

## Minutes of Meeting

### **The fourth inquiry session of the Gambling Related Harm All Party Parliamentary Group's Inquiry into: Online Gambling - Assessing the Current Harm Research and Industry**

**Date:** Wednesday 12<sup>th</sup> June

**Time:** 14.00pm – 16.00pm

**Location:** Portcullis House

**Chair:** Carolyn Harris MP

**Minutes taken by:** Tosin Adedayo, Interel UK

#### **Evidence Heard From:**

##### **First Session**

- Dr Heather Wardle, Assistant Professor, LSHTM
- Aisling Ni Chonaire, Senior Adviser, The Behavioural Insights Team

##### **Second Session**

- Wes Himes, Interim Chief Executive, Remote Gambling Association

##### **Third Session**

- Nigel Railton, CEO, Camelot

##### **Members Present**

Carolyn Harris MP

Iain Duncan Smith MP

Ronnie Cowan MP

Gerald Jones MP

Lord Foster of Bath

### First Session 14.10 – 15.00

- **Carolyn Harris MP** (Chair) began the session by welcoming the witnesses and invited **Dr Heather Wardle** and **Aisling Ni Chonaire** to the session.
- **Dr Wardle** began by introducing herself, stating that she is interested in gambling behaviour its relationship with changing technology. She also looks the wider trend of gambling behaviour across the UK and how that relates with regulation and policy.
- **Carolyn Harris MP** asked if FOBTs were a more harmful form of gambling than online.
- In response **Heather Wardle** said, there is no strict dichotomy between two particular activities. However, data shows that the activities that have the highest rates of problem gamblers are nearly always FOBTs and at broadly the same level, online gambling. It has been interesting that there has not been much attention paid to online activities as there has been on FOBTs.
- **Lord Foster** asked if **Dr Wardle** was in support of the use of credit cards online.
- **Dr Wardle** replied that she was not. She added that it was a bizarre situation where credit cards are prohibited in land-based venues but are permitted online, where it is more dangerous due to its accessibility.
- **Carolyn Harris MP** asked about the argument that is usually put forward in support of the online sector that credit card usage online makes it easier to track play.
- **Dr Wardle** said she did not think that was a good enough reason. Tracked play requires technological development that is really robust in order to accurately track play, but the sector is not quite there yet.
- Don Foster asked **Dr Wardle** to share the findings of her work on the impact of gambling on wider society.
- **Dr Wardle** said she is a proponent of the viewpoint that due to the nature of gambling; the levels of harm has been underestimated. Much focus is

placed on narrow criteria such as the levels of problem gambling in society. What that does is narrow focus on a handful of individuals. Gambling related harms are the consequences people experience - the gamblers themselves, their families, friends etc. They are also experienced by society as a whole who have to deal with the outcome of those consequences such as strains on the welfare system. Gambling harm should be talked and approached in a much broader way.

- In response to a question by **Iain Duncan Smith MP**, **Dr Wardle** said people problem gamblers are defined as such because they meet the clinical criteria, however, focus needs to be shifted from the problems on their own to the broader remit of gambling harms. When this is looked at from a harms perspective, that's when the impact of families, society, children can be looked at. This is not to do with defining individuals as problem gamblers but to do with defining them as adversely affected by the consequences of gambling and this principle is exactly in alcohol research.
- **Iain Duncan Smith MP** said he felt the term gambling related harm downplays the seriousness of the issue and there should it be termed as gambling addiction.
- **Dr Wardle** in response said not everyone who experiences harm from gambling fits the clinical diagnosis of having a gambling addiction. People can suffer the negative consequences of gambling even if they are not partaking in gambling activities.
- **Iain Duncan Smith MP** said he still found the terminology used within gambling policy and research as soft and asked if **Dr Wardle** agreed.
- **Dr Wardle** said the terminology in gambling discourse has been inconsistent.
- **Iain Duncan Smith MP** asked **Dr Wardle** for her thoughts on gambling advertising.
- **Dr Wardle** said advertising she would like to see a lot less gambling advertising; however, the focus should not solely be on advertising, but it

should be on the marketing practices, particularly the use of technology in swaying people to certain gambling products.

- **Ronnie Cowan MP** asked if **Dr Wardle** had worked for any of the gambling companies directly.
- **Dr Wardle** said she hadn't as she is an independent researcher. She has however worked on projects for Gamble Aware.
- **Carolyn Harris MP** asked her what steps she would take to prevent online harm.
- **Dr Wardle** said credit cards need to be prohibited and a form of credit check should be implemented before people can open gambling accounts to gamble. She added that she would like to see restrictions on some of the marketing practices used by gambling companies. There also needs to be a level playing field between the online gambling environment and land-based gambling.
- **Carolyn Harris MP** asked **Aisling Ni Chonaire** to make an opening statement.
- **Ms Ni Chonaire** said the Behavioural Insight Team (BIT) had been working with Gamble Aware and the Gambling Commission on a research looking risky play on online platforms, they also looked at whether problem gambling could be detected simply by looking at data available. They also ran a pilot test to see if they could increase the uptake of responsible gambling within the online environment, by reducing friction. However, this did not have an effect or impact on gambling behaviour.
- They found that a lot of the responsible gambling tools on online gambling website did not have demonstrable effect on gambling behaviour. BIT pulled together a long list of safer gambling measures to test, to see if they had an impact on gambling behaviours. They mainly looked at deposit limits. They found that there is a risk that gamblers are anchored to set higher deposit limits than is affordable. On a vast majority of online gambling websites, gamblers have a drop-down menu of suggested deposit limits ranging from £5-£100,000. Taking knowledge from psychology and behavioural science, when there is an arbitrary number

offered, they tend to act as reference points, this means that the option of £100,000 deposit limit, could anchor gamblers to set a higher deposit limit than they can afford or is suitable to their financial status. Therefore, BIT was interested in reframing that to see if they can change the presentation of these limits to if they could get gamblers to set more realistic limits.

- The second trial looked to encourage gamblers to reflect on why they had set a specific deposit limit and what is acceptable to them.
- **Carolyn Harris MP** said that these suggestions put the sole responsibility on the gamblers and not the operator.
- **Ms Ni Chonaire** said that was not the case and the BIT has been working to make sure operators are focusing on harms and encouraging safer gambling as the evidence base currently limited and the BIT is working to build that evidence base.
- In response to a question asked by **Lord Foster**, **Ms Ni Chonaire** said BIT would not be looking into the effectiveness of GambleAware's BetRegret campaign.
- As part of the BIT research, they conducted a mystery shopping exercise. They found that over 2 weeks on average, per week, gamblers got 13-15 notification, this includes emails, app alerts etc, this can fuel or lead to addiction.
- **Dr Wardle** added that an industry conference last year, there were discussions about introducing technology to encourage gambling. The technology is not current available in the UK but is being targeted at the African market.
- **Carolyn Harris MP** said that the group has written to several high street banks and had heard directly from Monzo. During their appearance before the group, Monzo shared that they were at the verge of making a decision on implementing a block on the use of overdraft for gambling transactions. She asked the witnesses what their views were.
- **Dr Wardle** said she thought it was a good idea.

- **Ronnie Cowan MP** asked if there was a danger that the research being carried out by the BIT could be used by online gambling operators to target vulnerable gamblers or those who have self-excluded.
- **Ms Ni Chonaire** said that whilst it was possible, BIT is trying to instil and encourage the protection of gamblers. A number of the measures put forward should, be scaled and implemented by the introduction, such as introducing more friction on online gambling websites, and making reverse withdrawals of funds just as easy as depositing
- **Ronnie Cowan MP** asked who the BIT work with to implement their findings.
- **Ms Ni Chonaire** said they worked in partnership with Gambling Commission, DCMS, Cabinet Office and they were listening to these findings.
- **Carolyn Harris MP** thanked both witnesses for their time.

#### **Second Session 14:20 – 15:05**

- **Carolyn Harris MP** welcomed and thanked **Wes Himes**, Chief Executive of the Remote Gambling Association (RGA), for appearing the group. She noted that the Association of British Bookmakers did not engage with the group during its inquiry on FOBTs.
- **Carolyn Harris MP** said an invitation had been extended to the biggest online gambling operators and they were yet to accept the invite.
- **Wes Himes** began by introducing himself. He said the RGA was set up in 2005 and since then, has 31 members which include some of the biggest online gambling operators in the world. The association works to set the standard in its industry. They recognise that there is a lot of work the industry needs to do to address the issue of gambling harm.

- He added that the industry had not effectively communicated some of the good work it had been carrying out in this space. He said he had agreed to meet the group because he wanted to have a dialogue with group.
- **Lord Foster** asked if the RGA agrees that the Gambling Commission should publicly list the amount its members donate towards organisations who provide research, prevention and treatment services.
- **Wes Himes** said its members had been donating more than is required towards research, prevention and treatment.
- **Lord Foster** asked if the RGA would be willing to write to the Gambling Commission within the next 24 hours to ask them to make that information public.
- **Mr Himes** said to the extent that the information can be made public, he is happy to take it up with his members.
- **Lord Foster** also said the compulsory Horseracing levy is £70 million whereas the voluntary levy only raises about £10 million to help protect vulnerable people. He asked what **Mr Himes'** views on a mandatory levy is.
- **Mr Himes** said the industry is committed to doing more to protect vulnerable people from harm. The industry is currently doing double of what is required in its contribution towards the work of GambleAware, yet it still recognises the need to do more. They would to see a needs-based assessment to determine which specific areas needs funding.
- **Lord Foster** asked again if he thought the levy should be mandatory and if the contribution should be held in a central 'pot' that would allow organisations outside of GambleAware to bid for funding.
- **Mr Himes** said what is important is to work out the needs around research, education and treatment and then work out how much is needed based of on this.
- He added that in the industry is approached by wider groups who need financial support, and this is being provided.
- **Ronnie Cowan MP** asked how the RGA is sure that the programme its members fund is effective.

- **Mr Himes** said GambleAware should be evaluating the programmes, as part of the National Strategy set by the Gambling Commission. He added that the RGA would always welcome expert evaluations as well.
- **Gerald Jones MP** asked what steps RGA members have to reducing gambling advertising.
- **Mr Himes** said the industry took a voluntary measure to have a whistle to whistle ban from August 2019. But the industry has to go further to address online advertising, so they are working to make sure that operator marketing teams ensure that advertisements are not targeted to under-18s.
- The industry has been in discussions with some social media platforms on how to ensure advertisement is targeted to the right people. They will try to drive standards by ensuring that members are fully compliant with regulations. Advertising is a concern for the RGA, and they have been taking proactive steps to address these concerns.
- **Carolyn Harris MP** said that members of the RGA had requested private meetings with the APPG to highlight their work on corporate responsibility and to address the real issues put forward by the group.
- **Lord Foster** asked if the RGA's whistle to whistle ban would reduce the overall total number of gambling advertisements.
- **Mr Himes** said he believes that this is the case and that was the intention.
- **Lord Foster** asked what action the RGA would take if it does not reduce the total number.
- **Mr Himes** said they would take whatever action is necessary.
- **Lord Foster** asked if **Wes Himes** thought the use of credit cards should be prohibited online.
- **Mr Himes** said the credit card payments make it easy to track play which could provide useful data in detecting signs of problem gamblers. He added that there are concerns about the use of multiple credit cards on one account and they are looking into putting a limit to allow only one credit card per account.

- **Mr Himes** said that what was important for the RGA is the affordability scheme, which they are looking to operate. This scheme would allow operators to create a paradigm of classification of their players and establish appropriate triggers and threshold by which there will be an analysis and assessment and future intervention, in order ,to catch the process of high spending at a much earlier point and thereby reduce the harm on gambling. This approach in his view is more effective than linking the stakes and prizes online.
- **Carolyn Harris MP** asked if this would be part of the code of practice previously mentioned and how successful has the RGA been in getting operators to sign up to the code.
- **Wes Himes** said the RGA had been working on the code for over a year and had 'buy in' across its membership. They are worried that non RGA members may choose not to sign up to the code, therefore he encourages the Gambling Commission to promote this to the wider operators, in order to have a cohesive and consistent industry.
- **Carolyn Harris MP** asked if the gambling industry is aware of the damage it causes to lives.
- **Wes Himes** said it absolutely was and they are working on it.
- **Carolyn Harris MP** said the group had received correspondence from people adversely harmed by gambling. The group has written to members of the industry to engage in order to address these issues. However, they have been met with a disrespectful and arrogant attitude.
- **Wes Himes** said that this is why he has been engaging with the group and would love to go back and fix history, but he can't. Their focus is now on the work that should be done preventing harm. The industry does not expect to be forgiven the harms caused by gambling.
- **Carolyn Harris MP** asked if the industry accepts that it has caused severe harms to individuals and families.
- **Wes Himes** said that there have been times when incidents have occurred
- **Carolyn Harris MP** said these are not one-off incidents but have been continuous, the industry has to start taking responsibility.

- **Wes Himes** said he agreed that there was work to do.
- **Ronnie Cowan MP** asked why these preventative measures could be implemented immediately.
- **Mr Himes** said he had attended the APPG to create an open dialogue between the group and the industry. He added that the industry is working to address all areas of concerns.
- **Carolyn Harris MP** thanked **Wes Himes** for attending the session and asked him to encourage his members to accept the group's invitation.

### Third Session 15:05 – 15:50

- Carolyn Harris welcomed **Nigel Railton**, CEO of Camelot.
- **Mr Railton** began by introducing himself. He said Camelot's overarching aim is to raise money for good causes in a responsible way. He said player protection is at the heart of the work Camelot does.
- He said that the National Lottery is distinct from the rest of the gambling industry. All their games are in inherently low risk and they work to ensure that their games are designed to be low risk. As a result of this, the risk of harm from the National lottery is low. Every game launched goes through a vetting process to assess the harm.
- The National Lottery prohibits the use of credit cards on its website and individuals would need to fully verify their details using Experian in order to access the games.
- The National Lottery acknowledges that it has a wide reach and where problem gamblers are playing their games, they are positioned to provide the necessary help needed.
- **Carolyn Harris MP** asked how much of the money the National lottery makes is profit.
- **Mr Railton** said they sell around £7.2 billion a year, of that £1.6 billion goes to good causes about £900 million goes to HM Treasury as tax. Their profit last year was around £65 million after tax. He noted that profit is only one dimension of the business and they invest around £30 million a year.

- **Carolyn Harris MP** asked what percentage of the National lottery players are under 18.
- **Nigel Railton** said around 13% of their players are between 16-24 years old. Around 200,000 16-17-year olds play the lottery.
- **Carolyn Harris MP** said she sees a lot of people in deprived areas playing scratch cards in order to make money and often times these are bought in bulk. How does the National Lottery train its retailers to handle such cases?
- **Mr Railton** said the National Lottery has 45,000 retailers across the UK and they provide training for all retailers on how to spot signs of excessive gambling.
- **Carolyn Harris MP** asked if the training is also passed on to staff at the retailers.
- **Mr Railton** said they train the staff, but their intention is to train all staff in every store. He noted that the training programme was not perfect but is a big step in the right direction. All of the National lottery games are designed not to appeal to vulnerable people and during the development process if it is found to appeal to them, they would not launch such a game.
- **Lord Foster** asked what percentage of people using and buying National Lottery products are doing so illegally - I.e. underage.
- **Mr Railton** said very few but was not sure of the exact number. In retail, the National Lottery conducts a mystery shopper exercise every year and if a retailer sells a lottery product to an underage customer, they run the risk of losing their terminal at the 'third strike'. They currently have a 90% success rate.
- **Lord Foster** asked if there were any best practices the online sector could learn from the National Lottery.
- **Mr Railton** said with on the National Lottery website players can withdraw their funds as easily as they deposit them, and the industry might want to look into this.
- **Carolyn Harris MP** asked if it worried **Mr Railton** that 16 year olds are purchasing scratch cards.

- **Mr Railton** said he did not worry about it as there were adequate measures in place to support lottery winners at all ages, for the rest of their lives. At the moment Camelot has a licensing condition to sell scratch cards to 16-year olds.
- **Lord Foster** asked if National Lottery retailers provide GambleAware signage and literature at the point of sale.
- **Mr Railton** said the GamCare details are on the back of every scratchcard, but it would look into signage on display. However, the National lottery is distinct from the rest of the online gambling industry and so it is important to put in place measures that is appropriate for them.
- **Lord Foster** asked how much Camelot contributes towards the work of GambleAware.
- **Mr Railton** said they voluntarily contribute £390,000 to GambleAware and £190,000 to support the work of GamCare.
- **Lord Foster** asked what Camelot's view on a mandatory levy is.
- **Mr Railton** said if the voluntary levy isn't working then it should be made mandatory. The amount has to be appropriate to the size of the organisation.
- **Carolyn Harris MP** asked if **Wes Himes** If he thought stakes and prizes online and on land should be equal.
- **Mr Himes** said he did not think there should be parity as this would have unintended consequences.
- **Ronnie Cowan MP** asked how much **Nigel Railton** earns.
- **Mr Railton** said his basic pay is £490,000
- **Ronnie Cowan MP** noted that this was more than Camelot had contributed to GambleAware.
- **Mr Railton** said his salary is set by Camelot's shareholders.
- **Carolyn Harris MP** thanked the witnesses for their time and for attending the session.

**Meeting concluded at 15.50pm**

## External Guests

- Tosin Adedayo, Interel UK (Secretariat)
- Katherine Morgan, Interel UK (Secretariat)
- Stella Dalton, Remote Gaming Association
- Matt-Zarb Cousin, GamBan
- Simon Thomas, Hippodrome Casino
- Paul Terroni, Novomatic
- Nick Harding, Gauselmann
- Niamh McDade, RSPH
- Gabino Stergides, Electrocoin
- Holly Johal, Hanover
- Karis Fiorrucci, DCMS
- Eleanor Curry, DCMS
- Iain Corby, GambleAware
- Tiffany Trenner-Lyle, Camelot
- David Altaner, Gambling Compliance
- James Noyes, Tom Watson MP's office
- Sarah Bunn, POST Parliament
- Derek Lloyd, The Football Pools
- Bethan Phillips, Atlas Partners
- Lauren Beadle, Lord Chadlington's office
- Charles White, Bishop of St Alban's office
- Liz Ritchie, Gambling with Lives