

Children, young people and gambling

Gambling Commission response to advice from RGSB 2018

1 Introduction

- 1.1** The Gambling Commission welcomes the report on children, young people and gambling from our expert advisers, the **Responsible Gambling Strategy Board**. We also welcome the accompanying report on 'Trends in Children's Gambling'.¹
- 1.2** This document sets out our initial response to RGSB's advice. Further work will be needed to formulate and implement a fuller response to the wide range of important issues it raises. The document explains the actions we will take as a result of this advice and the issues we will consider further. The paper is set out under the following themes:
- Access and exposure to gambling by children and young people
 - Digital and online risks
 - Preventative education and treatment
 - Evidence collection and consumer engagement.

2 Overview

- 2.1** We strongly agree with the principles on which the advice is based – and welcome the broad framework for coordinated action it sets out. There are a number of actions we are taking and that we will take in response. The advice also highlights a number of challenging issues, which may require more consideration, consultation or co-ordinated action, and therefore will take longer to address.
- 2.2** The Responsible Gambling Strategy Board's advice shows that tackling gambling-related harm amongst children and young people requires a multi-agency response, and we agree. It requires action from many stakeholders, including the Commission as national regulator, government, local authorities, operators and trade bodies.
- 2.3** This year, we will be enhancing our existing compliance and enforcement activity with a programme of targeted work to identify and tackle any weaknesses in businesses' age verification processes. This may include for example online test purchasing.
- 2.4** However, reducing gambling-related harm in children and young people needs more than regulatory action. It also requires action from parents and families if a real and lasting impact is to be made. But to play this role, they in turn require support from various agencies and there needs to be increased visibility of gambling-related harms among young people so that parents recognise this is an issue.
- 2.5** There is certainly a call for greater public debate about the role and position of gambling in society and what actions are appropriate and proportionate to achieve the necessary levels of protection for children and young people. This document is intended to represent a platform for further debate.

¹ Trends in children's gambling 2011-17, Dr H Wardle, London School of Hygiene and Tropical Medicine, 2018.

3 Access and exposure to gambling by children and young people

We agree with our expert advisers, the Responsible Gambling Strategy Board's call for greater public debate about the role and position of gambling in society and what actions are appropriate and proportionate to achieve the necessary levels of protection for children and young people. We hope that the publication of this document, and the Responsible Gambling Strategy Board's advice, is an important step in stimulating this debate.

- 3.1 With regards to permissible legal access to certain gambling products, such as category D gaming machines or, for young people aged 16 and above, draw-based National Lottery products, we agree that we do not yet have compelling evidence to be able to state whether significant harms are caused. However, we also agree that this lack of evidence should not be a cause for complacency by the industry, regulators or government.
- 3.2 We already take into account protections for children and young people, as well as other vulnerable groups, when considering operators' suitability to hold, or continue to hold, a licence. Our [three year strategy](#) ***Making gambling fairer and safer*** is clear that those operators who do not meet these obligations should expect to face tough sanctions.
- 3.3 We will work with industry (including trade bodies such as BACTA) to explore what more they can do to improve standards of player protection – particularly those parts of the industry who (legally) sell their products to under-18s as customers, such as the arcade sector and the National Lottery operator. We agree that low stakes should not automatically lead us to assume that risks associated with these activities are also low. The National Responsible Gambling Strategy sets out priority actions for piloting new types of intervention (Priority Action 6) and understanding whether these activities are effective (Priority Action 3). So far, progress by operators has been slow. We expect operators selling products to under-18s, regardless of stake level, to consider what further proportionate actions could be taken to reduce the risk of harm. The Commission will work with the industry and others to identify what activities should be prioritised for piloting and evaluation.
- 3.4 The Responsible Gambling Strategy Board's advice emphasises the need to aim for higher standards in age verification. Evidence indicates relatively low, but still unacceptable, numbers of children and young people accessing age-restricted products. The data has many caveats, and it is not possible to identify exactly what proportion of gambling by these age groups is on age restricted products. There is, however, good reason to be concerned by the picture shown by the data. This confirms our view that action is needed to improve age verification processes, as well as the testing of these processes to ensure they are effective. Action is also needed by parents and other adults with responsibility for under 18s, to help them avoid inadvertently enabling their gambling.
- 3.5 Although we accept that age verification processes can never be perfect, we agree that we should aim for higher rates of detection than are currently achieved. We welcome steps taken by some parts of the industry to introduce schemes that work for them to achieve these higher rates of detection - such as Think 25 policies, instead of Think 21. In both of these schemes, effective implementation and monitoring is important to ensure a positive impact is achieved.
- 3.6 We will continue to encourage and support a strong local response and intelligence sharing from local authorities - our partners in shared regulation. As part of this support, the

Gambling Commission is working with regulatory services and Safeguarding Boards to help encourage local action on underage gambling, and the particular risks of the siting of illegal machines or other illegal gambling.

- 3.7** In our recent Review of online gambling², we have committed to consult on our proposals to improve the speed and effectiveness of online age verification, by requiring all consumers to be age verified before they are able to deposit money to gamble. Under the current requirements, operators have a period of 72 hours to carry out age verification (AV) checks, during which time it is possible for a consumer to register an account and deposit funds for gambling. However, since this requirement was introduced there have been significant improvements in technology and age verification tools, and the implementation of point of consumption legislation now means that all British consumers receive the same levels of protection.
- 3.8** In our online review, we also indicate that we will consult on only permitting play-for-free games made available by licensed operators to be available to consumers that have been age verified.
- 3.9** As part of our work on the fourth National Lottery Competition we will work with DCMS to consider whether instant win games, including scratchcards and online, should continue to be offered to people aged under 18. This decision will have implications for other lottery products. We will also think more broadly about the role that can be played by the National Lottery in reducing gambling-related harm. Although the National Lottery only has a small proportion of players who are problem gamblers, because of its size, it also has more problem gamblers in its customer base than any other form of gambling. Therefore the National Lottery operator has both a responsibility and a great opportunity, to play a substantial role in efforts to reduce gambling-related harm.
- 3.10** The Commission has a specific regulatory role in relation to marketing and advertising as well as contributing to the wider public debate.
- 3.11** The effect of exposure to marketing and advertising is unknown, both in terms of its immediate impact, as well as its longer-term consequences. As we recently pointed out in our advice to DCMS,³ the tone, content and quantity of gambling advertising has attracted public concern. We share concerns that gambling advertising and marketing, including sponsorship, could lead to gambling-related harm for children and other vulnerable people. This continues to be an area that requires close scrutiny, and it is appropriate to keep under review the option of applying the precautionary principle. The available evidence is not clear on this matter. It does not provide a compelling case that there is a need to change existing rules, but the evidence base is limited and we are working with RGSB and GambleAware to build new evidence. We are an active participant on the steering group for the research which has been commissioned by GambleAware to explore these issues further.⁴
- 3.12** To help address these issues we are also strengthening our partnership work with the Advertising Standards Authority (ASA). We contributed to, and strongly welcomed, new guidance which sets tougher standards on gambling advertising, focusing on ads' appeal to problem gamblers and on free bets and bonuses. We are currently providing input to their review of guidelines specifically in relation to children and young people. We will also consider if their guidelines on inappropriate content and imagery, which could have a particular appeal to children and young people, could also be applied more widely to aspects of game design which are not captured within their remit – such as scratchcard design, which is nonetheless highly visible at point of sale to children and young people.

² [Gambling Commission Review of Online Gambling](#).

³ [Gambling Commission Advice to Government](#).

⁴ Consortium research projects led by Ipsos MORI and the Institute for Social Marketing, University of Stirling.

- 3.13** We recently conducted a consultation on certain fair and open aspects of LCCP⁵. The consultation has now closed and we are considering responses - if the proposals are implemented following the consultation, breaches of the rules on advertising could be subject to the full range of regulatory powers, including financial penalties.
- 3.14** Our three year strategy ***Making gambling fairer and safer*** includes a commitment to seek greater input from consumers and the public – we see exposure to marketing and advertising as a key topic where this discussion and debate is necessary. It is important that policy in this area reflects both evidence and the views of society more widely, as well as the full range of inter-related issues connected to it. We hope the publication of this paper and the Responsible Gambling Strategy Board’s advice is a useful part of the action we can take to continue this debate.

4 Digital and online risks

Dealing with digital and online risks is an area where we have already been very proactive. We commit to continuing this progress and to explore the role we can play in working with international regulators to tackle common risks, to continue to put pressure on businesses to tackle illegal gambling and to support the tackling of gambling-related harm as a public health issue.

- 4.1** Our successful prosecution against FutGalaxy for its illegal provision of gambling with digital items was the first of its kind. The case led to substantial fines for the owners of the company who were advertising the facilities. The case acts as a strong warning to others who might engage in similar activities. We have also carried out extensive actions to disrupt and deter unlawful activity, which might present a risk to children and young people.
- 4.2** Online skins gambling, however, is an international market, and one where we cannot tackle the risks to children and young people by acting alone. The issue needs international coordination of intelligence sharing and enforcement. We are well placed to raise awareness and share what we have already learnt about these risks, but we need other international regulators to act with us. We will continue to put pressure on the video game companies to be vigilant to the risks of third parties using their products and services to provide illegal gambling. This is especially relevant to games developers who are best placed to tackle the harm caused by skins gambling, as well as internet service providers, app stores and search engines.
- 4.3** Importantly, we have argued the case for gambling-related harms to be tackled as a public health issue. We welcome the announcement⁶ that Public Health England will conduct an evidence review on the health aspects of gambling-related harm to inform action on prevention and treatment. One aspect of prevention is acknowledging the vital role that can be played by parents, families and peer groups – who are often best placed to give the most effective support. These groups, however, need information and support if they are to play this role effectively. This implies action from public health bodies and other supporting services. We will explore the continuing role we can play in helping make this happen.
- 4.4** We also agree that action is needed from government. We responded to DCMS’ consultation on Internet Safety and encouraged a greater focus on gambling as a key risk which requires similar levels of attention as that given to protecting children from other online risks such as cyberbullying, pornography and extremism. Our response considered a range of possible tools being deployed to protect children - from considering changes to the PEGI rating

⁵ [LCCP consultation on changes linked to the fair and open objective.](#)

⁶ Chapter 6, Government’s response to consultation on gaming machines and social responsibility measures.

system to changes or additions to the education curriculum around internet safety of children to incorporate gambling as a further risk.

5 Education and treatment

The Responsible Gambling Strategy Board's advice highlights the need for more joined up strategic approaches to preventative education and treatment. Over the next year, we will work with our partners to reflect cross-government and public sector work in national strategic plans for preventative education and treatment services.

- 5.1** We have already started a process of monitoring and assessing the current approach to delivering these services through the existing arrangements for Research, Education and Treatment with the key partners within those arrangements. As part of our work, we will develop the successor to the National Responsible Gambling Strategy. This strategy will include strategic plans for preventative education and treatment, cross-referring to the work being undertaken across government and public health, and based on advice from our partners in this area and ongoing stakeholder engagement.
- 5.2** A national strategic plan for preventative education will need to review what we currently know about what works and establish with a wide range of partners the plan for scaling up promising activities. This needs to be done whilst guarding against actions that might have undesirable unintended consequences.
- 5.3** A national strategic plan for treatment will build on the calls we have already made for gambling-related harms to be tackled as a public health issue, and in particular considering the comorbidity of gambling with other addictions and/or mental health issues. Creating an effective national approach will need a critical review of existing treatment delivery models. A review would aim to ensure that the best possible approach is taken to the provision of treatment which meets anticipated demand, eliminates barriers to access, and is effective in helping people overcome the problems they are experiencing with gambling.
- 5.4** A review would also seek to build on existing work and assessment where possible. For example, under the agreed Research Programme, GambleAware is conducting research to assess need for treatment services and a systematic review of what is effective in treating problem gambling. This will include consideration of the support and approaches needed for children and young people. In May 2018, gambling and other non-chemical addictions were officially referred by NHS England to the National Institute for Health and Care Excellence (NICE) for development of treatment guidance. The Government's review of Gaming machines and social responsibility indicated that treatment guidelines would promote the earlier identification of problem gamblers and improve access to help.
- 5.5** For treatment and support to work for children and young people it will also be necessary for schools, and other agencies that work with children and young people, to understand how to identify warning signs of gambling-related harms and make referrals to appropriate support as required.

6 Evidence collection and consumer engagement

Our policy decisions must be based on effective evidence collection and consumer engagement. We commit to working with partners to measure gambling-related harms (including over time on children and young people), and to work to plug gaps in the evidence base on 16 and 17 year olds and patterns of play over time.

- 6.1** Our three year strategy ***Making gambling fairer and safer*** calls for a better understanding of gambling-related harms. We recognise that understanding and measuring harms suffered by children and young people will require dedicated work. We look forward to receiving the initial outputs from the expert group that is leading the initial stages of this joint work between GambleAware, the Responsible Gambling Strategy Board and the Commission.
- 6.2** We have already committed to undertaking specific data collection on gambling behaviour for 16 and 17 year olds. This will start to plug gaps in our evidence base for this age group. We will also work with the Responsible Gambling Strategy Board to review where other valuable data could be collected to help us to understand harm in under-18s better.
- 6.3** We are investing resources to develop our capacity to carry out the improved consumer and public engagement which is a central component of our three year strategy. As this capacity is established, we see issues related to children and young people as a priority topic for this engagement.
- 6.4** We will provide support to our expert advisers, the Responsible Gambling Strategy Board as they work to refresh their research programme for the period beyond March 2019, when the current strategy ends. We support their view that future research must provide opportunities for public engagement and consumer voice. In particular, we support their plans to establish research into changes in gambling behaviour over time. Although this will take time to bear fruit, it should become a key element of the research infrastructure in place to understand the cause and effect of gambling-related harms. Finding appropriate ways to involve young people in this work should be investigated as part of the commissioning process.
- 6.5** We will also work with the National Lottery operator to explore how it can make more data available on the gambling behaviour of under-18s on its products. This data should be shared, not just with the regulator, but more widely with academics so that independent research can be carried out on this topic.

7 Conclusion

- 7.1** Protecting children and young people, as well as other vulnerable groups, from gambling-related harms, is one of the core rationales for our regulation and therefore something we always treat as a priority.
- 7.2** This paper sets out our initial response to the advice from our expert advisers the Responsible Gambling Strategy Board. More work is needed to further develop our plans and to work with partners across local and central government to continue to raise standards to protect children and young people.
- 7.3** We look forward to taking this agenda forward and, as we do so, collaborating with operators, consumers, public health bodies and the wider public.

June 2018

making gambling fairer and safer

www.gamblingcommission.gov.uk

Annex - Overview of key actions

This annex pulls together the key actions we are undertaking – some of these are commitments that we have made as part of our advice to Government, as part of our recent review of online gambling or as part of our current business plan.

Access and exposure to gambling by children and young people - summary of key actions

- We expect operators selling products to under-18s, regardless of stake level, to consider what further proportionate actions could be taken to reduce the risk of harm. The Commission will work with the industry and others to identify what activities should be prioritised for piloting and evaluation.
- We will continue to encourage and support a strong local response from local authorities, including building the evidence about the success of operator age verification processes.
- We have committed to consult on our proposals to improve the speed and effectiveness of online age verification, by requiring all consumers to be age verified before they are able to deposit money to gamble.
- We will consult on only permitting play-for-free games to be available to consumers that have been age verified.
- This year, we will be enhancing our existing compliance and enforcement activity with a programme of targeted work to identify and tackle any weaknesses in businesses' age verification processes. This may include for example online test purchasing.
- We share concerns that gambling advertising and marketing, including sponsorship, could lead to gambling-related harm for children and other vulnerable people, and support the need for debate in this area. In particular, we are:
 - working with RGSB and GambleAware to build new evidence to inform the policy debate on the impact of tone, content and quantity of gambling advertising on children, young people and other vulnerable people
 - an active participant on the steering group for the research which has been commissioned by GambleAware to explore these issues further
 - strengthening our partnership work with the Advertising Standards Authority (ASA), and have consulted on new rules to enable new sanctions for those who breach the UK Advertising Codes
- The current and future National Lottery operators have both a responsibility and a great opportunity to play a substantial role in efforts to reduce gambling-related harm. We will continue to work with the current National Lottery operator and through the licence competition process to identify opportunities to deliver this role.

Digital and online risks – summary of key actions

- We are well placed to raise awareness and share what we have already learnt about dealing with digital and online risks, but we need other international regulators to act with us. We will continue to put pressure on businesses to be vigilant to the risks of third parties using their products and services to provide illegal gambling.
- We have argued the case for gambling-related harms to be tackled as a public health issue, and will continue to explore the role we can take in helping to make this happen.
- Through our communications and engagement, we will support the vital role that can be played by parents, families and peer groups – who are often best placed to give the most effective support.
- We responded to DCMS' consultation on Internet Safety and encouraged a greater focus on gambling as a key risk which requires similar levels of attention as that given to protecting children from other online risks such as cyberbullying, pornography and extremism.

Education and treatment – summary of key actions

- The Responsible Gambling Strategy Board's advice highlights the need for more joined up strategic approaches to preventative education and treatment. Over the next year, we will work with our partners to reflect cross-government and public sector work in national strategic plans for preventative education and treatment services.
- A national strategic plan for treatment will build on the calls we have already made for gambling-related harms to be tackled as a public health issue, and in particular considering the comorbidity of gambling with other addictions and/or mental health issues.

Evidence collection and consumer engagement – summary of key actions

- Our three year strategy ***Making gambling fairer and safer*** calls for a better understanding of gambling-related harms.
- We have committed to undertaking specific data collection on gambling behaviour for 16 and 17 year olds.
- We will also work with the Responsible Gambling Strategy Board to review where other valuable data could be collected to help us to understand better harm in under-18s.
- We will provide support to our expert advisers, the Responsible Gambling Strategy Board as they work to refresh their research programme.
- We will also work with the National Lottery operator to explore how they can make more data available on the gambling behaviour of under-18s on their products.