

GambleAware: Response to Digital, Culture, Media and Sport Committee inquiry on gambling regulation, February 2023

Executive Summary

- GambleAware is an independent charity and the strategic commissioner of gambling harm education, prevention and treatment across Great Britain (GB).¹
- We commission the National Gambling Treatment Service (NGTS) which provides free, confidential treatment to almost 10,000 people a year, as well the National Gambling Helpline which takes around 41,000 calls a year. We are independent and evidence-based, with a robust governance process ensuring that the industry has absolutely no input or influence on our work.
- Gambling harms can affect anyone, and not just those who gamble but also their families and communities. These harms particularly affect communities that already face inequality: people from ethnic minority backgrounds or deprived areas are more likely to experience gambling harms.
- The Gambling White Paper presents an important opportunity to strengthen regulation to protect people from harm and ensure the right funding model for sustainable treatment and prevention services.
- The White Paper must focus on the following three priorities:
 - Establishing a sustainable and transparent funding model through a statutory levy
 - Greater consumer protections
 - More regulation of advertising, sponsorship and messaging

Response

1. What is the scale of gambling-related harm in the UK?

Prevalence of gambling harm

More than half of adults report having gambled in the last year, and most do so without negative consequences.² However, while overall gambling participation is stable there has been an increase in online gambling, which carries higher levels of risk:

¹ Please note that GambleAware's remit covers Great Britain, not the whole UK. As such our response should be viewed as referring to only Great Britain. Evidence on the prevalence of harmful gambling in Northern Ireland is available [here](#).

² Gunstone, B., Gosschalk, K., Zabicka, E. & Sullivan-Drage, C., *Annual GB Treatment and Support Survey 2021*, March 2022. Available [here](#). Commissioned by GambleAware.

- Participation in online gambling increased by 50% between 2018 and 2022.³
- Online gambling now accounts for 45% of the sector.⁴

Gambling harms can affect anyone, and can have adverse and often hidden effects on people's health and wellbeing. These include financial difficulty, relationship breakdown, physical and mental health issues, and in some cases suicide.

Quantifying the total scale of harms is challenging; while some research has attempted this, most data quantifies the number people with gambling problems, rather than the scale of harm itself.⁵

GambleAware's Annual GB Treatment and Support Survey 2021⁶ (TS2021), conducted by YouGov, suggests that among adults who gamble:

- Up to 1 in 10 are at risk of experiencing problems due to their gambling.⁷
- Up to 1 in 20 are experiencing problems due to their gambling.⁸

Two other important sources on prevalence are the 2016 Combined Health Surveys⁹ (HS2016) and the Gambling Commission's 2022 Pilot Survey (GC2022).¹⁰ Figures from these are presented below. It is likely that the 'true' rates of prevalence lie in between those from TS2021 and HS2016.¹¹

	TS2021	GC2022 ¹²	HS2016
Low-risk gambling (PGSI 1-2)	7	7.8	2.4
Moderate-risk gambling (PGSI 3-7)	2.9	2.3	1.1
Problem gambling (PGSI 8+)	2.8	1.3	0.5
Moderate-risk or problem gambling (PGSI 3+)	5.7	3.6	1.6
PGSI 3+ as % of people who gamble	10%	6%	3%
PGSI 8+ as % of people who gamble	5%	2%	1%

Some commentators cite lower prevalence figures based on the Gambling Commission's Quarterly Telephone Survey. This survey only examines gambling over the last four weeks (rather than last

³ Gambling Commission, *Taking a more in-depth look at online gambling*, June 2021. Available [here](#).

⁴ Gambling Commission, *Industry Statistics – November 2022*. Available [here](#).

⁵ See Appendix for further detail.

⁶ Gunstone, B., Gosschalk, K., Zabicka, E. & Sullivan-Drage, C., *Annual GB Treatment and Support Survey 2021*, March 2022. Available [here](#). Commissioned by GambleAware.

⁷ Defined as having a PGSI score of 3+.

⁸ Defined as having a PGSI score of 8+.

⁹ This is based on data from the Health Survey for England 2016, the Scottish Health Survey 2016 and the Wales Omnibus in 2016. Available [here](#).

¹⁰ Ashford, R., Bates, B., Bergli, C., Purdon, S., Bryson, C., & Wardle, H., *Gambling participation and the prevalence of problem gambling survey: Pilot stage – Methodology review report*, May 2022. London: NatCen Social Research. Available [here](#).

¹¹ See Appendix for further detail.

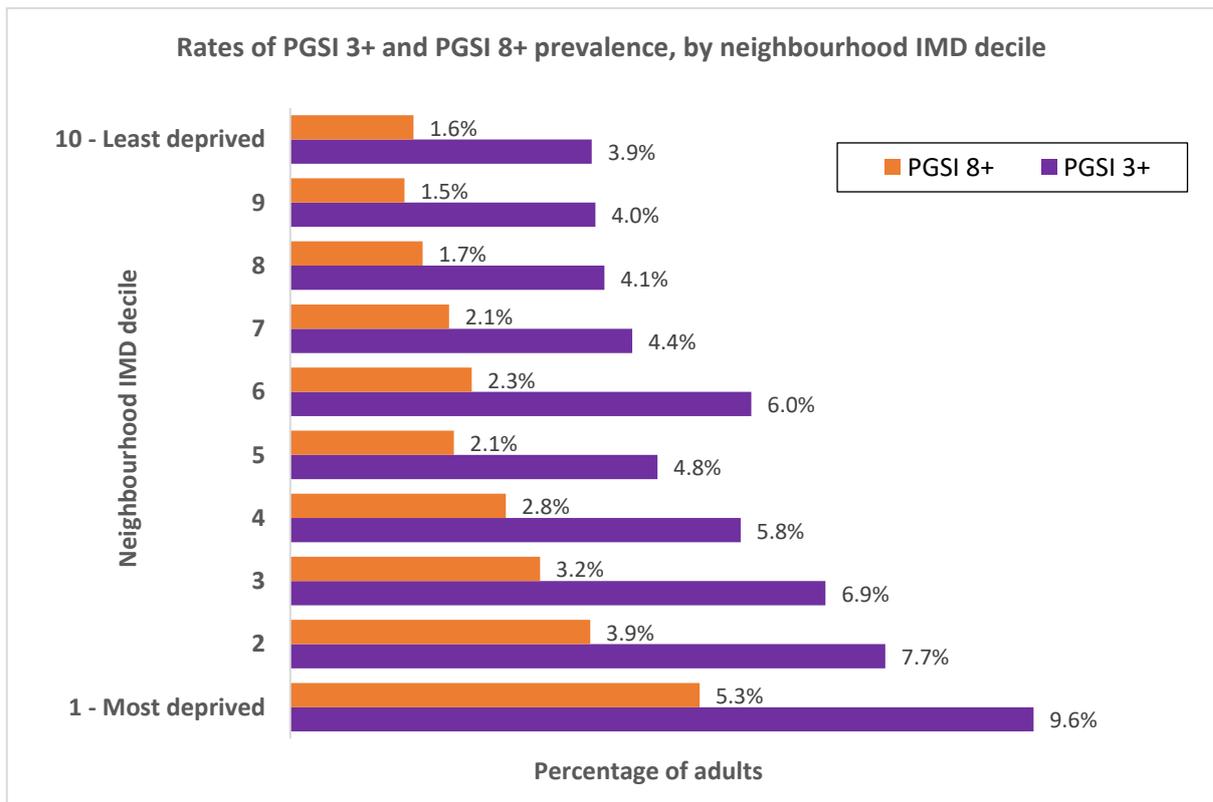
¹² It should be noted that this survey is still in the experimental stage and its results are not yet suitable for making assessments about the prevalence of problem gambling. The figures are included here for reference and completeness only.

12 months); it uses a less detailed version of the PGSI (which may understate prevalence¹³); and 40% of its participants are aged 65 or over.¹⁴

Inequalities in gambling harms

Gambling harms inevitably reflect wider social and health inequalities. Research has suggested that people from an ethnic minority background are more than three times more likely than people from a white background to suffer from problem gambling.¹⁵

There is also a clear link between economic deprivation and gambling harms. People in the most deprived 10% of neighbourhoods are more than three times more likely to have a PGSI score of 8+, compared to those in the least deprived 10% of neighbourhoods (see chart below).



Notes: Based on internal analysis of combined raw data from 2020 and 2021 Annual GB Treatment and Support Survey.

¹³ Newall, P.W.S., Weiss-Cohen, L., Thoma, V. *et al.*, Differences Amongst Estimates of the UK Problem Gambling Prevalence Rate Are Partly Due to a Methodological Artefact. *International Journal of Mental Health Addiction*, 2022. Available [here](#).

¹⁴ Gambling Commission, *Statistics on participation and problem gambling for the year to Sept 2022*, October 2022. Available [here](#).

¹⁵ Gunstone, B. & Gosschalk, K., *Gambling among adults from Black, Asian and Minority Ethnic communities: a secondary data analysis of the Gambling Treatment and Support study*, December 2020. Available [here](#). Commissioned by GambleAware.

Affected others

The evidence above relates to adults who experience harms from their own gambling. However, most people adversely affected by gambling are ‘affected others’ – those around a person who gambles.¹⁶

- 1 in 15 adults (6.5%) identify as an affected other, equivalent to 3.3 million people in GB.¹⁷
- Combined with the number of people experiencing harms from their own gambling (PGSI 8+) this means that up to 1 in 11 adults (9%) in GB have experienced problems due to their gambling or someone else’s.
- Up to two million children under 18 in GB may be living with a parent who suffers from problem gambling.¹⁸
- In total, therefore, there may be up to 5.3 million people in GB who could be affected others – equivalent to around 1 in 12 of the population.

Gambling harms among children

Children can also engage in gambling and experience harms from it. Research shows that 31% of 11- to 16-year-olds in GB spent money on gambling in the last 12 months. Furthermore, 0.9% were classified as engaging in problem gambling while a further 2.4% were identified as engaging in at-risk gambling.¹⁹ This is equivalent to roughly 150,000 11–16-year-olds in GB engaging in problem or at-risk gambling.

2. What should the key priorities be in the Gambling White Paper?

The Gambling White Paper presents an important opportunity to strengthen regulation to protect people from harm and ensure the right funding model for treatment and prevention. The current framework is outdated given the economic climate and innovations in digital technology. The longer it continues, the more people will be at risk and the more costs to them, their families and society will grow.

Below are three priorities for the White Paper to address.

Priority 1: A sustainable and transparent funding model through a statutory levy

Gambling harms are a public health issue requiring a whole-system approach to research, education, prevention and treatment (RET). This can only be achieved with sustainable, long-term funding. Currently RET is funded via voluntary donations from the gambling industry. This means GambleAware, and the organisations we commission, do not have the certainty and transparency of funding needed to make long-term investments in communities, systems and provision.

Statutory levy

GambleAware has long called for a statutory levy to replace the current system. This would enable proper oversight and transparency, avoid duplication of work, and provide a sustainable, transparent and long-term funding model, with funds directed to where they can be most impactful.

¹⁶ Goodwin, B. C., Browne, M., Rockloff, M., & Rose, J., A typical problem gambler affects six others, *International Gambling Studies*, 17:2, 276-289, 2017. Available [here](#).

¹⁷ Gunstone, B., Gosschalk, K., Zabicka, E. & Sullivan-Drage, C., *Annual GB Treatment and Support Survey 2021*, March 2022. Available [here](#). Commissioned by GambleAware.

¹⁸ *Ibid*.

¹⁹ Gambling Commission, *Young People and Gambling 2022*, November 2022. Available [here](#).

The key issues with the current system are:

- **No minimum donation amount:** Currently the financial contribution is not stipulated in the licence conditions; operators can choose how much to donate. As the Gambling Commission notes: *“Even those licensees who make a contribution of £1 are technically compliant.”*²⁰
- **Donations do not reflect sector growth:** Industry annual Gross Gambling Yield (GGY) is £14 billion,²¹ but many operators do not contribute in the spirit of the voluntary arrangement. This creates inequalities across operators, as many contribute far less than the recommended minimum of 0.1% of GGY. While the commitment from the leading four operators to donate 1% of GGY by 2024 is welcome, this must be embedded across the industry through one overall mechanism.
- **Lack of transparency on donations:** There are 27 organisations approved by the Gambling Commission to receive RET contributions, but GambleAware is the only one that publishes donations by operator. This prevents proper transparency and oversight of donations and creates potential duplication and inefficiencies.
- **Insufficient resource:** GambleAware will significantly increase investment in the National Gambling Treatment Service to £25 million – more than half of GambleAware’s income – in 2023/24. But this remains very low compared to spending on drug (£416 million) and alcohol (£220 million) services.²²

Introducing a statutory industry levy would address these issues and ensure a transparent, coherent and sustainable funding model for treatment and prevention, giving certainty and stability to frontline organisations. It will also ensure further separation between industry and RET provision.

Priority 2: Greater consumer protections

The White Paper must include measures that enable parity between safer gambling both offline and online, to help prevent harm. This is especially important given gambling harms can disproportionately impact disadvantaged communities.

Deposit limits

There must be a reduction to deposit limits online to ensure parity with limits applied offline. Default deposit limits on gambling websites can be very high – in some cases up to £10,000 or £100,000.²³ Removing these and allowing customer choice could lead to deposit limits that are almost half the size.²⁴ This can considerably reduce financial harms.

²⁰ Gambling Commission, *Changes to LCCP on ADR, CI and RET contributions*, July 2019. Available [here](#).

²¹ Gambling Commission, *Industry Statistics – November 2022*. Available [here](#).

²² Total local authority public health expenditure on adult drug or alcohol treatment and prevention services in England in 2020/21. Source: Department for Levelling Up, Housing and Communities, *Local authority revenue expenditure and financing England: 2020 to 2021 individual local authority data – outturn*, October 2021. Available [here](#).

²³ Behavioural Insights Team, *Applying behavioural insights to design better safer gambling tools*, January 2021. Available [here](#). Commissioned by GambleAware.

²⁴ *Ibid.*

Stake limits

In contrast to bets made in betting shops, there are no limits for online stakes and prizes. For games that have a maximum stake offline, there should be consistency and the same limit applied online.

Affordability checks and VIP schemes

We welcomed the Gambling Commission's decision to limit 'VIP schemes' through new guidance for operators.²⁵ Further steps must be taken to support consumers, and we welcome the Gambling Commission's ongoing consultation on non-intrusive affordability checks. Such checks would reduce or prevent unaffordable losses and protect the most vulnerable. Any such system may be complex and the mechanics should be guided by the Commission's findings.

Priority 3: More regulation of advertising, sponsorship, and messaging

Estimates suggest the gambling industry spent up to £1.5 billion in marketing in 2017, of which 80% was spent on online channels.²⁶ GambleAware has long been concerned that exposure to gambling is part of everyday life and normalised for young people.

Marketing

The Gambling White Paper must include measures to limit exposure to gambling, particularly for children and young people. Recent research shows that exposure to gambling advertising is associated with increased participation, particularly amongst the most vulnerable, including children and young people.²⁷ GambleAware-funded research found that 96% of 11-24-year-olds are exposed to gambling marketing activities, which can influence attitudes towards gambling, and the likelihood of future participation.²⁸

In response to this research, the Advertising Standards Authority (ASA) and Committee for Advertising Practice (CAP) implemented new rules last year which prohibit content "likely to be of strong appeal to children or young persons."²⁹ Timely evaluation of this reform is critical, with further action taken if the rules are not sufficiently effective.

Social media sites must also do more to prevent children from exposure to gambling content or promotion. Nearly half of 11–17-year-olds (45%) report seeing gambling adverts at least weekly on social media.³⁰ Providers should have a clear duty of care to prevent this.

Football and wider sports advertising

GambleAware supports a ban on shirt sponsorship as well as wider gambling marketing in football. A recent study found gambling sponsors featured in more than half of children's sections in

²⁵ Gambling Commission, *New rules to stamp out irresponsible 'VIP customer' practices*, September 2020. Available [here](#).

²⁶ GambleAware, *Gambling companies spend £1.2 billion marketing online, five times more than on television ads*, November 2018. Available [here](#).

²⁷ McGrane, E., Wardle, H., Clowes, M., Blank, L., Pryce, R., Field, M., Sharpe, C., Goyder, E., What is the evidence that advertising policies could have an impact on gambling-related harms? A systematic umbrella review of the literature, *Public Health*, January 2023, Available [here](#).

²⁸ Ipsos MORI, *Final Synthesis Report: The impact of gambling marketing and advertising on children, young people and vulnerable adults*, March 2020. Available [here](#).

²⁹ ASA, *Betting and gaming: Appeal to children*, October 2022. Available [here](#).

³⁰ Rossi R. & Nairn, A., *What are the odds? The appeal of gambling adverts to children and young persons on Twitter*, Policy Briefing 107, October 2021, University of Bristol. Available [here](#).

football matchday programmes, and were 13 times more common than alcohol marketing.³¹ Concerns have also been raised about the prevalence of gambling logos in football magazines and sticker collectables.³²

Need for improved industry action on safer gambling messages

Given the proliferation of gambling marketing, operators have a vital role to play in promoting BeGambleAware.org for free advice, tools and support so people understand the risks of gambling, know the steps to take to stay safe, and where to go for support if needed. The BeGambleAware brand has high levels of awareness (49% of the public) and the website is recognised as a trusted destination for information, advice and support.³³ This signposting should be a licensing condition for all operators, including the National Lottery.

Affiliates

Affiliates, which are not currently regulated by the Gambling Commission, are third-party online marketers which drive traffic to operators' websites. They are effectively an extension of operator marketing. This marketing can be targeted, and risks exacerbating gambling harms if focused on vulnerable groups.³⁴ Powers to regulate and license affiliates must be extended to the Gambling Commission.

3. How broadly should the term, 'gambling', be drawn?

The 2005 Gambling Act defines gambling as participation in gaming, betting and lotteries.³⁵ This excludes a number of issues that can be 'gambling-like' and can lead to harm if not regulated properly. These are set out below.

Loot boxes and cryptocurrency

The Committee has previously noted risks of harm from loot boxes, and the lack of regulatory oversight.³⁶ They are not included in the legal definition, but research suggests many are essentially unregulated forms of gambling.³⁷ GambleAware supports the Committee's position that certain loot boxes are effectively 'games of chance' and should be categorised as such.³⁸

Cryptocurrency trading also does not meet the definition of gambling, but research has identified similarities with online gambling and that it can lead to higher problem gambling.³⁹ Rather than waiting for harms to emerge, regulation should be considered now to protect people.

³¹ Sharman, S., Ferreira, C. A. & Newall, P., Gambling Advertising and Incidental Marketing Exposure in Soccer Matchday Programmes: A Longitudinal Study, *Critical Gambling Studies*, June 2022. Available [here](#).

³² Djohari, N., Weston, G., Cassidy, R. & Kulas-Reid, I., The visibility of gambling sponsorship in football related products marketed directly to children, *Soccer & Society*, 22:7, 769-777, 2021. Available [here](#).

³³ GambleAware, *GambleAware Organisational Strategy 2021-26*, April 2021. Available [here](#).

³⁴ House of Lords Select Committee on the Social and Economic Impact of the Gambling Industry, *Responsible Affiliates in Gambling (RAiG) – Written evidence (GAM0113)*. Available [here](#).

³⁵ UK Gambling Act 2005. Available [here](#).

³⁶ House of Commons Digital, Culture, Media and Sport Committee, *Immersive and addictive technologies Fifteenth Report of Session 2017–19*, September 2019. Available [here](#).

³⁷ Close, J. & Loyd, J., *Lifting the Lid on Loot-Boxes: Chance-Based Purchases in Video Games and the Convergence of Gaming and Gambling*, 2022. Available [here](#). Commissioned by GambleAware.

³⁸ House of Commons Digital, Culture, Media and Sport Committee, *Immersive and addictive technologies Fifteenth Report of Session 2017–19*, September 2019. Available [here](#).

³⁹ Oksanen, A., Hagfors, H., Vuorinen, I., & Savolainen, I., Longitudinal perspective on cryptocurrency trading and increased gambling problems: a 3 wave national survey study, *Public Health*, 213, 85-90, 2022. Available [here](#).

National Lottery

The National Lottery is considered gambling but is not regulated under the 2005 Act, which means it is not formally required to make a contribution to RET or carry GambleAware's safer gambling messaging. The current operator, Camelot, makes a minimum voluntary contribution to GambleAware and chooses not to display GambleAware messaging. We agree with the Committee's view that this is not satisfactory, and we support its previous recommendations on these points.⁴⁰ The next licence for the National Lottery, effective from February 2024, presents a good opportunity to address these issues.

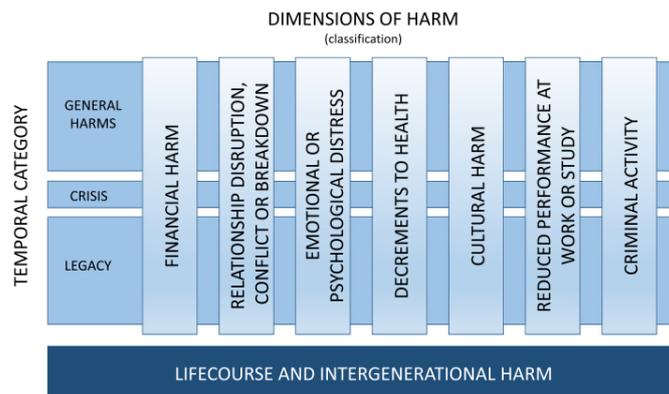
⁴⁰ Gambling Commission, *Reviewing the research, education and treatment (RET) arrangements*, February 2018. Available [here](#).

Appendix: Additional information on gambling harms

Definitions of gambling harm

Gambling-related harm can be defined as “any initial or exacerbated adverse consequence due to an engagement with gambling that leads to a decrement to the health or wellbeing of an individual, family unit, community or population”;⁴¹ or as “the adverse impacts from gambling on the health and wellbeing of individuals, families, communities and society.”⁴²

This may include impact on finances, physical and mental health, relationships, the labour market, state services and wider society. These impacts can occur over a long period, both before the development of gambling problems and after the cessation of gambling. This is shown in the diagram below:



Source: Langham et al (2015)⁴³

Only two notable studies have attempted to quantify harms from gambling:

- Institute of Public Policy Research (IPPR) report on the fiscal costs associated with problem gambling⁴⁴
- Office of Health Improvement and Disparities (OHID) analysis on the economic and social costs of harms associated with gambling⁴⁵

Whilst these studies have limitations, they are the only available estimates on the likely scale of harm in a British context. Most of the other data that is collected and reported does not actually measure harms, but rather the prevalence of so-called ‘problem gambling’. In other words, current statistics tend to quantify the number of individuals whose gambling is causing harm, rather than the scale of harm itself. This is an important caveat, because it means that existing statistics do not capture the full range of harms from gambling and therefore underestimate the true scale of gambling-related harm.

⁴¹ Langham, E., Thorne, H., Browne, M. *et al.* Understanding gambling related harm: a proposed definition, conceptual framework, and taxonomy of harms. *BMC Public Health* 16:80, 2015. Available [here](#).

⁴² Wardle, H., Reith, G., Best, D., McDaid, D., & Platt, S., *Measuring gambling-related harms: a framework for action*, July 2018. Available [here](#).

⁴³ Langham, E., Thorne, H., Browne, M. *et al.* Understanding gambling related harm: a proposed definition, conceptual framework, and taxonomy of harms. *BMC Public Health* 16:80, 2015. Available [here](#).

⁴⁴ Thorley, C., Stirling, A. & Huynh, E., *Cards on the table: The cost to government associated with people who are problem gamblers in Britain*, December 2016. London: Institute for Public Policy Research. Available [here](#).

⁴⁵ OHID, *The economic and social cost of harms associated with gambling in England - Evidence update 2023*, January 2023. Available [here](#).

The Problem Gambling Severity Index (PGSI)

The most common measure of ‘problem gambling’ is the Problem Gambling Severity Index (PGSI), which screens people for the presence of gambling problems.⁴⁶ The index consists of nine questions that a person answers about their own gambling activities. The responses are scored and the total possible score ranges from 0 to 27, with the following categories:

- Score 0: Non-risk gambling – those who gamble with no negative consequences
- Score 1-2: Low-risk gambling – those who experience low level problems with few or no identified negative consequences
- Score 3-7: Moderate-risk gambling – those who experience a moderate level of problems leading to some negative consequences
- Score 8+: Problem gambling – those who experience negative consequences and a possible loss of control

This measure is not perfect. It was developed as a diagnostic tool to screen individuals for the presence of current gambling problems, rather than a way of measuring harms. It does not assess the severity of harms experienced or establish which are more or less harmful. It also only measures the presence of harms in the individual at that moment in time, and not those experienced by close associates. It also does not capture the wide range of ongoing harms that can may affect people who have previously suffered from gambling problems (so-called ‘legacy harms’).

In response to some of these limitations, the Gambling Commission has been testing a set of additional harm measures, including additional harms resulting to people from their own gambling, and harms to affected others.⁴⁷

Reasons for variation in estimates of problem gambling

An independent review suggested that TS2021 estimates may be biased upward by selection bias, because they are based on internet users from YouGov’s online panel, whereas the other two surveys cited in this submission are based on a random sample of households from the national database of private residential addresses (and may therefore be more representative of the whole GB population).

The types of people who join online panels may be less representative (e.g., more likely to participate in online gambling or to more likely to gamble more frequently).⁴⁸ The GC2022 survey found that ‘offline’ respondents – those who responded using a postal questionnaire – were less likely to gamble online, and also less likely to gamble at all or score PGSI 1+; whereas online participants were significantly more likely to report having gambled online in the previous 12 months.

Another factor is socially desirable responding, whereby survey participants over-report socially desirable attitudes and behaviours or under-report socially undesirable attitudes and behaviours. Problem gambling is seen as socially undesirable, so it seems reasonable to expect that some respondents will under-report it. It also seems reasonable that the magnitude of this risk depends on the survey mode being higher if an interviewer is physically present or asking the question

⁴⁶ Ferris, J. & Wynne, H., *The Canadian Problem Gambling Index: Final Report*, February 2001. Available [here](#).

⁴⁷ Gambling Commission, *Developing survey questions capturing gambling related harms*, October 2022. Available [here](#).

⁴⁸ Sturgis, P., & Kuha, J., How survey mode affects estimates of the prevalence of gambling harm: A multisurvey study. *Public Health*, 204, 63–69, March 2022. Available [here](#).

directly, and lower if the survey is anonymous with no interviewer involved. An interviewer being present in the HS2016 survey may therefore have had an influence on how the respondent answered. Since the TS2021 survey was online and anonymous, this may have enabled respondents to answer questions about their gambling more honestly.

It is not possible to conclusively disentangle the effects of these two factors. It seems plausible that both factors are present, and therefore that the 'true' level of prevalence of problem gambling lies somewhere in between the HS2016 and TS2021 rates.

Limitations on current evidence for the scale of gambling harms

The estimates of gambling harm prevalence set out in the main response quantify the prevalence of individuals affected by gambling harm, rather than the scale of harm itself in terms of economic and social cost. They are all based on snapshots at a point in time and therefore do not capture the long-run effects of gambling-related harms and exclude people experiencing historical or legacy harms.

The 'problem gambling' prevalence estimates are based on the threshold of a PGSI score of 8+, meaning that they ignore any and all harms experienced by people with a PGSI score of 1-7, even though the latter can account for the majority of harm at population level.⁴⁹ The majority of available estimates, with the exception of those derived from the TS2021 survey, also ignore the sizeable prevalence of affected others in the population.

⁴⁹ Browne, M., Greer, N., Rawat V. & Rockloff, M., A population-level metric for gambling-related harm, *International Gambling Studies*, 17:2, 163-175, 2017. Available [here](#).