

Written evidence submitted by the Greater Manchester Combined Authority

DCMS Committee inquiry on Gambling Regulation

Introduction

In partnership with local and regional stakeholders, the Greater Manchester Combined Authority is designing, developing and delivering a whole system population health approach to gambling harms at a city-region level as part of the 'Greater Manchester Good Lives for All' strategy (1). Activities currently underway include (but are not limited to):

Building and sharing understanding of gambling harms – the publication and dissemination of a gambling harms needs assessment to describe the extent and impact of gambling harms for our residents

Developing and improving quality and access to treatment and support – delivery of a partnership project with Gambling with Lives to develop training packages and resources to support identification of gambling harms within front-line public and health services, increasing access to evidence-based treatment and support

Piloting community-led interventions – supporting 13 projects to build understanding of gambling harms within communities. Examples of funded projects include developing the Against the Odds charter for grassroots sports clubs on gambling, working with community leaders in Bangladeshi and Bengali communities to raise awareness of the risks of gambling and developing a support package for individuals who face multiple barriers to employment.

Delivering a public facing communications campaign – working with lived experience representatives, delivering of a counter-marketing communications campaign "Odds Are: They Win" to raise awareness of the risks of gambling moving away from 'individual responsibility' narratives prevalent in industry-funded initiatives.

More detail about this work can be found at the Greater Manchester Combined Authority website: www.greatermanchester-ca.gov.uk/what-we-do/health/gambling.

The DCMS Committee Inquiry provides a welcome opportunity to bring transparency and impetus to the Government's ongoing review of gambling regulation, which has been beset by multiple delays since the process was initiated in 2020. The content of this submission is informed by knowledge and experience drawn from professionals working in criminal justice, mental health, licensing, public health, wider public services and the voluntary sector, as well as from conversations with residents, the Greater Manchester Youth Combined Authority and GaMHive, a group of people with lived experience of gambling harms.

This response has sought to address the specific questions outlined by the Committee. For any further information regarding the content of this response, please contact Jo Evans (Gambling Harms Programme Lead) by email at jo.evans@greatermanchester-ca.gov.uk.

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

Gambling is often described as a hidden harm, given that our research findings show it affects one in 15 people in Greater Manchester we can no longer allow it to be an overlooked harm. Society has

long acknowledged the damaging role that tobacco, alcohol and illicit substances can play, with a range of responses developed to prevent and reduce these harms, but actions to address gambling harms have been woefully inadequate, with serious consequences for families and communities.

In May 2022 we published 'Gambling Harms in Greater Manchester: a strategic needs assessment' (2). For the first time, this document brings together the best available local and national evidence to describe the extent and impact of gambling related harms, with support and input from GaMHive (a lived experience group), in Greater Manchester. Although this report focused on the impact of gambling for the 2.8 million residents of the 10 boroughs of Greater Manchester, analysis of national data identified that estimates of prevalence in GM largely echo findings for other urban areas across the country.

Key findings from this report include:

- One in 15 residents of Greater Manchester are experiencing the harmful impacts of gambling, when harms experienced by children and families are considered.
- There are 18,100 adults experiencing problem gambling in Greater Manchester (0.8% of the population), this is 1.5x higher than the national average. This is comparative to the scale of rates of alcohol dependency (1.7%) and use of opiates (0.9%) and crack cocaine (0.5%).
- Over half the population of GM have participated in gambling, although this is lower than the national average, people who do gamble are at greater risk of harms as they gamble more often, on multiple platforms and on more harmful products.
- Greater Manchester Police respond to at least one incident per week where serious concern is raised of a risk of suicide directly associated with gambling.
- Gambling has serious consequences for finances, relationships and health, causing and contributing to multiple intersecting harms.
- A quarter of residents who gamble report going without food because of a lack of money.
- The estimated economic burden of gambling across Greater Manchester was at least £80million in 2022. This is an underestimate as does not consider the full range of harms or the costs of providing specialist gambling treatment services.

National reports document an inequality gradient in the distribution of gambling harms (3), with people living in communities who experience multiple disadvantage, racial discrimination and of lower socio-economic status, more likely to experience gambling harms than those living in the least deprived neighbourhoods. There are multiple social, environmental and commercial influences which drive gambling related harms, for example we know that gambling premises are more densely concentrated in areas of higher deprivation (4). Whilst anyone who gambles is at risk of harm, gambling harms are a population health issue as harms are experienced by both the person who gambles and affected others, who may be children, parents, partners, colleagues, friends and whole communities.

In reviewing the evidence-base, the strategic needs assessment identified that research related to gambling harms is either missing, of poor quality or with a conflict of interest (perceived or actual, for example, multiple studies were directly or indirectly funded by gambling operators or organisations solely funded by operators). Furthermore, population surveys and screening in services are known to provide conservative estimates of true prevalence, therefore it is expected that the true extent and impact of harm associated with gambling is higher than stated above.

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

The Greater Manchester Combined Authority has a unique opportunity to bring together partners to address gambling related harms in Greater Manchester, but the growth in online gambling highlights the importance of effective national regulation to protect people from harm. The Government has a responsibility to act to protect the public's health where individuals are at risk of harm or ill health as a result of industries based on addiction (5).

There is a growing body of evidence identifying that different gambling products and practices are associated with different levels of harm (6). For example, in Greater Manchester a vast majority of individuals accessing treatment and support for gambling addiction report their primary gambling activity as: gaming machines in betting shops, online casino (slots and table games) and online sports betting. Principles of harm prevention and reduction should be at the heart of the Gambling White Paper, ensuring that gambling is an activity that poses less risk of harm for anyone who chooses to participate.

Our experience of developing and delivering a whole-system population health approach over the past three years informs our priorities for the White Paper. In the interests of providing a concise response to the DCMS committee, these are summarised below:

1. Establish a sustainable revenue stream wholly *independent of industry influence* to fund research, prevention and treatment for gambling harms and addiction. These activities should be commissioned within public mental health and population health structures, with shared responsibility between the NHS, the Office of Health Improvement and Disparities, local authority public health teams and Integrated Care Organisations
2. Improved regulation of harmful and addictive design features of gambling products, including implementing further limitations on speed of play, distortion of wins and losses and prohibiting games which are designed to appeal to children and young people
3. Bring consistency to the regulation of online / remote and in-person gambling activities, for example extending maximum stake limits for fixed odds betting terminals to include online products of similar classification
4. Restrict advertising and promotion of gambling products and brands, including a ban on sponsorship of sport or other activities which normalise gambling in non-gambling environments
5. Ban harmful marketing practices which distort the true nature of gambling and entice people to spend more time and money gambling than they intended, such as free bet and free play offers or opportunities to 'win back' losses
6. Redress licensing requirements to empower residents and local authorities to have a greater say over the nature, location and density of gambling premises in their neighbourhoods, including making public health a designated 'responsible authority'
7. Increase transparency of gambling operators with a requirement to share data on customer behaviour and safer gambling interventions to better inform development of regulation to protect customers and reduce harm

Better regulation of gambling is not incompatible with economic benefit; the steps outlined in this response establish a consistent and sustainable foundation for gambling operators, without the associated and significant costs of society of gambling related harms.

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

From a harm prevention perspective there are a number of activities which are currently outside the scope of a strict definition of 'gambling' as drawn in the 2005 Act but are of concern due to the similarities of behaviour for participants and associated harms (for example, index and cryptocurrency trading platforms). It is not our area of expertise to determine how these activities should be defined, or the implications of this, however it is our view that however these activities are defined, they should be regulated, if not by the Gambling Commission then by the Financial Conduct Authority or by the body responsible for online harms. Of particular concern due to the disproportionate impact on children and young people, especially when considering their effect on building patterns of behaviour, are loot boxes and skins trading across gaming platforms used by children and young people. It is our view that paid-for loot boxes should be legally classified as gambling, with a ban on paid-for loot boxes within games for under 18s. This response does not seek to go into detail of this and we refer the DCMS Committee to the Gambling Health Alliance campaign on loot boxes: www.rsph.org.uk/our-work/campaigns/lid-on-loots.html, where this issue has been widely covered previously.

4. Is it possible for a regulator to stay abreast of innovation in the online sphere?

Yes, it must.

For a regulator to be able to successfully regulate online gambling products, they will require a clear direction, sufficient resources and a strong regulatory framework which re-dresses the imbalance in resources between the gambling industry and the regulator. Licensing conditions need to be updated to reflect an objective to prevent and reduce gambling harms, placing an onus on industry operators to transparently demonstrate that their products, practices and innovations adhere to this objective *before* they are permitted to go onto market. This approach is not dissimilar to how other potentially harmful commodities, such as pharmaceuticals, are regulated.

At present the Gambling Commission is playing 'catch-up', which is allowing harms to occur despite emerging evidence that products and practices are causing these harms. Several fines and regulatory settlements have recently been issued based on systemic breaches of licensing conditions by industry operators which have resulted in severe harms because of gambling and gambling addiction. The below extracts are taken from the Gambling Commission website of regulatory settlements and fines in the past 6 months:

- Entain fined £17million for unacceptable anti-money laundering and safer gambling failings "the operator conducted just one chat interaction with an online customer who spent extended periods gambling overnight during an 18-month period in which they deposited £230,845" (17 August 2022)
- Petfre fined £2.9million and will receive an official warning for failures at the business "no controls in place to prevent large levels of high velocity spend... one customer was allowed to lose £70,000 over a 10-hour period" (28 September 2022)
- TonyBet will pay a £442,750 penalty for failing to follow social responsibility and anti-money laundering rules "failures include failing to identify customers who may be at risk of experiencing harms associated with gambling" (18 January 2023)
- In Touch Games fined £6.1million in the third regulatory action since 2019 "not interacting with a customer until seven weeks after they had been flagged for interaction for erratic play patterns and extended periods of play" (25 January 2023)

These examples clearly demonstrate that gambling on products provided by gambling operators is causing significant financial harm and gambling addiction, and that inadequate protections are put in

place when left to industry operators. With some operators receiving multiple fines, it is becoming clear that the fines imposed as a result of enforcement are considered a 'cost of business' which are factored into balance sheets without consideration of the harmful impact on customers. The challenge is not the pace of innovation, but a weak regulatory framework and a liberalised industry with ample resource to outmanoeuvre the regulator. A robust regulatory framework, covering both remote and land-based gambling, with clear objectives (e.g. 'to prevent harm associated with gambling'), minimum standards (e.g. on speed of play, marketing promotions and product design features) and reporting requirements (e.g. routine reports on implementation and impact of 'harm flags' and 'safer gambling' interventions) will give the regulator greater power to protect people and communities from harm whilst providing certainty and a platform for innovation for gambling operators. At present the policy and regulatory approach is to permit harmful gambling products and practices, with regulation applied retrospectively, which fails both the public and the industry. This is not good enough.

5. What additional problems arise when online gambling companies are based outside of UK jurisdiction?

This question is outside the scope of our expertise.

References

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