



Report from the Gambling Related Harm All-Party Parliamentary Group

Online Gambling Harm Inquiry

Interim Report

November 2019

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Table of Contents

Introduction	p3
Executive Summary and Recommendations	p5
Operation of the Online Gambling Sector	P13
Levels of Harm in Online Gambling	p14
Dealing with the Harm	p23
Annex A – List of Witnesses	p41
Annex B – List of Submissions Received	p44
Annex C - Committee Members	p45

All-Party Parliamentary Group for Gambling Related Harm

Interim report into the Online Gambling Sector

Introduction

Following the agreement by the Government to our recommendation to cut the stake on Fixed Odds Betting Terminals (FOBTs) to £2, in January 2019, the Fixed Odds Betting Terminals All-Party Parliamentary Group was reformed as the All-Party Parliamentary Group on Gambling Related Harm (GRH APPG). The formation of this group was in response to the wide range of gambling related harms that were reported to us during our inquiries into FOBTs.

The first inquiry of the GRH APPG has looked into the harm caused by online gambling due to the high levels of harm being experienced in this sector.

Over the past six months, the GRH APPG has held six public inquiry sessions and a number of closed private inquiry sessions to gather evidence for this report.

We have also received written submissions from a wide range of stakeholders ranging from people who have been harmed by online gambling to online gambling operators themselves. These are listed at Annex B.

We are very grateful to all those who have taken the time to participate in our inquiry, all of whom have added greatly to the knowledge of the group. The list of participants is attached at Annex A. We are particularly grateful to those people who have spoken of their own personal experiences, who have themselves been harmed by online gambling or lost loved ones due to addiction.

We were also grateful to online gambling companies who appeared before the group and for their cooperation with our work. We were however, appalled at the cowardly behaviour of Kenny Alexander, the Chief Executive of GVC holdings, who pulled out of appearing before the group, and failed to send a representative, shortly after receiving an email from a problem gambler which challenged the actions of GVC, copying in the GRH APPG. An industry which causes harm must be answerable for its actions.

Due to the political context, the group has not yet met with the new Gambling Minister or any representative from the Gambling Commission. With this in mind, this is an interim report. Our full report, following our final hearings, will be published shortly.

It is important to note that the GRH APPG is not anti-gambling. Our interest is ensuring that the sector operates safely and in a way that minimises the potential for harming vulnerable people.

Carolyn Harris MP

Chair of the Gambling Related Harm All Party Parliamentary Group

Rt. Hon Iain Duncan Smith MP

Vice – Chair of the Gambling Related Harm All Party Parliamentary Group

Ronnie Cowan MP

Vice – Chair of the Gambling Related Harm All Party Parliamentary Group

Executive Summary and Recommendations

In 2018, £5.6bn was lost by gamblers on online gambling¹ and in many cases by vulnerable people. The large scale of losses is an indication of the growing size and scale of the industry and the huge number of people who are gambling online. Excluding the National Lottery, an estimated 9 million people gamble each year in the UK and last year more than half of those did so online, including via a mobile phone or tablet. Online gambling companies have provided estimates to us that only around 20% of these online gamblers are net winners – 80% will lose their money.

During our inquiry we have heard at first-hand about the high-levels of harm which online gambling causes, in some cases tragically leading to suicide. We welcomed the public apologies that the online operators made for the harm they cause when they appeared before our group.

Unlike the land-based gambling sector, there are no stakes, prize or deposit limits in the online gambling world. It is possible to bet thousands of pounds in a matter of minutes from a mobile phone with no supervision.

One of our pre-eminent findings is that it is now a matter of urgency that stake and deposit limits are introduced in online gambling to reduce the harm that the industry is causing. The Government has accepted the principle that harm can be reduced by reducing staking levels. They agreed that the way to limit the harm from Fixed Odds Betting Terminals was to limit the stake to £2. It is abundantly clear that stake and deposit limits are needed in the online world to limit harm. **We do not see the justification for having slot machine style games online with staking levels above £2. If they are not acceptable in land-based venues they should not be allowed online.**

Reducing the stake levels would reduce the amount that is spent and prevents players from ‘chasing their losses’ by doubling up significant sums with each successive bet. The online gambling companies oppose stake limits. The operators have reported to us that stake limits are not needed as they have data to identify those who are at-risk of harm or gambling beyond their means. Yet,

¹ Gambling Commission, Industry Statistics - May 2019

when we asked operators about what was an affordable level of gambling for an individual, they all reported that they did not yet have a clear view of what that was. This is inconsistent with operators saying that they do not need online stake limits as they have the data to assess where gamblers are at-risk and gambling more than they can afford.

Other than the operator objections, it is not at all clear to us why the Government and regulator are not looking at stake and deposit limits online. The regulator is looking at other aspects of regulation but no mention has been made of what is clearly one of the key issues to address.

We have heard about the addictive design of online games, that content and game design which is not allowed in land-based venues is allowed online, and about the relatively limited levels of regulation in this area. Current gambling legislation is outdated, it is indeed analogue legislation in a digital age.

Online advertising and marketing is often highly aggressive. We heard cases of individuals 'self-excluding' from gambling sites and registering with services such as GamStop, only to be bombarded with marketing and offered inducements such as free bets. This is inexcusable and must be stopped.

Equally, while companies continue to bombard customers who have asked to be self-excluded, they are able to identify and potentially block those who are successful and become winners. We heard numerous cases of people who are rightly owed money by online companies but the companies refuse to pay out. It seems those who lose can continue to do so but it is not possible to continually win.

The group is deeply concerned that it is still possible to gamble online with a credit card and to use debt to fund addiction. This should be ended immediately as should the use of overdrafts to fund gambling.

There is a growing need for treatment services for gambling addiction. Services are patchy and there should be independent commissioning, ideally within a health service structure. **GambleAware collects funds from the industry to research and treat gambling addiction, but we are deeply concerned about**

the way they operate and an urgent review of their role and effectiveness is required.

We welcome the steps that operators are taking to help prevent harm. Our concern, however, is this is effectively too little too late and not consistent across the industry. **We did not find the operators have sufficient harm prevention measures in place or a full enough understanding of the markers of harm. There are also of course clear conflicts of interest. A high proportion of revenue for the online operators comes from those who experience harm. Whilst we would like the industry to regulate itself, this conflict of interest underlines the need for stronger regulation by the Gambling Commission.**

Below, we set out our interim findings and propose a number of recommendations. **Given the clear scale of harm caused by online gambling, and the cross-party consensus that action is needed in this area, it is not clear to us why the Government and the Gambling Commission are not looking at this area in greater depth and that more radical action is not being taken.**

Our recommendations are:

- New legislation is urgently required: The most recent primary legislation in the area, the Gambling Act 2005, is analogue legislation in a digital age and in need of urgent revision. A few years ago the online gambling industry was described as being akin to the ‘wild west’ – without sufficient regulation and legislation. Whilst things have moved on, the current regime does not take account of the exponential growth of the online sector and the weak parameters around it. This legislation should focus on prevention of harm and retrospective concerns but also assess the kind of industry we would like to have in the future.
- It is essential that game and product design rules should apply and be consistent in the land-based sector and online. Currently, content is

available online which is prohibited in land-based venues. This is unacceptable.

- Stakes and prize limits are urgently needed online. The Government has accepted the principle that stake limits can prevent harm in introducing the dramatically reduced stake for FOBTs to £2. If the amount which can be spent in one transaction is limited, this will also limit the harm these products cause. It is not a panacea but a critical step in reducing harm. We recommend that, in line with the Responsible Gambling Strategy Board advice, an urgent review of stakes, deposit and prize limits online is undertaken. It is not at all clear to us why the Gambling Commission has failed to prioritise this other than it being objected to by the online gambling industry.
- Improved affordability checks are urgently needed: When there are high levels of gambling related harm in the online sector and there are no stake and spend limits, it is simply not good enough for the online operators to say they are 'developing affordability checks'. Operators should have a clear understanding of what is affordable to online users based on the proportion of a gambler's income, and this should be underpinned by the Gambling Commission. The average level of disposable income in Britain is £450 a month, yet screening for affordability often only comes into play after thousands of pounds have been lost – in many cases tens of thousands of pounds.
- An increased role for banks is needed in relation to affordability checks: A number of challenger banks and traditional banks have introduced a gambling transaction block. We welcome these and the positive response we have had from a range of financial institutions. Given the breadth of data at their disposal, banks could also better assist operators in carrying out affordability checks through open banking.
- Gambling companies need to significantly improve the measures they take to protect vulnerable or at-risk gamblers. We would like to see online

gambling operators act far more sympathetically and return money in cases where money was clearly gambled when it should not have been, for example when a person has been shown to have been vulnerable through an acquired brain injury. Gambling operators should also simplify their terms and conditions so that vulnerable adults are better able to understand them.

- We recommend a review is undertaken of the use of bonuses and incentives by gambling operators to determine whether they contribute to harmful gambling.
- The use of Affiliates for marketing purposes should be reviewed as should whether senior staff employed by Affiliate marketing companies should also hold a PML.
- VIP accounts should be restricted: We recommend that far greater assessments are taken by operators to assess a person's suitability to have a VIP account and that the Gambling Commission adopts more vigilance towards these accounts. We are concerned that fines to companies for offering inducements inappropriately have very little impact on this well-resourced and well-funded industry.
- Banning the use of credit cards: The group is deeply concerned that it is still possible to gamble online with a credit card and to use debt to fund addiction. This should be stopped immediately. It is inconceivable that gamblers are able to build up credit to feed a gambling addiction. William Hill disclosed to the Financial Times that credit card payments accounted for 6% of total deposits, but this is likely to account for a much higher proportion of gross yield, given gambling with money you cannot afford to lose is a sign of problem gambling. More rigorous affordability checks should prevent operators allowing gamblers depositing funds from overdrafts or loans.

- Online companies should commit to fund blocking software and offer it for free to customers who self-exclude from their site: They should also fund a “self-exclusion group” that would constitute all operators, but also other sectors that can assist with restricting access to gambling sites – such as GamStop, Gamban, the financial services sector, internet service providers and mobile networks. Software platforms such as iOS and Android should allow blocking software to be shared across all of an individuals’ devices.
- A "single sign-on" (SSO) mechanism should be considered: A third-party software platform that creates a profile for a user which is used to sign on to every gambling site. The SSO platform would verify the user’s identity and enable the user to set mandatory deposit limits that would apply across all operators. These limits could be informed by affordability checks using services such as Experian.
- We recommend that operators ensure they do not market to those that have self-excluded and the Gambling Commission take steps to ensure it is more vigilant in this area.
- We support stronger measures to verify the age and identity of online gambling customers. A recent survey commissioned by the Gambling Commission found that, there is a small but significant increase in online gambling since 2018 (from 1% of 11-16 year olds, to 3% in 2019).² These figures suggest the current system of checks are not working and that more needs to be done by gambling operators to safeguard children and young people.
- We support the proposals for a Gambling Ombudsman to deal with customer complaints and to provide an effective arbitration mechanism for claims against online gambling companies.

² Gambling Commission, Young People and Gambling Survey, 2019
<https://www.gamblingcommission.gov.uk/PDF/Young-People-Gambling-Report-2019.pdf>

- More responsible advertising: The sector urgently needs to adopt a more responsible approach on advertising, particularly during sports programmes in order to protect children and the vulnerable. While Paddy Power (Flutter) made a joke out of football shirt sponsorship in recent months, that such a joke could be made is an indictment of the current state of gambling sponsorship proliferation. We welcomed the "whistle-to-whistle" television restriction to reduce live broadcast advertising. Yet, for the advertising ban to be truly effective, these companies need to go even further to include shirt and league sponsorship and digital advertising around a pitch. Otherwise, children and vulnerable adults will continue to be bombarded with gambling adverts. The FIFA gaming product also shows teams showing shirt sponsors even though the majority of FIFA players are young people. Online gambling companies should work together to make better use of Ad Tech to minimise the risk of exposure of gambling advertising content to children, young people and vulnerable adults.

- Increased responsibility from the broadcasters: It is also worth bearing in mind that it is the broadcasters that have been most resistant to the clampdown on advertising. The TV companies have an important role to play in this too.

- The Gambling Commission as the regulator also needs to urgently improve its standards in the area of online gambling. We are yet to hear from the Commission but are keen for them to ensure that they take action in all the areas set out in our report. In addition:
 - Spread betting should fall under the auspices of the Gambling Commission instead of the Financial Conduct Authority, and subject to the same social responsibility protections as gambling operators;
 - There should be increased protection against accessing unregulated gambling sites by enacting internet service provider and financial transaction blocking to unlicensed operators; and

- Gambling Commission licensees should cease active trading in jurisdictions that have not formally legalised remote gambling.
- We recommend legislation to equip the Gambling Commission with adequate enforcement powers, and a ‘duty of care’ on operators to not exploit those with addictions.
- There should be a rapid and thorough assessment of the prevention, research and treatment needs that exist in all parts of the UK. The APPG strongly supports reinstating a large scale gambling prevalence study to provide a foundation for an assessment of the appropriate legislation, regulation and treatment of harm caused by the online gambling sector.
- A statutory levy of 1% should be introduced to fund harm prevention projects, support for those who have been harmed by gambling and to fund gambling research, including on the link with suicide. We advocate the imposition of a graduated or ‘smart levy’ where those in the gambling sector who cause the most harm pay the most.
- The treatment of gambling addiction and support for gambling related harm should be part of the NHS remit and be attributed to those with experience of commissioning and assessment of treatment services.
- The commissioning of research should be transferred from GambleAware and the Gambling Commission to independent UK research councils, an approach that is taken for other major public health issues in the UK.
- Access to data should be made a condition of licensing to ensure high quality, independent research can be undertaken to assess the scale of harm being caused by the industry.
- Greater action to deal with the inappropriate use of NDAs must be taken by the Gambling Commission. A change in the law regarding the use of

NDA is also urgently required. It should not be possible for them to cover-up wrongdoing or curtail the work of the regulator.

- It should be a condition of licence that gambling companies that wish to operate in the UK should be required to ensure they are protecting children and the vulnerable in all countries in which they operate. In approving licenses, the Gambling Commission should also consider activity in other jurisdictions. A licensee operating in the UK should be adhering to codes of practice within the UK and internationally.
- A new charter for responsibility: GRH APPG is calling for operators within the remote gambling sector to sign our 'Charter for Regulatory Reform' to signal their intention and support for the policy proposals we have outlined.
- Skins and Loot boxes require greater regulation: Whilst our inquiry has focussed on the harm caused by online gambling, it is clear that a closer analysis is required of the emerging world of gaming and loot boxes. The Gambling Commission must take a closer look at the regulation of this area. At present the lack of a cash out feature will preclude social and casino style gaming falling within the Gambling Commission's remit. However, this could be addressed by a change in the law that would classify gambling as "wagering for an item of value" rather than "money's worth", bringing these new forms of gambling under the legal definition, and empowering the regulator with additional powers and sanctions.

Operation of the Online Gambling Sector

Market overview

The size, scale and structure of the online industry are driving the harms being caused. There are now more diverse gambling products and experiences on offer than ever before, including in-play betting and mobile casino gaming. These are relatively new products that differ from traditional bookmaking, so there are understandably concerns raised about player safety and protection, particularly for the vulnerable.

In terms of the scale of the remote gambling industry in Britain there are around 317 unique licensees (B2B as well as B2C) and 1,375 distinct websites and apps. The statistics reveal a picture of supply fluidity. Since 2015, a total of 198 remote operators have received licences from the Gambling. This fluidity is part of the problem, operators are disappearing and emerging in the market all the time with a continued supply of new games and software. The regulator must be equipped with the necessary means, powers and responsibilities to keep pace with a rapidly changing and evolving online market.

Levels of harm in online gambling

Scale of gambling related harm

Problem gambling in the UK is now so endemic that it should be treated as a public health crisis. In an article in the British Medical Journal³ the widely respected academic who specialises in the field of treating gambling addiction, Dr. Henrietta Bowden-Jones stated that *“pathological gambling is a serious public health problem, affecting nearly 1% of people in the UK. Around half a million people are pathological gamblers but an estimated two million are at risk of developing the illness, defined as repeated gambling that causes significant negative financial, social, and personal consequences. As with other addictions, genetic vulnerability interacts with environmental factors and people whose*

³ <https://www.bmj.com/content/361/bmj.k2240.full>

parents gambled when they were young are at higher risk of becoming pathological gamblers."

Dr. Bowden-Jones has said: *"Pathological gamblers don't have track marks on their arms. They're not walking around with an unsteady gait. They're not shaking while they're talking to you. It's very hard to know one"*. This may be why, when gamblers do confront a problem, it's often only after getting into serious trouble. At the clinic run by Dr. Bowden Jones to help those with gambling addiction, the average patient has lost over £150,000, half have lost a partner, and 84 per cent of them have committed some illegal act to support their gambling.

Online Harm

Online gambling, in particular, has grown exponentially in recent years. The amount of money taken from gamblers online increased from £1.2bn in 2007 to £5.6bn in 2018, with almost all of that increase coming from gambling through smart phone apps. Excluding the National Lottery, an estimated 9 million people in the UK gambled last year with more than half doing so by mobile phone or tablet, according to the Gambling Commission. The Gambling Commission estimated in 2016 that online gambling accounted for a 33% of all gambling activity.⁴ That number is very likely to have increased significantly since. The rest of the gambling market has been broadly flat, with some sectors such as Bingo in decline.

Millennials aged 25-34 accounted for the biggest increase in online gambling of any age group last year, according to the Gambling Commission. They are now the most likely of any age group to hold more than five online gambling accounts, are more likely to have gambled at least once in the past four weeks (disregarding the National Lottery) and the most likely of any age group to gamble via mobile phone. Betting before and during sports matches is now common among younger gamblers with revenue from sports betting now outstripping that from online poker or slot games.

⁴ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/News/new-figures-show-online-gambling-is-largest-gambling-sector-in-britain>

In terms of measuring the harm caused by online gambling, Dr. Heather Wardle has advised us on the scale of harm. She notes that according to recent reports of British gambling behaviour, the prevalence of problem gambling among those who gamble online on casino, slots or bingo style games is similar to those who played FOBTs. In 2015, the estimates were: 10.6% of those who gambled online on casino games were problem gamblers vs 11.5% for FOBTs. In 2016, the estimates were 9.2% for those who gambled online on casino games vs 13.7% for FOBTs. The differences between them are not statistically significant, she says, so you can reasonably say the rates are very similar and that around 1 in 10 people who play online casinos, slots or bingo are problem gamblers.

While no accurate metric currently exists for measuring gambling related harm, which often impacts not just the individual gambler but also their wider family, community or employment, we can also gain some insight from the PGSI and the DSM-V scale used to measure problem and at-risk gambling. Using NatCen's combined Health Survey data, if those harmed are confined to those considered at-risk or problem gamblers, then the proportion of participants harmed by each remote gambling activity could be even higher at:

- Online betting: 26.7%
- Betting exchange: 46.6%
- Spread betting: 59.6%
- Online casino, slots and bingo: 44.7%

The Universities of East London and Lincoln also provided data to us from their work with the Gordon Moody Association (GMA). They report that in 2015 over 60% of gamblers coming to the GMA has used the internet to gamble.

Dr. Henrietta Bowden-Jones explained to our group that the availability of online gambling was a major issue – nearly everyone has an electronic device which means that gambling is “with people at all times.” She said nearly all her patients gambled online and the majority of them were men.

Dr. Bowden-Jones said there are a number of people who gamble safely, however those with a neurobiological profile tend to be the most at-risk. This is because they are impulsive and are higher risk takers based on research.

The likes of Gerda Reith, a professor of social sciences at Glasgow University, sees the online gaming industry as sharing many of the characteristics of the social-media giants, such as Facebook and Twitter, whose aim is to design addictive products that encourage users to spend time on them. “You can see it in the way many of the games are structured,” she says. “The speed with which the spins come round are nothing like a physical casino and seem designed to get users hooked on the action. They play on people’s cognitive biases, with lights and sounds and ideas such as ‘losses disguised as wins’ and ‘near misses’.” A simple example of the former is commonly found in online slot machines. When a player stakes £10, the sum is deducted silently from their on-screen credits. But if they then lose half of that on a spin, recovering only £5, the machine will still make a celebratory dinging sound as if the loss were a victory and show the credits marching back into the player’s account.⁵

Matthew Gaskell, a Consultant Psychologist & Clinical Lead for the NHS Northern Gambling Service, who spoke to our group, said addiction evolves over time and the brain circuits are reinforced constantly if an individual is finding an activity rewarding. As the process evolves and circuits continue to be rewarded in the brain, over time the mind narrows in its focus and an individual can become more preoccupied with this activity. All the other important responsibilities and concerns in an individual’s life can become secondary.

Recently, there has been more emerging evidence on potential risks of online gambling. These risks are particularly heightened by the nature of online gambling, which is accessible 24/7 and allows continuous play without breaks, therefore making certain product categories riskier.

In offline or land-based gambling, staff are given training on how to interact with customers and how to spot the signs of more problematic gambling. Clearly, such mechanisms are not possible with remote gaming. Money laundering regulations require checks if an individual gambles more than £1500 a day in online and offline casinos. In the land-based sector, this is enabled by staff monitoring, table limits, and random checks by the Gambling Commission. In the remote sector, checks tend to be retrospective rather than preventative, and on

⁵ As quoted in the Financial Times, Jonathan Ford, July 2019

the occasions they do take place, it can be when a gambler is attempting to withdraw money after a win.

Furthermore, the ease of deposit and the electronic nature of money spent, as well as the slowness of withdrawals, the ability to reverse withdrawal and targeting of gamblers with offers when they win to encourage further play, all have the potential of creating a harmful gambling environment.

Dr. Bowden-Jones said from a medical perspective addiction often depends on the individual's vulnerability. For example, if a family has a problem with alcohol addiction and the child has a sip of alcohol, they are more likely to become addicted. This is the same for gambling where the genetical risks linked to problem gambling are "big" she said.

Kings College London also provided thorough and helpful research to us around the propensity for online harm and at-risk groups. They noted that 'online gambling can lead to vulnerable adults experiencing gambling related harm'. They also note that online gambling can be appealing to vulnerable people living with autism or those with mental health issues.

The GRH APPG also heard how more work is required to understand female problem gamblers and addiction and that a large scale piece of work is needed in this area. We strongly support this proposition.

Case study - George

The GRH APPG heard very powerful evidence from 'George' alongside Dr Clare Mills from the charity Headway, which is supporting him.

George had tragically suffered from a brain injury in an unproved attack. He subsequently received a compensation package to help him rebuild his life. Ten years on, that money and more has gone – much of this on online casinos.

George explained to our group how he had, after his accident, developed several mental health issues including depression, anxiety and obsessive behaviour which consequently led to a gambling addiction. He received compensation

payments following his accident but then went on to gamble away much of this online.

Bank statements showed he spent over £60,000 on two occasions with the same online casino. He mentioned that when he gambled that amount of money, no checks were required. While some companies have apologised and refunded him after he pointed out he had brain damage, others have refused to pay him back.

He has been unable to recover much of the estimated £210,000 he spent in a four-month period last year, despite telling the casinos, after he had gambled, about his brain damage.

Luke Griggs of Headway has commented:

"This deeply worrying case, and many others like it, illustrates the vulnerability of brain-injury survivors to the addictive nature of gambling,

"A brain injury can leave survivors prone to impulsive behaviour, impaired reasoning and suffering from a lack of insight into how their brain injury affects them.

"These are often compounded by social isolation and can open the door to the high-risk world of gambling.

"This is a hugely well-resourced industry that could and should be doing so much more to identify and protect vulnerable people who do not possess the skills to fully recognise the dangers or comprehend the implications of their actions."

We would like to see online gambling operators treat such cases more sympathetically and return money in cases where money was clearly gambled when it should not have been.

Gambling operators should also simplify their terms and conditions so that vulnerable adults are better able to understand them.

Kings College London has sensibly suggested that operators should be encouraged to produce documents using plain English, diagrams and pictorial information such as those produced by insurance companies to make terms and conditions more accessible.

Gambling and suicide

The risk of online gambling addiction increasing the risk of suicide has been powerfully set out by the courageous work of the charity Gambling With Lives which was set up by Liz and Charles Ritchie after they tragically lost their son Jack to an addiction to FOBTs and online gambling in 2017.

Gambling With Lives has cited research in the UK and Hong Kong which found that 4-11% of suicides were related to gambling which would equate to 250-650 deaths per year in the UK. They note that gambling addicts are 3-4 times more likely to take their own lives than any other addict.

Problem gamblers are significantly more likely to attempt suicide, according to a study commissioned by GambleAware, which found that problem gamblers were six times more likely to have suicidal thoughts or try to take their own life – and could be up to 15 times more likely to do so.⁶

Measuring the harm

We also heard from a number of respondents that in order to fully understand the scale of the problem, a prevalence study is needed which must be independently funded. The knowledge about the numbers affected by gambling-related harm, the types of harm that individuals experience, and how such

⁶ The research, commissioned by the charity GambleAware which is funded by bookmakers, was based on an analysis of data from the Adult Psychiatric Morbidity Survey in 2007.

numbers change over time, is hampered by the absence of a recent British Gambling Prevalence Survey (the last survey was conducted in 2010) and questions about gambling participation and behaviour not regularly being included in the Health Survey for England (questions were last asked in 2012, 2015 and 2016). Whilst the Gambling Commission collects and publishes statistics about gambling participation and problem gambling, we lack longitudinal data about gambling related harm in respect of the trajectory of individuals' gambling participation and behaviour over time, the products and modes of gambling most associated with harm, and individuals' help-seeking behaviours (aside from data collected by GamCare).

The GRH APPG strongly supports re-commissioning of a large scale gambling prevalence and longitudinal study to provide a foundation for an assessment of the appropriate legislation, regulation and treatment of harm caused by the online gambling industry. We have also heard from many in the academic community who say that gambling operators must do more to protect at-risk or problem gamblers from experiencing gambling related harm through permitting access to data. The data that gambling operators collect from their customers would enable extensive research to be conducted to facilitate studies into how to protect vulnerable individuals from experiencing gambling-related harm. Rebecca Cassidy has noted to us “for the quality of research to improve, independent researchers must be given access to industry data, provided as a condition of licensing”. Basic data-sets – like sales, consumption, tax and revenue data – should be made publicly available as a matter of course, as it is in other jurisdictions, including Australia. Research could also be conducted to examine the effectiveness of customer interactions with online gamblers and the impact of such interactions on gambling behaviour.

We urge gambling companies to give greater access to their data to enable the facilitation of research to protect the vulnerable or the Gambling Commission should consider making this a condition of licensing.

Academics such as Rebecca Cassidy have also underlined to us one of the critical problems facing policy makers in the UK is the lack of high-quality, robust and independent gambling research. Many gambling scholars will not take

funding from industry supported organisations like GambleAware and so fully independent structures which are transparent and meet ethical standards are needed.

Dealing with Online Harm

In this section we set out some recommendations for dealing with online gambling harm.

Addressing Affordability and Limit setting

There are a number of gambling operators who allow their customers to set limits on their spending in relation to their losses. For example, Betfair allows their customers to set loss limits for individual products and a global loss limit across a range of products. Paddy Power has recently run an advertising campaign to promote its 'three simple tools' to help gamblers stay in control of their gambling.

Yet despite the existence of these tools, there is little evidence to establish the effectiveness of setting deposit or loss limits on online gamblers. Indeed, there is research which raises questions about the use of responsible gambling tools by gamblers. The Behavioural Insights Team has said "setting limits [by gamblers themselves] were generally perceived as ineffective as they could easily be reset within a relatively short time period".

We note that gambling firms will be required to establish how much customers can afford and to set limits on their spending. The Gambling Commission, which can impose unlimited fines on firms that breach the rules, wants them to introduce new systems that enable them to identify those who may be gambling beyond their means. It suggests they could use household earnings and wealth data from the Office of National Statistics (ONS) to assess what a customer can afford.

The Rank Group has become the first operator to sign up to a affordability-checking service with online credit checking company Experian. The Experian Open Banking service allows operators to access account information including weekly income and expenditure and how much they spend with other gambling websites. Whilst we welcome this, we are concerned that there is potential conflict of interest if gambling operators are permitted to access the financial data of customers who opt in to open banking. We support the contention that

the Gambling Commission should have a clear role in overseeing the use of affordability checks by operators.

We are also concerned the operators we spoke to, four of the top five in the market, namely Bet 365, Flutter, Skybet and William Hill all did not seem to yet have a clear system to assess a customer's level of affordability. This seems inconsistent with the levels of sophistication that these companies operate at technologically, and the vast amounts of data they hold. They have algorithms where if you're spending significant sums they can make you a VIP, or send you a bonus email, both of which are to their commercial advantage. So there is no reason why this data cannot be used to prevent gambling harm.

We are also concerned that operators reported clear variations in their estimates of the levels of harmful gambling by their customers. Either some operators have higher levels of harmful play, there are flaws in the data, or their reports to us were incorrect.

Self-exclusion systems

The GRH APPG is concerned about the flaws which have been highlighted in the national self-exclusion scheme GAMSTOP and these should be immediately addressed. Despite registering with the scheme, in an investigation by the BBC earlier this year, gamblers were able to make bets online by simply changing their user details.⁷ We have heard similar reports from many addicted gamblers who were easily able to get around the system.

In addition, whilst there are a range of online gambling self exclusion tools our inquiry suggests that there is low awareness of these amongst gamblers as well as of blocking software schemes and gambling support services.

In the UK gamblers are largely expected to take responsibility for their gambling behaviour, the feasibility of family exclusion orders, where family members apply for an individual to be excluded, could be considered.

⁷ <https://www.bbc.co.uk/news/uk-46830810>

There also needs to be greater awareness amongst health services – including GPs – of the signs of gambling addiction, as well as local and national services on offer to provide support with gambling addiction.

A "single sign-on" (SSO) mechanism should be considered: which would essentially be a third-party software platform that creates a profile for a user which is used to sign on to every gambling site. The SSO platform would verify the user's identity and enable the user to set mandatory deposit limits that would apply across all operators. These limits could be informed by affordability checks using services such as Experian.

Parity between online and offline gaming

Content control can be a very useful tool in addressing gambling related harm and we recommend that the Gambling Commission takes a far more rigorous approach to regulating the content of online games. There is a clear disparity between online and offline, or land-based, games. Game speed, for example, can drive levels of risk in gambling. Online games should not be played at a faster pace than offline games.

Given the content of offline or land-based slot games is subject to stake limits, there is no justification for the same content online not to be subject to commensurate stake limits. There should clearly be parity of stake limits for the same game content regardless of whether it is played online or offline. We would be interested to know the Gambling Commission's view as to why this is not the case.

Stakes and prize limits

Whilst we support independently assessed affordability checks in the online sector, a critical way to limit harm is to limit the amount that can be spent in the first place.

Unlike the land-based gambling sector, there are no stakes, prize or deposit limits in the online gambling world. The Government agreed that the way to limit the harm from Fixed Odds Betting Terminals was to limit the stake to £2. **It is abundantly clear that stake and deposit limits are needed in the online world to limit harm.**

In their advice in relation to the DCMS review of gaming machines and social responsibility measures, the Responsible Gambling Strategy Board (RGSB) described the 'absence of any regulatory limits on stakes and prizes on remote platforms, including those which offer games identical to those on B2 (or FOBT) gaming machines' as "anomalous, given the wide accessibility of such platforms and the rapid pace with which they are developing". They note that: "The remote sector needs swiftly to demonstrate that the risks associated with remote gambling are being managed effectively and comprehensively. If they fail to do so, controls should be placed on stake and prizes on remote platforms comparable to those on similar land-based products".⁸

Unsurprisingly, online operators are strongly resistant to stakes and prize limits online. They have reported that stake limits are not needed as they have the data they need to identify those who are at risk of harm.

Yet, when we asked operators about levels of affordability they all reported that they did not yet have a clear view of what was an affordable level to gamble. This is inconsistent with operators saying that they do not need online stake limits as they have the data to assess where gamblers are gambling more than they can afford.

⁸ <https://www.rgsb.org.uk/PDF/Advice-in-relation-to-the-DCMS-review-of-gaming-machines-and-social-responsibility-measures.pdf>

Only one operator, Tombola, already has low stake limits and we commend this approach.

We recommend that in line with the RGSB advice, given that the risks associated with remote gambling are clearly not being managed effectively and comprehensively, that an urgent review of stakes and prize limits online is undertaken. It is not at all clear to us why the Gambling Commission has not already undertaken steps to do this other than it is being resisted by the industry.

The sector should also enact effective deposit limits that are informed by affordability checks. A number of stakeholders spoke to us about the need to increase 'friction' or slow down the gambling process to reduce harm.

The use of credit cards

The group is deeply concerned that it is still possible to gamble online with a credit card and to use debt to fund addiction. This should be stopped immediately. It is inconceivable that gamblers are able to build up credit to feed a gambling addiction. William Hill disclosed to the Financial Times that credit card payments accounted for 6% of total deposits, but this is likely to account for a much higher proportion of gross yield, given gambling with money you cannot afford to lose is a sign of problem gambling. The gambling companies and their representatives told our group that they do not support a ban on the use of credit cards arguing that the use of credit cards provides data to track play. Specialists in the field such as Dr. Heather Wardle have said to us however that: "Tracked play requires technological development that is really robust in order to accurately track play, but the sector is not quite there yet."

A number of banks including Monzo, Starling Bank and Barclays allow customers to block online gambling transactions. We have also heard from a number of other banks including RBS that are introducing similar software. Mobile phone companies also reported to us that they have introduced a number of measures to restrict the amount a customer can spend through their mobile phone account on gambling activities. We welcome these moves. We would also

urge other online payment systems and e-wallets such as PayPal to adopt similar mechanisms for customers to block gambling transactions.

Case study - Below is the experience of John, a problem gambler

I deposited a total of £600,000 with Betfair, with a net loss of £380,000. I used credit cards, debit cards, Paypal, a total of 61 different deposit methods. I was constantly online logged into my account, at one point betting £70,000 in a day. There are countless times when I was "chasing" losses, reversing withdrawals and had declined deposits - all huge red flag indicators of someone with a problem. Not once was I contacted by Betfair to ask if I was happy with my levels of gambling, nor to ask for proof of where my funds were from (especially since my account was investigated by the police, which Betfair must have known about as they provided the police with all my account records.

Credit card deposits should be banned. I can't actually believe this is allowed. At the very least it should automatically invoke a proof of funds request. Most credit cards treat gambling deposits the same as cash withdrawals, and charge large fees along with immediate interest. I can't think of any instance someone would be using a credit card unless they were desperate.

Incentives to bet

We have heard that the remote gambling sector is effectively being run in an unsustainable way. In some cases, online companies are said to be actively seeking to drive harmful gambling behaviour and large-scale bets to ensure their profitability.

In February this year, one media outlet reported that Bet365 was offering cash incentives to those who were losing large amounts of money to keep them gambling. Players were said to be rewarded with weekly cash returns of up to

10% so they could keep playing. Reports of this nature suggests companies are exploiting vulnerable customers to keep them in a cycle of betting.⁹

Equally, young and vulnerable gamblers are more likely to be impressionable and attracted by bonus sign-ups and offers of credit. This model encourages participating at higher stakes over longer sessions during a short time, encouraging addictive behaviour.

We were also concerned to hear reports that undergraduates are being offered money and drinks to sign up to betting apps. Students at prestigious UK universities are being recruited to promote betting apps on campus and, in some cases, are reported to be handing out money to entice others to gamble.

We recommend that a review is undertaken of the use of bonuses and incentives by gambling operators to determine whether they contribute to harmful gambling. Our view is that these promotions should not be permitted.

VIPs

GRH APPG is also very concerned about the upgrading of customers to VIP status. Most gambling companies offer VIP membership for players who wager large amounts of money. Players get their own VIP manager who oversees their account. Customers are also invited for free day trips to football matches and concerts.

Granting a customer VIP status enables a customer to stake at higher levels and to receive inducements to bet large sums. These members are given free bets, special offers and bonus schemes that reward them for betting with larger stakes. As a result, addicts are building up large debts through these accounts.

We welcome the Gambling Commission calling for greater affordability checks before upgrading customers to a VIP status but are concerned that these checks

⁹ <https://www.dailymail.co.uk/news/article-6715159/Addicts-paid-gambling-UKs-online-betting-firm-Bet365-gives-losers-cash.html>

are still not vigilant enough. Firstly, operators have reported to us that they still do not have clear affordability checks or thresholds in place. Secondly, operators told us that a much higher proportion of VIP accounts are closed (one operator said around 30% were closed last year) which strongly indicates that the issue of problem and at-risk gamblers being permitted these accounts is widespread.

We recommend that far greater assessments are taken by operators to assess a person's suitability to have a VIP account and that the Gambling Commission adopts more vigilance towards these accounts. We are concerned that fines have little impact on this well-resourced and well-funded industry.

Case study - Joe

Joe, who has depression, was made a VIP when he won £60,000 on online betting website Vernons.com. The company delayed paying Joe his winnings while it verified his account, but made him a VIP member and sent him prompts to bet, which Joe believes encouraged him to gamble away his winnings.

"I felt groomed, I felt that they were almost a family to me. I probably logged in and out of their website on my mobile phone over 100 times a day," he said.

"There are probably bets I'd placed at 03:00 after betting all day on an Algerian League 3 match that I would not know anything about. I felt totally out of control with everything."

Joe ended up £30,000 in debt after taking out loans and borrowing money from friends and family. After You and Yours aired his story, Vernons.com paid off his debts.

Fines – a weak deterrent

The Gambling Commission has taken action numerous times this year and fined online gambling firms for ‘systemic failings’ to protect problem gamblers. For example, in July this year it was announced that Ladbrokes Coral had transgressed on numerous occasions between 2014 and 2017 and failed to ‘protect customers from gambling harm’ and prevent money laundering. The company was fined £5.9m.

Whilst the online companies tell us they have moved on and improved their protections for vulnerable gamblers this is not borne out in the mass of correspondence we have had about what could be termed exploitative behaviour by a range of online gambling firms. We are also concerned that while fines in the region of £6m sound a huge sum to most of us, they are a drop in the ocean when compared to the profits these firms make – and so act as little deterrent. To put this fine into perspective, in 2018 GVC holdings, the owners of Ladbrokes Coral, had a net gaming revenue increase of 9 per cent to £3.6billion.

A recent PWC report for the Gambling Commission found that 56%¹⁰ of the profits for remote gaming companies is coming from people with gambling addictions or problematic gambling behaviour. Their model is not based on building a long-term relationship with loyal customers but on extracting as much money as possible from people, particularly those who exhibit more risky behaviour and place large bets until such time as those people effectively run out of money. The companies must then move on and find more customers and there have been reports that they are seeking to incentivise their staff to do this. This constant drive for profit and new customers means that the companies involved have no incentive at all to seek to reduce problematic behaviour.

¹⁰ Using analysis from table 13 page 43 of PwC’s report on online gambling for GambleAware and combined with Tables 3.3 and 4.5 of NatCen’s combined Health Survey data, Howard Reed of Landman Economics has estimated that just under 59% of gross gambling yield online is derived from those experiencing gambling problems.

Limiting pay-outs to winners

Equally, while companies continue to bombard customers who have asked to be self-excluded, they are able to identify and potentially block those who are successful and become winners. We heard numerous cases of people who are rightly owed money by online operators, but the companies refuse to pay out. It seems those who lose can continue to do so but it not possible to continually win. Brain Chappell from Justice for Punters has helpfully provided us with numerous case studies where customers have not received the payouts that were due to them. In effect, some operators are happy to encourage those who regularly lose to gamble more. On the other hand, they restrict the accounts of more successful players. The message is clear he says, you should not go into online gambling with the expectation that you will win. One gambler commented to us:

“How can they invite you to bet then tell you to go away if you win? They only want customers who are losers.”

It is also clear from the accounts we have heard that there are often limited mechanisms for customers to lodge complaints or have their case effectively dealt with. The alternative dispute resolution process and the Gambling Commission are often not best placed to deal with individual challenges to gambling operators.

We support the proposals for a Gambling Ombudsman to deal with customer complaints and to provide an effective arbitration mechanism for claims against online gambling companies.

A statutory levy

Earlier this year, The Times revealed that online casinos that pay almost £120 million to sponsor Premier League football clubs are contributing as little as £50 per team to Britain’s biggest gambling charity. Some companies gave nothing, while others gave as little as £5.

This question of what is an appropriate levy required for research, education and treatment is at its heart a highly subjective one; but it is also relatively simple, if we are prepared to break it down into its constituent parts: What services are required? Who should provide them? How much will they cost? How will this change over time? Who should pay?

Once we have addressed these points we can move on to considering which is the most appropriate mechanism to finance it all. Until then, arguments about whether the industry ought to pay up £12m, £70m, £140m or £1.2bn and under what level of duress are likely to be more academic.

We welcome the moves by the big 5 gambling companies to commit to pay 1% of gross gambling yield towards safer gambling initiatives by 2023. But the GRH APPG is concerned that not all companies will follow suit and that a statutory levy should be applied. The big five only represent half of the remote gross gambling yield in Britain.

There needs to be continuity and security in the funding, which will enable planning for the provision of treatment and services, as well as independence in the commissioning process. **Steps should be taken to put a statutory levy in place with immediate effect. This should be set on the basis of the ‘polluter pays’ principle, so those companies and sectors of the market causing the greatest harm should pay the most. The level of financial contribution should be under constant review and increased if greater demand for services arises.**

While the proposal from the big 5 operators in committing to a 1% contribution is a welcome first step, far greater measures should be taken to ensure that harm does not occur in the first place, with more robust action on restricting advertising, marketing and the other measures to prevent harm that have been set out here.

We are concerned that the money doesn’t just go to the gambling companies’ ‘pet projects’ and that is spent efficiently, with measurable outcomes, and the

integrity of research independence is guaranteed and maintained. We support independent commissioning of the services with the increased funds now available, and we are unconvinced about the Gambling Commission and GambleAware's suitability in enacting this role.

A statutory levy of 1% should be introduced to fund harm prevention projects, support for those who have been harmed by gambling and to fund research into gambling research. We advocate the imposition of a graduated or 'smart levy' where those in the gambling sector who cause the most harm pay the most.

Advertising and Marketing

Since 2014, betting companies have increased their marketing spend by 56% with five times more being spent online than on television advertising. The industry spent £747m in direct online marketing, £301 million through 'affiliate' websites and £149m on social media advertising. Around 80% of gambling marketing spend is now online.¹¹

Numerous studies have reported recently on the proliferation of online gambling adverts. Professor Jim Orford has noted that a study has found gambling logos are on screen for 70% of the time during 'Match Of The Day' in the UK, with half of the premier league clubs having gambling companies sponsoring their shirts.

Analysis of live sports on television found that gambling adverts are particularly prominent during football matches. During one game between Scottish teams Rangers and Celtic, there were 920 occasions on which gambling brands were visible – equivalent to once every 10 seconds.

Half of the Premier League's shirts will be emblazoned with a gambling company's logo during the 2019-20 season. Premier League clubs stand to earn a record £349.1 million from shirt sponsorship deals in the coming season, a rise

¹¹ <https://about.gambleaware.org/media/1857/2018-11-24-gambling-marketing-online-five-times-tv-ad-spend.pdf>

of more than 10% compare to £315.6 million in 2018-19. Ten of the twenty top flight clubs will display the branding of a gambling company, up from nine last season and the joint highest number ever, after signing deals worth a combined £69m. Betting's dominance is even more pronounced in the Championship, where 17 out of 24 club shirts will show a betting logo, meaning 27 of England's top 44 clubs have agreed to do so.

Moreover, as publicised a few months ago, disappointingly Wayne Rooney will wear the number 32 shirt when he joins Derby County in January as part of the club's partnership with 32Red. We would expect more from such a public figure.

The gambling industry has tightened its grip on football despite growing concern among MPs, campaigners and even GVC-owned Ladbrokes, which has pledged to end shirt sponsorship – despite sponsoring the Scottish Football League. But while none of the top six clubs have a gambling sponsor, the industry accounts for the vast majority of the rest of the 14 remaining clubs' shirt deals, with Malta-based Betway the biggest contributor via its £10m deal with West Ham United.

Specialists such as Dr. Bowden-Jones and Dr. Heather Wardle, note that they would like to see gambling advertising banned all together, arguing that the targeted advertising and marketing is particularly dangerous.

While there is a lack of research into the impact of social media and online advertising on the amount customers spend on online gambling, there are very strong concerns about its detrimental impact.

The impact of advertising on incentivising vulnerable people to gamble is a growing concern. The RGSB has said that by not taking action to limit the exposure of young people to gambling advertising “we are in danger of inadvertently conducting an uncontrolled social experiment on today's youth, the outcome of which is uncertain but could be significant.”

Children and young people are also exposed to gambling adverts and sponsorships. In 2018, 33% of 11-16 year olds had seen gambling advertising at least once a week. Whilst, 60% of young people have seen gambling

advertisements on social media and 12% of young people follow gambling companies on social media.¹²

A recent study by GambleAware found companies were not doing enough to stop exposure to ads on social media. The research, led by Ipsos Mori, found that an estimated 41,000 children under 16 follow gambling-related accounts, while children replied to or retweeted those accounts 13,000 times. While children were not being directly targeted, the report said some of the ads included features likely to appeal to them, while little was being done to screen them out of gambling ads.

The research highlighted the prevalence of gambling adverts on the internet, particularly social media sites such as Twitter. The researchers created 11 “avatars”, fake internet user profiles with identities such as “problem gambler” or a “child under 13”, based on browsing history. The “child under 13” avatar saw more online gambling adverts per month than the adult with a gambling problem. Both saw more than a neutral avatar with no browsing history. The report said there was “no evidence” that advertisers had taken significant steps to screen out children and gambling addicts, such as by analysing their browsing history.¹³

The sector urgently needs to adopt a more responsible approach on advertising, particularly during sports programmes in order to protect children and the vulnerable. While Paddy Power (Flutter) made a joke out of football shirt sponsorship in recent months, that such a joke could be made is an indictment of the current state of gambling sponsorship proliferation. We welcomed the "whistle-to-whistle" television advertising ban. Yet, for the advertising ban to be truly effective, these companies need to go even further to include shirt and league sponsorship and digital advertising around a pitch. Otherwise, children and vulnerable adults will continue to be bombarded with gambling adverts.

¹² Gambling Commission statistics 2018

¹³ <https://www.gamblingcommission.gov.uk/news-action-and-statistics/News/latest-report-reveals-complex-nature-of-advertising-exposure-to-children-young-people-and-vulnerable-individuals>

It is also worth bearing in mind that it is the broadcasters that have been most resistant to the clampdown on advertising. The TV companies have an important role to play in this too.

We are also concerned that online gamblers who have self-excluded may continue to receive incentives to bet and marketing from betting companies, through either direct marketing or social media advertising. This would clearly be outside the Licence Conditions and Codes of Practice which operators are required to comply with. **We recommend that operators ensure they do not market to those that have self-excluded and the Gambling Commission take steps to ensure it is more vigilant in this area.** Our group has heard evidence that the technology is readily available to reduce the targeting of vulnerable people and instead for operators to use 'Ad-Tech' to de-target them.

Children and Young People

Assessing the harm to young people from online gambling and in particular the rise of gaming and the use of loot boxes among young people merits further investigation and is beyond the scope of our current inquiry.

Yet, we will touch on it here as we have heard many anecdotal reports of young people and children developing harmful addictions to online gambling. Many of the measures outlined in this report would better protect children, young people and vulnerable adults from harm. These include: greater restrictions on advertising including via social media, a crack down on the 'normalisation of gambling', the relationship between sports and gambling firms and better identity, age and verification checks.

Teachers and the education system more widely has a role to play too, as has been identified by the work of YGAM which educates young people about the dangers of gambling in schools.

Given the risks to young people from gambling we very much welcomed the inclusion of gambling related harm in the NHS Long-Term Plan and the announcement on 24 June 2019 that the NHS is to open its first gambling clinic

for children and young people. The new clinic for young people will open this year in London as part of an expansion of NHS services across England. Fourteen other clinics for adult gambling addicts are set to open, the first in Leeds this summer, followed by others in Manchester and Sunderland. Until now, specialist face-to-face help has only been available in London at a clinic focused on addicts aged 16 and over.

We urge the Gambling Commission to undertake further work to assess the risks to children from online gambling, gaming and loot boxes. This is a subject which the GRH APPG will return to in future sessions.

Licensing

It is our understanding that the 2005 Gambling Act allowed 'white-listed' jurisdictions to access British Gamblers. It was not until the 2014 Licensing and Advertising Act that UK licensing was required, but inadequate due diligence has led to the phenomenon of "white label" licensees, which effectively act as license wholesalers for operators, which pay a fee to these licensees to access the benefits of a Gambling Commission license – such as advertising in Britain – without going through the application process, nor deriving any revenue from this jurisdiction. As a result some affiliates of larger gambling companies have never been subject to direct Gambling Commission oversight. This practice appears wholly unsatisfactory and the Gambling Commission should urgently investigate the use and appropriateness of white labels.

In addition, following concerning reports about the practices of some online operators in countries such as Kenya, which are engaged in enticing young children to gamble, it should be a condition of a remote gambling licence that gambling companies wishing to operate in Britain are required to ensure they are protecting children and the vulnerable in all jurisdictions they derive revenue from.

The GRH APPG met recently with the Sports and Tourism Committee of the Kenyan Assembly to discuss their concerns in this area.

Duty of Care

Given the scale of harm caused by online gambling and the harm that can be caused by other forms of gambling, it is important that there is a functioning 'duty of care' to gamblers. This duty of care should lie with both the operators, who agreed with this when they spoke to the APPG, and the government. The regulator needs to ensure this through significantly improving its oversight of operators. **We recommend legislation to equip the Gambling Commission with adequate enforcement powers, and a 'duty of care' on operators to not exploit those with addictions.**

Age verification

We support stronger measures to verify the age and identity of online gambling customers. A recent survey commissioned by the Gambling Commission found that 1% of 11-16 year olds had spent their own money on online gambling in the past week and 6% of young people have gambled online using a parent or guardian's account (either with or without permission).¹⁴ These figures suggest the current system of checks is not working and that more needs to be done by gambling operators to safeguard children and young people.

Non-Disclosure Agreements

Earlier this year the Gambling Commission was compelled to issue a warning notice around the use of Non-Disclosure Agreements (NDAs) between gambling companies and individuals. They noted that some licensees have been including NDAs within settlement agreements with consumers. Some of these agreements may have had the effect of preventing those consumers from reporting regulatory concerns to the Gambling Commission, by either excluding disclosure to any third party or, in some cases, explicitly preventing customers from contacting the Gambling Commission.

¹⁴ <https://www.gamblingcommission.gov.uk/PDF/survey-data/Young-People-and-Gambling-2018-Report.pdf>

When the online gambling companies appeared before our committee we explicitly asked if they had used NDAs in settlement agreements with customers. A number of the companies told us they did not. We do however have evidence that this is not the case and we are concerned that their responses to us were misleading.

It is essential that NDAs do not result in consumers feeling they are unable to notify the Gambling Commission, other relevant authorities or law enforcement agencies of conduct which might otherwise be reported or that they prohibit those suffering gambling-related harm from freely discussing their gambling history with treatment providers.

Greater action to deal with the inappropriate use of NDAs must be taken by the Gambling Commission. A change in the law regarding the use of NDAs is also urgently required. It should not be possible for them to cover-up wrongdoing or curtail the work of the regulator.

Gambling Related Harm All Party Parliamentary Group

November 2019

Annex A - Witnesses Gambling Related Harm APPG

Wednesday 27th March, 2pm

Assessing the Impact on people harmed by online gambling

- Former Online Gamblers
- Liz and Charles Ritchie, Gambling with Lives
- Dr Clare Mills and Luke Griggs, Headway
- 'George' an individual who had experienced harm and is being supported by Headway

Wednesday 24th April, 2pm

Assessing the Current Harm Prevention Provision

- Micah Willbrand, Managing Director, Experian
- Steve Moffatt, Public Policy Manager, Addaction
- Sarah Williams-Gardener, Director of Public Affairs, Starling Bank
- Stuart McFadden, Head of Financial Difficulties, Monzo Bank
- Fiona Palmer, CEO, The National Online Self Exclusion Scheme
- Matt Zarb-Cousin, Director, GamBan
- Robin Caller, CEO, Overmore Group

Wednesday 8th May, 2pm

Assessing the Current Treatment Provision

- Lee Willows, Founder and Chief Executive, Young Gamblers Education Trust
- Anna Hemmings, Chief Executive, GamCare
- Dr Stephen Sharman, University of East London
- Helen Undy , Chief Executive, Money and Mental Health

- Duncan Stephenson, Director of Marketing and External Affairs, Royal Society for Public Health
- Caroline Norrie, Research Fellow, King's College London

Wednesday 12th June, 2pm

Assessing the Impact – The Gambling Industry

- Dr Heather Wardle, Assistant Professor, LSHTM
- Wes Himes, Interim Chief Executive, Remote Gambling Association
- Gillian Wilmot, Chair, Senet Group (Invited)
- Nigel Railton, CEO, Camelot
- Aisling Ni Chonaire, Senior Adviser, The Behavioural Insights Team

Wednesday 10th July, 1pm

Assessing the Impact

- Kate Lampard CBE, Chair, GambleAware
- Dr Henerietta Bowden-Jones, Founder and Director of the National Problem Gambling Clinic and Spokesperson on Behavioural Addictions for the Royal College of Psychiatrists
- Matthew Gaskell, Consultant Psychologist & Clinical Lead, NHS Northern Gambling Service
- Dr Stephanie Bramley, Research Associate, NIHR Health and Social Care Workforce Research Unit, King's College London
- Ben Clay, Senior Associate Solicitor, Lupton Fawcett LLP
- Katie Fry, Gambling Support Service Project Manager, Citizens Advice Bureau

Wednesday 4th September, 2pm

Assessing the Impact – The Gambling Industry (Operators)

- John Coates, Joint Chief Executive, Bet365

- Phil Walker, MD of Online for the UK and Ireland, William Hill
- Ian Proctor, CEO, Sky Betting and Gaming
- Dan Taylor, CEO of Europe, Flutter Entertainment
- Phil Cronin, CEO, Tombola
- Kenny Alexander, CEO, GVC Holdings (Invited)
- Simon Wykes, CEO, Jackpotjoy Group (Invited)
- Fred Done, CEO, Betfred (Invited)

Date TBC

Assessing the Impact – The Policy and Regulatory Landscape (TBC)

- Minister for Sport and Civil Society, DCMS
- Neil McArthur, CEO, Gambling Commission
- Shahriar Coupal, Director of Advertising Policy and Practice, Advertising Standards Authority

Annex B – List of Submissions Received

- Advertising Standards Authority
- Alex Macey
- Anonymous
- Brian Chappell
- Camelot
- Chris Jones
- Conservative Christian Fellowship
- Dr Philip Newall - University of Warwick
- Dr Steven Sharman
- Experian
- Gamcare
- GamStop
- Goldsmiths University
- Gregg Armstrong
- GVC Holdings
- Headway
- Jackpotjoy Group
- Justin Graham
- Matt Corcoran
- Money and Mental Health
- National Casino Forum
- NIHR Health and Social Care Workforce Research Unit - The Policy Institute, King's College London
- Remote Gaming Association
- Revealing Reality
- Royal Society of Public Health
- Simon Booth
- UK Gambling Commission

Annex C – Committee Members of the All Party Parliamentary Group for Gambling Related Harm

Chair- Carolyn Harris MP

Vice Chair- Ronnie Cowan MP

Vice Chair- Lord Chadlington

Vice Chair- Sir Peter Bottomley MP

Vice Chair- Rt. Hon Iain Duncan Smith MP

Vice Chair- Liz McInnes MP

Vice Chair- Graham Jones MP

Vice Chair- Rt. Hon Stephen Timms MP

Treasurer- Gerald Jones MP

Secretary- Stuart McDonald MP