Advisory Board for Safer Gambling: advice to the Gambling Commission on actions to reduce online harms

Summary:

1. This paper sets out recommendations on steps the Gambling Commission should consider for making online gambling safer. This builds on previous advice in relation to reducing online harms.

2. The following table summarises our main recommendations:

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<td>Banning the use of credit cards for online gambling, and monitor impact carefully to understand and mitigate unintended consequences.</td>
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<td>Unless significant progress is made by operators on player protection, working with government to introduce online limits on stakes, prizes and speed of play.</td>
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<td>Advocating a precautionary approach – there is sufficient evidence to justify this, particularly in relation to children and people who are vulnerable to harms.</td>
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**Introduction**

3. We recently provided advice to the Gambling Commission in relation to the Government’s White Paper on Reducing Online Harms. That advice made a case for gambling-related harms to be clearly recognised within the scope of the work following the White Paper - specifically highlighting issues related to:
   
   i. Online marketing and advertising – particularly the nature and volume of exposure created for children and young people.
   
   ii. Loot boxes, skins gambling and social casino gaming.
   
   iii. The prevalent links to gambling within the culture of eSports.

4. That advice primarily focused on issues which fall outside the Gambling Commission’s current remit. In preparing this advice, we have identified several further steps which could be taken by the Gambling Commission, within its existing remit, to make online gambling safer.
Recommendations

5. Our key recommendations are grouped by the following headings:

- Transparency and evaluation,
- Detection of harms,
- Effective interventions,
- Game design and product characteristics,
- Marketing and advertising
- Stake, prize and speed of play limits.

Transparency and evaluation

6. Underlying all our recommendations, there is a need for:

i. greater transparency required of all operators, whether remote or land-based, and

ii. more effective evaluation of the different approaches attempted to reduce harm. These should be used to focus future regulatory requirements on what works.

7. Achieving this has the potential to increase accountability and understanding, and to reduce harm more effectively.

8. The Gambling Commission currently requires operators to provide an Assurance Statement. In these documents, operators describe their approach to keeping consumers safe. This is currently a confidential document and operators primarily receive feedback verbally from the Gambling Commission. ABSG recommend making these documents public, so that greater transparency and accountability is created. We also recommend that written feedback should be provided, which would increase operators’ accountability for making year-on-year improvements by creating a clearer audit trail. We recognise this change would create challenges, but we believe this is a necessary next step towards making operators more transparent and accountable, and through this, reducing harms.

9. We support the development of a mandatory data repository that would make more data on online gambling available to a wider range of independent researchers. This would stimulate more independent research, reduce the current pattern of ad hoc data requests from operators and expand the number of academics able to carry out gambling-related studies.

10. As highlighted in our advice on the National Strategy, the existing evaluation protocol needs updating, with more attention being paid to the resources, co-ordination and support required to achieve more widespread evaluation to learn what works.

1 Assurance statements, Gambling Commission website. These are only applied at present to approximately 40 of the largest ‘high impact operators’
2 The Responsible Gambling Strategy Board’s advice on the National Strategy to Reduce Gambling Harms 2019-2022, RGSB, February 2019, and Advice from the Responsible Gambling Strategy Board on online gambling, RGSB, April 2018
3 Evaluation protocol, Responsible Gambling Strategy Board, April 2016
Detection of harms

11. We have previously called for improvements in the way operators use data to identify harmful play and how they use this as the basis to intervene with players to reduce harms. Although many operators claim to use sophisticated data science techniques, we are concerned that the overall numbers of customers identified do not reflect that harm is suffered by a much wider range of players than just those who go on to self-exclude – which is the basis of many operators algorithms.

12. Operators must use their data to target interventions on a wider range of players who could be at risk of harm. Initial screening processes should only be treated as the starting point for further interaction. Consumers may be vulnerable due to a wide range of factors and circumstances. Thresholds and triggers should not be set too high, otherwise many players who might be at-risk of harm will not be flagged early enough. The second stage of screening, making use of increased customer interaction, should then focus on understanding the player better and intervening appropriately. The Gambling Commission’s work on affordability is vital to ensuring people suffering harms are flagged, including those who are spending amounts of money which may not be immediately eye-catching – but could nonetheless be harmful to many players.

13. We recommend that operators be required to make public their approaches and procedures for detecting harmful play. They should also publish their protocols for how these triggers are followed up with further customer interaction and interventions. The data science and algorithms developed by operators are generally treated as commercial intellectual property. This situation should change. Greater transparency would allow operators to learn from each other and would help build a wider evidence base on what constitutes best practice and which methods to detecting harmful play are effective and defensible.

14. The Gambling Commission should play a leading role in determining what is best practice in the use of data for harm detection. As the availability of data is a key rationale for the absence of limits for stake, prize and speed of play, we recommend that the Gambling Commission involves itself far more deeply in understanding how this data is used – with a view to stipulating minimum standards based on established best practice. This may require recruiting people with specialist skills and experience.

Effective interventions

15. Once an operator has detected a consumer who could be experiencing harm, we continue to be concerned that the interventions used are not strong enough, and are insufficiently evaluated to provide us with assurance they are effective. We welcome the work being carried out through the Gambling Commission's research programme, and commissioned by GambleAware, to test and evaluate harm prevention measures online. This includes randomised controlled trials designed by the Behavioural Insights Team (BIT) with three large online operators. It also includes a collaborative project led by Revealing Realities, BIT and a further eight operators (including on and offline gambling). These are positive steps forward, particularly as they combine well-designed interventions with robust approaches to evaluation. We note, however, that these interventions still place emphasis on the consumer changing their own behaviour.

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4 The Responsible Gambling Strategy Board’s advice on the National Strategy to Reduce gambling Harms 2019-2022, RGSB February 2019, and Advice from the Responsible Gambling Strategy Board on online gambling, RGSB, April 2018
5 See below
6 Can behavioural insights be used to reduce risky play in online environments? Behavioural Insights Team, October 2018 (Phase 1 report)
7 Remote gambling research, interim report on phase 2, Revealing Reality, August 2017
Harms occur over a range of different levels of participation in gambling, and at the most severe end of this spectrum, it can be compulsive and even addictive. Placing reliance on the individual to change their behaviour in these circumstances is very unlikely to work.

16. We recommend the Gambling Commission, therefore, should encourage more operators to engage in testing and evaluating a wider range of intervention activities. These should include approaches which do not rely on a consumer who is experiencing harm being responsible for restricting their own behaviour. Co-ordination is vital. Our advice on the National Strategy highlighted that a key lesson learnt from the previous one, was there had been too much reliance on 'letting a thousand flowers bloom' and more co-ordination and direction would be needed in the future. Operators approaches to harm reduction still appear ad hoc and are largely un-evaluated. The recently published Implementation Plan for the National Strategy to Reduce Gambling Harms provides the ideal framework to co-ordinate action to develop and evaluate stronger safer gambling interventions. This will, however, require strong leadership and dedicated resources if progress is to be made rapidly.

17. The development of effective interventions require input from experts by experience. The Gambling Commission, and its partners in the delivery of the National Strategy for Reducing gambling Harms, should take steps to learn how experts by experience are used in other public health contexts and apply this to gambling. We are delighted to see the formation of a partnership with the Health and Social Care Alliance Scotland. We look forward to taking part in the development of wider networks to engage experts by experience in England and Wales.

18. Although available as a multi-operator scheme since April 2018, the online self-exclusion scheme, Gamstop, has suffered delays and has not yet provided the Gambling Commission with sufficient assurance to make membership of it a requirement for all online operators. More encouraging is that an evaluation is now being undertaken, including a survey of service users to understand their experience and the schemes’ impact since it was introduced. This will provide a useful evidence base to inform future improvements. We welcome proposals by treatment providers, which recognise that self-exclusion tools alone will be insufficient for many users and are proposing additional support which can be offered alongside. We recommend that these ideas are explored and tested to understand better their potential to help reduce harms. Customers who return from a self-exclusion should already be treated as a high-risk group by operators. The Gambling Commission should consider how it can assure itself that operators processes and interactions are sufficiently robust with customers in these situations. Ideally, operators would be able to offer the option of longer periods of self-exclusion. For some people this might include lifetime self-exclusion. But we understand that there are practical and legal challenges to achieving this. As the multi-operator scheme develops, these options could be explored.

19. The financial services sector is an essential part of the gambling ecosystem. We recommend that the Gambling Commission explores expanding partnership work with financial service providers to enhance protections and help to reduce harms. Further work should be undertaken to build on the promising initial opportunities which have

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8 Measuring gambling-related harms, a framework for action, Wardle et al, July 2018
9 The Responsible Gambling Strategy Board’s advice on the National Strategy to Reduce Gambling Harms 2019-2022, RGSB
10 Gambling Commission releases National Strategy to Reduce Gambling Harms Action Map, National Strategy micro-site
11 We acknowledge that the Gambling Commission continues to monitor this situation closely and has provided feedback to help shape the development of this scheme.
been created by banks who now offer blocking services on gambling transactions.\textsuperscript{12} For example, restrictions on gambling with debit cards on overdrawn bank accounts may also help reduce harm for people in constrained financial situations. The financial sector has the potential to generate other solutions and innovations to help reduce gambling harms.

20. We also note that the Gambling Commission frequently acts to prevent unlicensed gambling websites from transacting with consumers in Great Britain. Although a range of methods are used to disrupt and prevent this illegal activity, IP blocking may provide a valuable additional tool. We recommend that the Gambling Commission explore with government the feasibility of equipping the Commission with these powers, which may require updating legislation.

**Game design and product characteristics**

21. More work is needed to understand how game design and game mechanics can cause, or reduce, harmful gambling. We understand that work is underway, via the Remote Gambling Association, to understand this better. We recommend that the Gambling Commission monitor this closely to ensure that it provides useful and credible insights into steps which could be taken to reduce harm.

22. Gambling products are becoming increasingly complex.\textsuperscript{13} Consumers are therefore very likely to find it hard to understand the products they are using or their likelihood of winning or losing, for example when placing ‘live odds’ bets, which tend to be skewed towards more complex events and have a higher profit margin for the operator.\textsuperscript{14} The Gambling Commission should take steps to help equip consumers with more useful and accessible information. This may require considering a shift in approach. Innovative work is being carried out by the Food and Drug Administration in the USA, who, rather than stipulating what information should be provided, use ‘consumer confusion audits’ to test the extent consumers understand key facts about the products they are buying.\textsuperscript{15} This approach is intended to better harness the creative capabilities of the industry to communicate key messages to players, rather than the regulator attempting to mandate what it thinks will work.

23. Outside of game design and mechanics, there are also a number of useful steps with could be taken to change the way products are provided to consumers. We welcome the Gambling Commission’s consultation on banning the use of credit cards for online gambling. As noted in previous advice,\textsuperscript{16} gambling with borrowed money is a risk-factor for harmful gambling and therefore the use of credit cards is a concern. We are conscious that unintended consequences, such as players resorting instead to the use of payday loans, or even illegal money lenders, need to be considered and implementation should be carefully monitored. Being able to gamble with credit cards, however, makes it very easy to spend more than you can afford. Although some consumers could circumvent such a ban, the added ‘friction’ it would create may, nonetheless, be helpful for many consumers.

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\textsuperscript{12} Block gambling transactions from your Monzo account, Monzo website, July 2018. Barclays lets customers block gambling transactions, Moneysaving expert website, December 2018.
\textsuperscript{13} Behavioural complexity of British gambling advertising, Newall, February 2017.
\textsuperscript{14} Live-odds gambling advertising and consumer protection, Newall, Thobhani, Walasek, Meyer, PLOS One, June 2019.
\textsuperscript{15} Is time up for mandated disclosure, Insight, FCA, March 2019.
\textsuperscript{16} Advice from the Responsible Gambling Strategy Board on online gambling, RGSB, April 2018.
24. We welcome the commitment made in the Gambling Commission’s Business Plan 2019/20 to look at the issue of reverse withdrawals (i.e. the facility to cancel a withdrawal and continue gambling). In our past advice on online gambling, we set out our view that it should be just as easy for a consumer to take their money out of a gambling account as it is to deposit it. When withdrawals take too long, or consumers receive marketing offers encouraging them to reverse their withdrawal, this can impede consumers’ decisions about when to stop gambling. Although changes have been made to processes for identification verification checks, more could still be done to make withdrawing money easier for consumers. We do not believe that reverse withdrawals are an optimal solution for consumers because this service is only required because it often takes a long period of time for consumers to access their funds. We recommend banning this facility. This would create competitive pressure on operators to make withdrawal processes faster and remove a point in the consumer journey where they are vulnerable to harm.

25. We suggest that the culture of the on-line gambling industry needs to change in terms of how it approaches the products it offers. To give one recent example, two online operators announced a new ‘innovation’ which allows customers to play two online gambling products simultaneously via a split screen function. This facility cannot be justified in the context of a reasonable approach to safer gambling and protecting players from suffering harm. We recommend the Gambling Commission investigates this case, but to also consider how it can change a culture where operators believe introducing such services is acceptable. Further strong enforcement action and enhanced ‘duty of care’ requirement could make operators take their customers welfare more seriously.

Marketing and advertising

26. In our view marketing for gambling should not appear in places where it is likely to be seen by large numbers of children. Recent research confirmed high and increasing levels of exposure of children to gambling marketing. In addition, through avatar testing, the ASA found some evidence that children could view gambling adverts on children’s websites.

27. More work could be done to by operators, government and regulators to explore the potential of technological solutions to reduce the exposure of under-18s to gambling marketing. For example, this could include using ad-tech to positively exclude certain online profiles from seeing gambling ads – such as devices which are used by people with child-like persona. This could also reflect that households will share devices, such as a laptop or tablet. This would require operators to take a more cautious approach to showing marketing for gambling.

28. Concerns about online marketing and advertising go beyond children, and we recommend that more is done to support adults who are vulnerable to gambling harms. Technological solutions also include operators being more proactive in the approach they take so that online marketing is not seen by people who have previously searched for terms such as ‘where can I get help for a gambling problem?’ or ‘how can I self-

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17 Advice from the Responsible Gambling Strategy Board on online gambling, RGSB, April 2018
18 LeoVegas and Videoslots launch split-screen gaming innovation, ERG Global, News
19 Page 3, Interim synthesis report, The effect of gambling marketing and advertising on children, young people an vulnerable adults, Ipsos MORI, July 2019
20 Harnessing new technology to tackle irresponsible gambling ads targeted at children, ASA and CAP news, April 2019. NB – action has been taken against the operators identified.
21 Page 62, Interim synthesis report, The effect of gambling marketing and advertising on children, young people an vulnerable adults, Ipsos MORI, July 2019
exclude?’ These terms, or similar, in someone’s search history should flag that they are not appropriate for targeting for marketing purposes.

29. Gambling late at night is recognised as being associated with harmful gambling.\textsuperscript{22} We recommend that operators be encouraged to take this into account in their approach to targeting customers with online marketing during this period of play. Equally, marketing which portrays gambling as an activity to take part in frequently, or which creates a sense of urgency, is also a concern. Although some action has been taken to limit these messages,\textsuperscript{23} they remain associated with marketing for online gambling.\textsuperscript{24}

30. We recognise that the Gambling Commission is only one of a number of agencies responsible for the regulation and legislation for marketing and advertising, and it cannot act alone to implement the recommendations we have made. It could, nonetheless, play an influential and proactive role in advocating a precautionary approach towards the effects of marketing and advertising for gambling on children and vulnerable people. Although research has not yet shown a direct causal relationship between marketing and harm, it can be seen to be influencing people’s attitudes and behaviour in a way that is likely to cause harm. We recommend that the Gambling Commission considers ways it could encourage more precautionary and proactive approaches to harm reduction in this area.

Stake, prize, and speed of play limits

31. Online gambling has many features which are likely to increase the risk of harm relative to gambling offline – these include instant availability, 24-hour accessibility, potential for isolation and targeted marketing. There are no limits for online gaming on maximum stakes, prizes and speed of play. This situation is a clear contrast to similar products in land-based environments. The rationale the absence of limits is based on online operators using data on their customers to monitor play and intervene where necessary.\textsuperscript{25}

32. The availability of data allows operators to monitor and track play. Although this offers, at least in theory, some safeguards, we are not convinced enough is being done to mitigate against the associated risk of harms. We believe that this calls into question the sustainability of the current arrangements. We recommend that the Gambling Commission starts to plan how a regime for stake, prize and speed of play limits could be implemented for online gambling. Unless significant improvements in player protection are achieved over the course of the current National Strategy to Reduce Gambling Harms, we recommend that the Gambling Commission works with the Department of Digital, Culture, Media and Sport (DCMS) to introduce these changes.

\textsuperscript{22} \textit{Know the odds}, Money and mental health Policy Institute, Policy note number 11, November 2017
\textsuperscript{23} \textit{Tougher standards on gambling advertising announced}, CAP news, Feb 2018
\textsuperscript{24} Page 7, \textit{Interim synthesis report}, The effect of gambling marketing and advertising on children, young people and vulnerable adults, Ipsos MORI, July 2019
\textsuperscript{25} Page 4, \textit{Review of online gambling}, Gambling Commission, March 2018
Conclusions

33. We have made a number of recommendations to help reduce online gambling harms, many of which will require greater levels of transparency from gambling operators, and a shift in culture at every level towards more proactive measures to protect consumers from harm. We propose that a useful next step would be to work with the Gambling Commission to consider how these are prioritised – taking account of (a) evidence of the scale and nature of the harm to be address (b) the resources required to implement (c) the likely impact. This would allow our recommendations to be considered alongside proposals from other stakeholders, most notably from experts by experience.

34. We recognise the online gambling sector changes at a relatively fast pace. Effective horizon scanning is important so that new risks are identified and addressed. We welcome the opportunities to collaborate with the Gambling Commission’s Digital Advisory Panel as this will create a valuable opportunity for ABSG to contribute to the identification of emerging risks.

Advisory Board for Safer Gambling

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