



**Gambling
Health
Alliance**



TAKING A PUBLIC HEALTH APPROACH TO GAMBLING

Why do we need a review of the Gambling Act now?

The Gambling Act 2005 is now 15 years old, but despite minor amendments it is no longer fit for purpose, particularly given the huge growth in online and mobile gambling. According to the National Audit Office, from 2008/9 to 2018/19 the number of licensed online gambling operators more than quadrupled, going from 1,002 to 5,321.¹ The majority of us have instant access to potentially harmful gambling products through our smartphones, yet consumer protections and harm-reduction and harm-prevention measures are seriously lacking.



A great deal of harm has been unleashed on the public including:

- **Getting into financial difficulties** such as debt
- **Mental health** – including anxiety, depression and links to suicide; problem gamblers are 15 times more likely to have suicidal thoughts or try to take their own life²
- **Addiction**, with an estimate that hospital inpatient services for treatment of gambling related harm cost between £140 million and £610 million per year³
- **Wider harms experienced by those indirectly affected by problem gambling**, with recent research estimating that 7% of the population identify as being affected by someone else's gambling⁴
- **Relationship strain and isolation**
- **Criminality**, and high rates of gambling addiction among prisoners⁵
- **Exacerbation of existing health inequalities**
- **Wellbeing issues** such as sleep problems



Taking a public health approach should be at the heart of the Gambling Act Review in order to reduce gambling harms. The public health approach should include protecting our young and vulnerable, taking a precautionary perspective, de-normalising gambling by reducing exposure to it, having equivalent measures in place between the online and offline worlds, and investing in research, education and treatment.

1 <https://www.nao.org.uk/report/gambling-regulation-problem-gambling-and-protecting-the-vulnerable/>

2 <https://about.gambleaware.org/news/gambling-and-suicide-research/>

3 <https://www.ippr.org/publications/cards-on-the-table>

4 <https://about.gambleaware.org/media/2178/2020-05-19-treatment-needs-gap-analysis-press-release.pdf>

5 <https://howardleague.org/news/commission-on-crime-and-problem-gambling-publishes-literature-review/>

We are therefore calling for the following:

To protect the young and the vulnerable and take a precautionary approach:

- No form of gambling available to under 18s
- Introduce consumer safeguards for online including a cap on stakes and speed limits
- Affordability checks including a soft monthly cap of £100 adjusted for inflation
- Health education curriculum to cover gambling harms

To help to de-normalise gambling by reducing exposure to it:

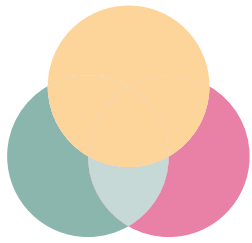
- Ban all forms of gambling advertising and sponsorship in sports
- Restrict advertisements which induce people to start or to continue gambling
- An end to VIP schemes
- Consider further regulations for gambling advertising on TV such as a 9pm watershed

Equivalent measures in place between the online and offline worlds:

- Reinstate triennial reviews to identify new and emerging threats
- Ban of gambling like features such as Loot Boxes from video games played by under 18s

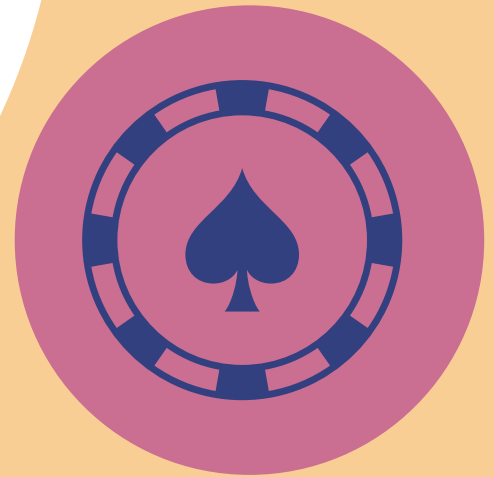
Invest in research, education and treatment:

- Polluter pays principle, with gambling operators mandated to pay 1% of their profits to fund research, education and treatment
- Health commissioning to include gambling harms



Gambling Health Alliance

This position paper is a starting point for what the GHA is proposing should be included in the Gambling Act Review. It has been developed by the GHA and its Steering Group, and informed by the work of other organisations including the Gambling Related Harm APPG, the Social Market Foundation, the Gambling Industry Committee, and the Coalition Against Gambling Ads.



To protect the young and the vulnerable and take a precautionary approach:

- **No form of gambling available to under-18s**

We believe that gambling is not an appropriate activity for anyone under the age of 18, and there therefore needs to be consistency introduced into the gambling ecosystem whereby **no form of gambling is available to children under the age of 18**. Thus the minimum age at which an individual can engage with any gambling product – including the National Lottery, scratch cards, Category D machine gaming in family entertainment centres, sports betting and online casino products – should be raised to 18. There must be **digital equivalency** so that young people cannot participate in gambling activities online which they would be prohibited from in land-based gambling venues.

The GHA believes that there is a role for **local trading standards officers and the Gambling Commission to perform checks into the age verification processes of online and offline gambling operators**, to ensure they are complying with the rules introduced in 2019 by the Commission, requiring operators to ask for and verify ID documents demonstrating a user's age before they make a deposit or even play a free-to-play game. When these age verification processes do not exist or are not sufficiently robust, the Gambling Commission should use the full range of enforcement actions within its remit, including large fines, licence reviews and revocation.

- **Introduce consumer safeguards for online, including a cap on stakes and speed limits**

We believe that there is a balance to be struck between consumer choice on the one hand and prevention of harm on the other. The application of limits to certain characteristics of gambling content should be seen as a necessary function of protection, not prohibition. Under the current legislation, content is available online which is prohibited in land-based venues. This is an unacceptable anomaly. We believe that **the rules and regulation of content design should be consistent across all gambling sectors.**



In the light of recent changes made to Fixed Odds Betting Terminals (FOBTs), it is now accepted that harm can be mitigated by reducing limits to the staking levels and speed of content. The maximum stake on FOBTs was cut from £100 to £2 in April 2019, and as a result the money lost on FOBTs fell 99% to £12.1 million between April 2019 and March 2020.⁶

The GHA believes that we need to adopt similar limits for online gambling - with limits to online casino content introduced in order to protect customers from harm. **Specifically, limits to online slot content should be considered at a modal figure of £2 per spin, while limits to online non-slot content should be considered according to the speed and frequency of play,** and determined by an independent body such as a gambling ombudsman.

- **Affordability checks including a soft monthly cap of £100 adjusted for inflation**

We believe that gambling is only affordable when it does not impact on the financial commitments that a household must fulfil to ensure an acceptable standard of living. Unaffordable play is harmful play, with evidence that credit use as a means of financial coping impacts mental and physical health.⁷ Therefore **checks should be introduced which protect customers** wherever they are gambling.

Operators should have a clear understanding of what is **affordable to online users based on the proportion of a gambler's income.** This figure should be higher than what the majority of gamblers spend, while low enough to ensure that gambling activities do not amount to serious financial harm. According to analysis by the Social Market Foundation,⁸ a soft cap of £100 per month on net deposits would ensure that the majority of customers are protected from harm, while not impacting on the majority of gambling activities. However, with inflation forecast to increase in 2021,⁹ this cap should be reviewed frequently to be in line with current inflation rates. Crucially, **data on customer affordability should be shared between licensed gambling operators and monitored by a third party.**

- **Health education curriculum to cover gambling harms**

We believe the Health Education curriculum for schools in England should **specify what secondary pupils will be taught about gambling** and its related harms. From September 2020, pupils were required to know 'the risks related to online gambling including the accumulation of debt'.¹⁰ We suggest this is expanded to include **emerging forms of gambling in video games, and the link between sports and gambling.** Similar specifications should be added to the Welsh and Scottish curricula.

6 <https://beta.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2020>

7 <https://www.rsph.org.uk/our-work/policy/wellbeing/life-on-debt-row.html>

8 <https://www.smf.co.uk/online-gambling-should-face-100-a-month-cap-on-spend/>

9 <https://www.gov.uk/government/collections/data-forecasts>

10 <https://www.gov.uk/government/publications/relationships-education-relationships-and-sex-education-rse-and-health-education>

To help to de-normalise gambling by reducing exposure of gambling to it:

- **Ban all forms of gambling advertising and sponsorship in sports**

Changes to gambling advertising and sports sponsorship are vital in order to de-normalise gambling and protect young people from exposure to gambling products. Despite the introduction of rules by the Committee of Advertising Practice to protect minors from exposure to gambling advertising, and a self-regulated “whistle-to-whistle ban” implemented by operators, children and vulnerable adults continue to be bombarded with gambling adverts during mainstream sports events.

Over half of football clubs in the top two leagues of English football now feature a gambling brand on their kit,¹¹ with much of this branding linked to offshore operators targeting customers in under-regulated markets. Major sports stars are also being recruited as brand ambassadors by gambling companies and these companies are finding ways of bypassing advertising restrictions on youth kit – notably in the case of Wayne Rooney and 32Red – Rooney wears a shirt with the number 32 and many young fans will choose to have a replica shirt, effectively advertising the gambling operator on their own kit.¹²

In order to limit exposure to gambling advertising, the GHA wants to see **no gambling advertising in or near sports grounds or sports venues, including sports programmes, on the kit of sports teams, or on the digital advertising around a pitch**. In addition, we recommend that Electronic Arts remove the shirt sponsors from players on its video game FIFA given that this game is played largely by young people.

- **Restrict advertisements which induce people to start or to continue gambling**

Stricter rules on gambling advertising should not just be limited to the sponsorship of football shirts. **Operators should also be prohibited from providing communications, both direct and indirect, which offer inducements to bet on other platforms**, whether by

text message, email, on websites or on social media. **Targeting individuals who have self-excluded** by using services such as GamStop still occurs, possibly as a result of HTTP cookies that collect personal data online. Engagement with website providers and social media platforms should be a first step to **stopping this**. We agree with the House of Lords Select Committee Inquiry on the Social and Economic Impact of the Gambling Industry that **advertisements which are seen as offering inducements to people to start or to continue gambling, or which create a sense of urgency about placing bets, should be banned**.

- **An end to VIP schemes**

Two current marketing practices need to be reformed. First, we believe that so-called **VIP schemes**, and any other schemes employ similar features under different names, should be **phased out**. Second, we believe that **affiliate marketing and Pay-Per-Click advertising have no place in a properly-regulated market**. At present, breaches of the rules by affiliates are not subject to sanctions in their own right, but instead are referred to the responsibility of their sponsoring operator. This is a loophole which should be closed.

- **Consider further regulations for gambling advertising on TV**

Children and young people should be better protected from exposure to gambling adverts to avoid normalising gambling activity – we should follow the restrictions proposed to limit junk food marketing to under 18s, and consider introducing a **total ban on gambling advertising on TV before the 9pm watershed**. Online restrictions should include gambling products associated with prominent figures such as social media influencers.

11 <https://www.theguardian.com/football/2019/jul/19/half-of-premier-league-clubs-to-have-gambling-sponsors-for-201920>

12 <https://www.dfc.co.uk/news/2020/11/32red-continue-their-investment-in-community-trusts-team-talk-programme>

Equivalent measures in place between the online and offline worlds:

- **Reinstate triennial reviews to identify new and emerging threats**

We believe that any changes made to legislation in light of the Gambling Act Review should ensure that customer protection is built into the regulation of future as well as current content. This requires **a full review of stakes, deposits and prizes across the gambling ecosystem**, including content that at present sits outside the remit of the Gambling Commission (such as 'loot boxes' in video games). We agree with the House of Lords Select Committee Inquiry on the Social and Economic Impact of the Gambling Industry¹³ that the Government should **reinstate triennial reviews** in order to ensure the continual assessment of content. This review should test all new content against a series of **harm indicators, including its addictiveness and their appeal to young people**, and games which score too highly on those indicators must not be approved. This is necessary to limit the health harms of gambling products and the exposure of young people to gambling products and harms.

As recommended by the Lords Select Committee, Section 3 of the 2005 Gambling Act should be amended to give Ministers a power, analogous to that in section 6(6), to specify by regulations that **any activity which in their view has the characteristics of gambling should be treated as gambling for the purposes of the Act**. This will allow new content which is found to be harmful to be brought into the scope of the Gambling Commission as it emerges as a matter of routine practice.



- **Ban of gambling like features such as Loot Boxes from video games played by under 18s**

We also agree with the APPG for Gambling-Related Harm that the **classification of gambling should be changed from “money’s worth” to “wagering for an item of value”**,¹⁴ so that loot boxes in video games and similar mechanics can be recognised and regulated as gambling, despite the fact it is not always possible to ‘cash out’ one’s winnings, on the grounds that items within a game still have substantial value to players, even if it is not directly translated into cash value.



¹³ <https://publications.parliament.uk/pa/ld5801/ldselect/ldgamb/79/7902.htm>

¹⁴ <http://www.grh-appg.com/wp-content/uploads/2020/06/Online-report-Final-June16-2020.pdf>



Invest in research, education and treatment:

- **Polluter pays principle, with gambling operators mandated to pay 1% of their profits to fund research, education and treatment**
- **Health commissioning to include gambling harms**

The GHA supports a **statutory industry levy of 1% which should be introduced to fund research, education and the treatment of gambling harms**. This levy should be applied in a 'smart' way, whereby those **operators which cause the most harm contribute the most** to the mitigation of that harm. From April 2019 to March 2020 the gambling industry in Great Britain generated £14.2 billion,¹⁵ suggesting a 1% levy could produce around £142 million of funding in one year.

The introduction of a smart levy will require an assessment of harm. We echo the call from the House of Lords Select Committee Inquiry on the Social and Economic Impact of the Gambling Industry, the APPG for Gambling-Related Harm and the Social Market Foundation that a **large-scale gambling prevalence study should be reinstated** in order to provide a foundation for an assessment of the appropriate legislation, regulation and treatment of harm caused by the gambling industry. This assessment should be conducted by an independent agency.

The treatment of gambling addiction should be part of the NHS' remit and managed by experts in the commissioning and assessment of treatment services, with a proper commissioning framework established. Local Authority public health teams should be funded to also provide treatment services.

¹⁵ <https://beta.gamblingcommission.gov.uk/statistics-and-research/publication/industry-statistics-november-2020>