Written evidence submitted by Dr Heather Wardle, Professor Gerda Reith, Dr Chris Bunn and Dr Fiona Dobbie, Gambling Research Glasgow, University of Glasgow

Response to the Department for Culture Media and Sport Select Committee Inquiry into Gambling

Evidence submitted by academics from Gambling Research Glasgow, University of Glasgow, who between them have over forty years' experience working on gambling research, policy and practice.

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

The short answer is that this in unknown. Gambling harms is the term used to represent the fullest range of negative consequences associated with gambling. They are generally conceived as affecting individuals, families, communities and broader society. They range across a number of domains, which includes resources, finances and financial security; relationships – both with families and friends - but also communities and cultural and interpersonal relationships; health and wellbeing, including physical, emotional and psychological health (Langham et al, 2016; Mariounneau et al, 2022). The experience of these harms can range in severity, extending from those which maybe relatively mild to those at crisis level (Langham et al, 2016). The impact of these harms can be short-lived or can be enduring, with ongoing consequences long after gambling has ceased and can have inter-generational impacts.

Thus, conceptually, gambling harms are broader in scope than the clinical diagnostic categories of "disordered" gambling, as defined by the International Classification of Diseases-11 or the American Psychiatric Association's DSM-V. However, to date, it is only the latter that have been measured in Great Britain. This is a gap in our knowledge. What we know about problem gambling/disordered gambling is as follows:

- In Britain, it is estimated that 0.7% of adults aged 16 and over living in private households experience problem gambling.
- 1.1% experience moderate risk gambling. According to Ferris and Wynne (2001), these people may be at risk if they are heavily involved in gambling. They may or may not have experienced adverse consequences from gambling.

- "problem" gambling rates are higher among men, among those aged 16-34 and among those from poorer socio-economic circumstances, including those living within the most deprived regions in Britain (Connolly et al, 2018)

In submissions to this call for evidence, you will have many people citing different estimates, because there are multiple sources of measurement of "problem gambling". We have presented data from the 2016 combined Scottish and English Health Surveys as this has a) good geographical coverage and b) uses a random probability sampling frame, thus allowing results to be generalisable. However, we acknowledge that recent methodological work, our own included, recognises that these estimates are likely to be conservative because (but not limited to): a) those people experiencing problem gambling may be less likely to take part in health surveys, b) those people experiencing problem gambling may be less likely to disclose this when an interviewer is present in their home (even with paper self-completion methods), c) the sample methodology used excludes anyone living in institutions – most relevant omissions for gambling are student halls of residences and prison populations (Ashford et al, 2022; Sturgis et al, 2022). We acknowledge these limitations. These estimates should not be used to represent the scale of gambling-related harm in Great Britain. They do not include all aspects of harms that people can experience and neither do they capture the harms that are caused to other people by someone else's gambling.

In 2023/2024 new data will be available from the Gambling Commission's refreshed Gambling Participation Survey which will measure experience of a broader range of gambling harms, including those generated by someone else. These questions are currently undergoing a series of refinement and testing, ready for inclusion in the National Statistics survey from July 2023. Dr Heather Wardle and NatCen Social Research are leading the development of this study.

Question 2: What should the key priorities be in the gambling White Paper?

We believe there are three main priorities:

1. There needs to be stronger legislation mandating companies to protect consumers from harms from their products with stronger penalties. Since 2019, the Gambling Commission has issued over £100 million in regulatory fines/penalties for social responsibility/anti-money laundering failures, with actions taken against 87 different operators/individuals, including revoking 36 licenses (personal analysis of data published by the Gambling Commission). Some companies have been fined multiple times. This undermines trust in the regulatory system, and in gambling companies themselves.

Stronger legislation could be achieved in number of ways, either by implementing an objective to protect public health within a revised Gambling Act (following the model established in the Licensing Act (Scotland) 2005) and/or by implementing a statutory duty of care within legislation. However, this is likely to need to be underpinned with executive level liability in order to drive significant culture change. Examination could be made of the concept of Consumer Duty, championed by the British Financial Services Authority. This is underpinned by two principles: 1) that corporations should act to deliver good outcomes for consumers and 2) corporations should act in good faith, avoid causing foreseeable harms and enable customers to achieve their financial goals. This recognises the power that corporations have to shape, influence and generate harms and suggests that a change in corporate behaviour is part of the solution. This is likely to need to be mandated.

2. Significantly reduce and/or ban gambling advertising, sponsorship and marketing. Gambling is not an ordinary commodity but one with a risk of harm to health. The risk is high for some products, for example online casinos. Gambling companies hold a wealth of data on consumers and mobilise this information to promote their products directly to customers in a way that is not available to many other industries. This includes direct marketing of offers, engaging in practices of “nagging” (frequent pop-ups inviting play; invitations to deposit more at log out; repeating bets; prompts to keep playing after game play ends etc) and attempts to cross-sell products. These actions have an impact. Two independent studies found that advertising and marketing influenced around a third of people to gamble when they were not ordinarily going to do so. This impact was disproportionately high among those who were most vulnerable: 87% of young adults and regular sports bettors who experienced problem gambling reported that advertising/marketing prompted them to gamble when they were not otherwise going to do so (Wardle et al, 2022). This is supported by a large international evidence base showing that exposure to advertising of gambling products/brands is associated with more positive attitudes to gambling, greater intentions to gamble and increased gambling activity at both the individual and population level. The same review highlighted evidence of a 'dose-response' effect whereby greater advertising exposure increases participation which leads to a greater risk of harm (McGrane et al, 2023).
3. Increase in quantum and independence of funding for gambling prevention, research and treatment activities. Gambling does not have parity of funding with other similar public health areas (for example alcohol, substance abuse/misuse). Funding for prevention activity is nascent and fraught with issues around perceived conflicts of

interest because of the current funding infrastructure. In 2019, we led an open letter to the then government ministers for gambling and health, outlining why the current situation was unsustainable and why change was needed. We argued for the Statutory Levy provision within the Gambling Act 2005 to be implemented. Our letter was signed by over 50 leading academics and clinicians and is available here. We do not repeat our arguments here but confirm we have seen no evidence in recent years that changes these views.

How broadly should the term gambling be drawn?
The definition of gambling we use in our work, drawn from expert consultation conducted by Professor Robert Williams (Williams et al, 2017), is as follows:

Gambling is the: *"staking money or something of material value on an event having an uncertain outcome in the hope of winning additional money and/or material goods."*
Core elements of this definition include the staking of money, or something of material value, whereby something has material value if people are willing to pay money for it; that the mechanistic purpose of the wager is to win additional money/material goods; that the "prize" consists of additional money/material goods; that stakes are lost or prizes won depending on the outcome of the event wagered upon, and that the outcome of the event is uncertain.

This definition differs from that used in the Gambling Act, and is broader as it recognises the value of material goods. Whilst material goods are normally defined as "physical" we do believe 'material' goods could be extended to include items of virtual value, such as virtual coins and/ or goods within digital games because they have a material value both within the ecosystem in which they are generated and, in some cases, can be traded for fiat currency outside that ecosystem. This would also include gambling with cryptocurrency. There is a small but growing evidence base suggesting that people who use these things consider them "material" (Ronaldo & Wardle, 2023; Wardle et al 2021b). Wardle (2021b) has traced the integration of gaming and gambling, demonstrating how young people and gamers attribute value to digital goods. These processes are likely to accelerate and there is increasing evidence of the association between engagement in things like skin betting and gambling harms (Wardle et al, 2023). Two longitudinal studies on loot boxes demonstrate a link with subsequent online gambling (González-Cabrera, 2023; Brookes & Clarke, 2023). Irrespective of the definition of gambling employed, it is our belief that gambling practices within digital practices should be age-gated and subject to the same Know Your Customer checks as other for-money gambling products.

Question 4: Is it possible for a regulator to stay abreast of digital innovation?

The Gambling Commission and others working across the regulation of digital innovation and technology are likely best placed to answer this question. We, however, make two observations. First, staying apprised of digital innovation across all sectors is possible and is necessary for regulators to keep up to date awareness of any emerging risks posed. However, this requires adequate resourcing and relies on having people in place with the right skill set and knowledge to be able to do this. Much of this can be achieved by deepening collaboration and sharing resources with others across government performing similar functions. For example, the Competition and Markets Authority (CMA) is taking keen interest in Online Choice Architecture, with focus on dark patterns that might cause harms (CMA, 2022). Examination of these practices, and others, should be part of regulatory scrutiny for gambling as part of examination of emerging risks. There is shared learning that can be achieved across organisations, and it may be that other organisations are well placed to consider gambling within their broader portfolio of scrutinising the digital innovation and practices of industry. Second, a regulator engaging in wider ranging actions across digital innovation needs to be well resourced. The National Audit Office noted the asymmetry between the funding of the Gambling Commission compared with the gambling industry. It is likely that significantly more funding is required to discharge these duties effectively.

Question 5: What problems arise when the operator is based outside of UK jurisdiction.

Where companies are based outside of UK jurisdiction, there are risks to all three current licensing objectives. However, we do not believe that this should be used as a reason to resist increased regulatory protections in the domestic market. The risks of the "black market" have been overstated (see our analysis of how this narrative been mobilised during the Gambling Act White Paper Review period, Wardle et al, 2021a) and a range of different solutions are required. Evidence of gambling behaviour change during the Covid-19 pandemic saw many people simply stop gambling when faced with restriction, rather than changing provision. This was the majority behaviour (Wardle et al, 2021c). That said, a minority of gamblers may look elsewhere and this does confer risk to these consumers. Ultimately, we agree with the Gambling Commission, that international co-operation across jurisdictions on minimum gambling control standards is necessary – but there are other actions that could be taken. For example, an industry poll showed that 73% of regular British gamblers were concerned about privacy rights and data sharing with online operators (see Wardle et al, 2021a for discussion of this). This provides an opportunity to run high-profile campaigns warning of the risks of non-UK regulated providers and to develop UK "kite mark" standards so consumers are clear who is and is not a UK regulated company. This would assist with objectives of channelling consumers to the regulated market.

Prepared by Dr Heather Wardle, Professor Gerda Reith, Dr Chris Bunn and Dr Fiona Dobbie, Gambling Research Glasgow, University of Glasgow www.grg.scot

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