

Raising Standards Conference

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Chair's introduction

Bill Moyes

Good morning and welcome to the Gambling Commission's second annual conference on the subject of raising standards.

Our first conference on this theme was about a year ago. At that stage I had been in post as chair for just a few weeks, so my opening remarks were short and the content was necessarily limited.

One year on I have learned a lot.

I have had the opportunity to meet a number of you and to visit different gambling organisations and premises. The Gambling Commission published its first strategy earlier this month and the process of developing it gave me and my colleagues in the Commission the opportunity to think hard about the kind of gambling market that we should be aiming to create and how this complex and changing industry should be regulated in the future.

The government's call for evidence also caused us to undertake research and to start to think about what advice the Commission should offer the government on the questions posed in the consultation published by DCMS a few weeks ago.

I have also had opportunities to explore issues with the Responsible Gambling Strategy Board and with GambleAware.

One year on I don't pretend to have anything like a complete understanding of the gambling industry. Nor do I claim to be expert in every issue that the Gambling Commission deals with. But I am clearer about what my priorities should be for the next four years of my term of office as chair. I think I have three over-riding priorities:

First, like any chair of any organisation in either the public or private sector I have to ensure that the organisation has strong governance. This is not a major worry for me in relation to the Gambling Commission, unlike some of the other organisations I am involved with. But it cannot be taken for granted.

Second, the development of the competition for the award of the 4th licence for the National Lottery has to be a key priority for me. The National Lottery makes a substantial contribution to DCMS' budget. The money it generates is vital to the success of a wide range of activities that are hugely valued by the public – sports success, world-class arts, preserving our heritage and enabling a wide range of community and charitable projects to happen. The next contract will have a value of £50-60bn over its life. This is a major project, which has to be got right.

Third, problem gambling. This is a subject in which I have taken a strong interest since I joined the commission. It is what I want to talk about for the remainder of this speech. And since I have only a few minutes, I don't have time to beat about the bush.

To be blunt, I don't think the industry gets the importance of being seen to take problem gambling seriously and to take a leading part in tackling problem gambling effectively. Over the last year Sarah and I, separately and together, have had meetings with many of you. We have met some of your boards and talked to your non-executive directors and senior executive colleagues. We have read and considered carefully your annual assurance statements. And in all of these different contacts we hear the right messages being delivered to us.

But then we deal with the reality of the industry's performance and we encounter what I can only describe as a huge dislocation between good intentions and performance.

Let me offer a few examples.

Over the last couple of months the Commission has agreed penalty packages in excess of £10m with major gambling operators for their failures to protect vulnerable customers. In one case customers were allowed to lose millions of pounds of stolen money. In another thousands of customers were allowed to continue to gamble when they had indicated their wish to be excluded, and again, for some of these customers their gambling led to theft and imprisonment.

I am not suggesting that these serious breaches were condoned or encouraged by the boards and senior managements of the companies. Far from it. The boards were horrified. But the good intentions they had expressed to the Commission, and no doubt within their companies, had not been backed up by robust control procedures or by clear signals to their front-line staff. Somewhere in these companies junior staff must have known that some customers were displaying patterns of play that strongly suggested they could be problem gamblers, but they failed to intervene.

The right board policies and well-crafted annual assurance statements are worthless if they are not backed up with processes that identify potential problems and if front line staff are not clear that it is their duty to intervene when they spot suspicious patterns of play. This is a good illustration of what we mean when we say that standards have to be raised.

It's not as if the gambling industry lacks guidance on what it might do, or not do, to prevent gambling being harmful to individual customers and to society generally.

There is a national strategy to reduce gambling-related harm. It was developed by the Responsible Gambling Strategy Board and covers the three years to 2018-19.....so we are well into that period, and ought to be seeing some concrete results by now. In practice the progress report published by the Responsible Gambling Strategy Board in June showed that for all but one of the priority actions in the strategy progress could be rated as no better than red or amber.

I wonder what response you would get from your boards if you reported to them that one year into a three-year strategy very limited progress had been made. I think I can guess.

The priority actions that the strategy proposes are not beyond the capability of the industry collectively or of individual operators. Some require research. But many of the priority actions describe what should already be a matter of routine in an industry that was really serious about promoting safe gambling:

- the development of an accepted range of indicators to identify gambling-related harm and of better methods to use these to identify which specific customers are most likely to be suffering harm from their gambling
- automatically evaluating the impact of interventions designed to protect players, and sharing the results so that the best interventions are adopted across the industry
- getting quickly to the point where we are clear about the role of preventative education. Is it an effective approach to reducing gambling-related harm? If so, how and where is it best delivered?

Getting the national strategy fully and effectively implemented, by individual and collective action, is key to raising standards.

The need for action goes beyond the industry. The harm caused by problem gambling needs to be recognised by the NHS as an important public health issue that requires specific action to understand:

- the scale of the damage to individuals and to society
- the types of treatment that are effective
- the types and volumes of services that need to be provided to meet likely demand, and how these should be distributed geographically.

It is a matter of some regret that so little has been done so far. But that is changing. the NHS is waking up to the issue and in wales, Scotland and England the different health departments are starting to think about how to get to grips with the issues raised by problem gambling.

The scale of the problem and the implications for the design and provision of appropriate services is daunting. We know that there are almost as many problem gamblers as there are opiate and crack cocaine addicts – around 430,000. That's a horrifying statistic, isn't it? And there are another 2m or more people whose gambling habits suggest that they are at risk of developing a serious gambling problem.

Some of them will access relevant health services because, as well as problems with their gambling, they have multiple health and behaviour problems – excessive alcohol consumption, other addictions, mental health problems etc. But many problem gamblers will struggle to find NHS-funded services that are tailored to tackling problem gambling as a specific condition. Few mental health trusts, or bodies who commission health services, signpost on their websites services for people with gambling problems. If you think a family member may be developing a gambling problem, there is very little on all the different NHS websites that will help you identify the signs of problem gambling and direct you to good sources of support and advice.

These gaps need attention at national level. But there is much that could be done at local level between the industry – companies or trade bodies – and the NHS. I encourage you to think about that.

GambleAware spends around £5m on the provision of treatment services. The services it funds saw around 8,800 problem gamblers last year. Although this is welcome, it means that in any one year only about 2% of problem gamblers who need treatment get treatment.

That's a dismal statistic.

Part of the underlying problem is funding. Marc Etches shouldn't have to write begging letters of the kind he issued at the end of October pointing out that the voluntary contributions from the industry were 60% short of the indicative target of 0.1% of GGY.

Raising standards means recognising the obligation to fund at a reasonable level the provision of services for those who are damaged by the products and services offered by the gambling industry.

As our recently-published strategy makes clear, we believe that a national levy would be a fair and credible way to address the weaknesses we see in the current arrangements for funding research, education and treatment. The government has the necessary statutory powers. We will continue to discuss with the government whether the time has come to activate them.

In conclusion let me say that I and my colleagues at the Commission believe the industry is approaching a tipping point. Public support for gambling is beginning to decline. Public concern about gambling is increasing – about the scale of problem gambling, about advertising, about the potential impact on children and the vulnerable.

My remarks today are a call to action. The industry can be seen as beyond redemption and requiring tough action to tackle its worst excesses. Or it can be seen as a responsible part of the entertainment industry, which acknowledges that it has the capacity to cause harm and demonstrates a real willingness to invest in improvement, in prevention and in treatment.

I don't expect to get a warm round of applause for this speech. I seldom do! But I hope you will consider seriously what I have said.

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