting offices.

ABSG recommend that local authorities are given stronger powers to block new gambling premises – particularly in relation to areas with greater socio-economic disadvantage, or other factors which may increase the risk of gambling harms. Local authorities should be in a stronger position to ensure that future trends in the location and distribution of land-based gambling do not put poorer communities at greater risk of gambling harms. If this can be achieved by providing a stronger legislative underpinning, then ABSG recommend that such measures are included in an updated Act.

England, Scotland, and Wales have adopted integrated and increasingly place-based approaches to implementation of public health approaches that could be utilised further to tackle gambling related harms.^{113 114 115 116} For example, using place and wellbeing outcomes across local authority, health and third sector services provides a framework for developing communities which support health improvement and address health inequalities.¹¹⁷ Alongside these, impact assessments (such as those required under the Equality Act 2010) are important tools for assessing policy impact on health inequalities, protected

¹⁰⁹ [Health Survey for England](#), NHS, 2018 (source for all problem and at-risk gambling data in this section)

¹¹⁰ [Industry Statistics - May 2021](#), Gambling Commission, May 2021

¹¹¹ ['Risky places?': mapping gambling machine density and socio-economic deprivation](#), Wardle et al, Journal of Gambling Studies, March 2014

¹¹² [A comparative analysis: Retailers' locations and socio-economic deprivation \(PDF\)](#), Adeniyi, Whysall and Brown, UCL, 2019

¹¹³ [NHS England Integrated Care Systems](#), nhs.uk, 2021

¹¹⁴ [Integrated care in Wales: a summary position](#), M.Lewis, London Journal of Primary Care, 2015

¹¹⁵ [Health and Social Care Integration in Scotland](#), Health and Social Care Scotland, 2021

¹¹⁶ [Growing pains: integrated care lessons from Scotland and Wales](#), Good Governance Institute, March 2021

¹¹⁷ [Healthy housing for Scotland: a briefing paper setting out the fundamental link between housing and public health \(PDF\)](#), Public Health Scotland, 2021

characteristics, and social economic circumstances. ¹¹⁸ These tools could be utilised to understand the differential impacts of gambling harms and support local action plans to address them.

Make changes in the locations of gaming machines

A key safer gambling concern is the prevalence of Category C machines in pubs. A problem gambling and at-risk gambling rate of nearly 30 percent is a significant proportion of people using machines to gamble. Although data on problem gambling does not allow granularity down to different types of machines in different premises – there is no compelling reason to believe rates of harmful gambling will be any lower on this type of machine. In some respects, the potential for harm could be argued to be greater as these machines are found in premises which are not primarily for gambling, and therefore they are much harder to avoid for those consumers who are suffering harm.

Other priority topics

ABSG's priority recommendations on other topics for legislative change beyond the scope of the review are as follows.

Although the Gambling Act Review does not specifically cover treatment within its scope, wider consideration must be given to facilitating a cross-government approach to addressing gambling harms – particularly where links between NHS, local authority and third sector organisations can be strengthened. This is happening for other harms in [the government's "build back better" plan](#) and gambling should be no exception. Using the Act to create a Framework for Institutional Coordination would provide the way forward.

ABSG has previously recommended that government leadership on the National Strategy to Reduce Gambling Harms is essential to progress. This needs to ensure, for example, that gambling is included in the three country approaches to national suicide prevention. It also needs to mandate local level data collection for example, the inclusion of gambling on the Public Health Outcomes Framework in England and equivalents in Scotland and Wales.

ABSG have also recommended that there be greater recognition of gambling harms in research council grant making, supported by independent funding.

Finally, investment in generating evidence is a priority, requiring greater transparency from operators regarding the supply of anonymised data and utilising new and more objective means of identifying risk of harm. This includes data from the National Lottery provider.

¹¹⁸ [Health Inequalities Impact Assessment \(HIIA\)](#), Public Health Scotland, 2021