

KPMG – Isle of Man eGaming Summit

20 September 2018

Protecting consumers

Gambling is a public health issue. Many people gamble and experience no adverse consequences. Many others, however, experience harms from their gambling.

Although it is recognised that gambling generates considerable tax revenue for government, provides employment, creates innovation within business communities, provides benefits to other leisure sectors and gives pleasure and enjoyment to some participants, there are also considerable societal costs arising from the harms associated with it. There is a need to better understand both these harms and costs and, where possible, attempt to develop a methodology for quantifying them.

To date, gambling problems tend to be framed within a medical-psychological perspective in terms of identifying particular behaviours and symptoms, rather than considering the harms themselves.

For example, in Britain, we refer to there being 430,000 adult problem gamblers and a further 2 million at risk of becoming so.

However, like other similar risk behaviours (alcohol, for example), there is increasing recognition that the harms that arise from gambling may be broader than medical-based criteria for problem gambling. These harms can have serious economic and social consequences not only for individual gamblers but also family, friends, communities and

society. Gambling-related harms include impacts on relationships, finances and health – and by health I include physical, mental and social well-being.

These wide-ranging impacts, and the magnitude of these harms, are not captured within current definitions of problem gambling. In Britain, policy makers, regulators and the broader public health community are increasingly recognising that gambling-related harms need to be better understood and measured.

In this respect, we are pleased that the Department of Health and Social Care (DHSC), working with Public Health England (PHE), is considering what scope there is for commissioning further research to better understand the impacts of gambling-related harms on health and well-being. We understand that similar work is emerging in both Wales and Scotland.

Earlier this year, the annual remit letter from DHSC to PHE committed PHE to “inform and support action on gambling-related harm as part of the follow up to the Department for Digital, Culture, Media & Sport-led review of gaming machines and social responsibility”. This represents a significant milestone.

More significantly, has been the announcement that gambling and other non-chemical addictions have been officially referred by NHS England to the National Institute for Health and Care Excellence (NICE) for development of treatment guidance. Having treatment guidelines would indeed promote the earlier identification of harm and addiction and so improve access to help. We look forward to contributing to this work, just as we collaborated with the Local Government Association as they produced, in conjunction with PHE, updated guidance to local authorities about harmful gambling.

Currently, the NHS does not fund specialised treatment services for problem gambling. People with gambling problems may present to primary care or other NHS services, such as mental health services. As such, individuals may be treated alongside other conditions that do qualify for NHS treatment but, although recognised by the World Health Organisation under ICD-11 (International Classification of Diseases, 11th edition) as a Behavioural Disorder, the NHS does not commission any specialised clinics such as the National Problem Gambling Clinic located at Central North West London Foundation Trust (CNWL); this is funded by GambleAware.

Indeed, GambleAware is the primary commissioner of specialised problem gambling treatment services in Britain. Last year around 6,000 people were treated in those services, less than 2% of the estimated population of problem gamblers. This compares to around 13% of alcohol-dependent adults receiving treatment funded by the state. This indicates the likely gap in services that exists; a gap that the state needs to help bridge with both funding and leadership.

We are acutely aware of the need to build the evidence base. That is why we have a substantial research programme to build up the research capacity in Britain to study gambling addiction and to commission research to address the most significant gaps in the evidence.

Specifically, we have commissioned research to identify:

- size and characteristics of the population that needs help, and
- the treatment that is most clinically-effective and cost-effective.

In the meantime, our objectives are to:

- commission safe, effective treatment that meets the needs of individuals, wherever they live in Britain

- work across organisational boundaries so that:
 - the different providers that we commission form a coherent joined-up treatment system; and that,
 - the treatment system for harmful gambling works in conjunction with the NHS to ensure joined-up treatment for people with co-morbidities.

Wherever people come into contact with this emerging system, we want to ensure that they get routed to the provider who can best meet their needs, and to the best team for them within a given provider: which is why we're developing common tools for screening, for assessment, and for outcome monitoring.

In this way, data systems which were originally developed for performance management are now being extended to drive improvements in clinical practice.

Aftercare and relapse prevention are also important, and we want those people who will benefit to get signposted to mutual aid and other peer support.

We also recognise that an individual's harmful gambling can cause problems for their families and friends. That is why the services that we commission make provision for helping affected others.

As we know and must be vocal about, gambling addiction can lead people to taking their own lives. The providers within this treatment system are working to ensure that people who may be experiencing thoughts of suicide are identified and get the mental health support that will reduce the risk of suicide.

So far, I have focused on our role as a commissioner of treatment because, in the absence of state funding, this is where we spend the largest proportion of the funds we raise. However,

trustees are clear-sighted on the importance of education and prevention, particularly in relation to children and young people. This priority is underlined by the fact that it has been reported that 370,000 children gamble with their own money in the past week, and 25,000 of these children are identified as problem gamblers.

Children and young people are growing up in a vastly different world than most of us here did. Their world is dominated by technology and being almost constantly connected to the world via the internet.

Public concern about the increasing proliferation of gambling-related advertising and sponsorship around sports that attract family audiences is widespread. Specifically, that it is normalising an adult activity for children. Given the announcement by Formula 1 this week the public concern is likely to intensify.

A little over a decade ago none of the current gambling-related advertising and sponsorship was permitted. There will be many working in, if not leading, marketing departments of gambling businesses today who will not be familiar with a regulatory and political environment that once held that gambling should be tolerated rather than encouraged. And by 'encouraged', it was meant that the general public should not be faced by unlimited opportunities to gamble and by uncontrolled inducements to do so.

Much of the recent focus has been on advertising on television, and the 'live sports' exception to the 9pm watershed. Aside from the fact that the 9pm watershed is fairly meaningless to young people who consume much of their television (if they consume it at all) online, a more significant issue is the increasing extent of online advertising and promotion.

It cannot be right that 1 in 10 11 to 16 year olds are following gambling companies on social media. There are those that say this amounts to grooming children, and the constant stream of gambling-related promotion activity represents abuse.

This week the International Alliance for Responsible Drinking, based in Washington DC, have, in conjunction with Facebook, announced an initiative that is intended to allow people to opt out of alcohol advertising.

The new standards will allow those who do not drink, those who have or had a problem with drink or those who share their social media/ internet devices with their children to opt-out of alcohol advertising

In addition to parents or others being able to proactively turn off alcohol advertising, the standards will look at how to further reduce chances of children seeing any alcohol advertising by strengthening age verification processes and putting in place mechanisms that make it easier for advertisers to do the right thing. This seems an important and timely initiative that bears careful consideration in relation to what the gambling industry might think to do.

Regulated industries ought always to pay very careful attention to their relationships with the wider public as well as consumers. If those relationships erode, politicians are challenged, regulators are pressed and businesses are squeezed.

When the regulated industry is one that profits from marketing a risky product the need to care about these relationships is especially important. Important because without public trust future profitability and long-term sustainability is itself at risk. In essence, it makes commercial sense to be trusted.

But right now, in Britain, public trust in gambling businesses is low. According to the Gambling Commission, only 33% of the British adult population think that gambling is fair and can be trusted.

This issue of trust is acknowledged by some in the industry. For example, William Hill admits when referring to customer protection *“In the past, we have fallen short on this issue. Public trust in gambling activities has declined over the last five years. Over that same time, we’ve been on a journey to improve the protections we have in place but what’s also true is that we haven’t faced bravely enough into the issues.”*

Faced bravely enough into the issues. For years the betting industry in Britain refused to take the commercially intelligent decision to reduce stakes on gaming machines before it was done to them. Right now, the Gambling Commission is consulting on the topic of age-verification. Specifically, to require online gambling businesses to determine the age of customers before they can deposit money or gamble, or access play-for-free versions of gambling games. For the industry not to have agreed to this most basic customer protection measure before now represents another lost opportunity to simply do the right thing. The fact that GamStop is still not fully up and running is not flattering. When finally it is, how committed will the industry be to marketing self-exclusion to consumers? How bravely will the industry face into that issue? And how bravely will the industry face into the use of credit cards? There is no moral justification for encouraging anyone to gamble on the basis of ‘credit’.

If the industry wants to win back public trust it needs to be much more committed to customer protection, and much, much braver.

Thank you.