



Quaker Action on Alcohol and Drugs

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## **Comments on the RGSB Interim Strategy Report October 2017 and on the wider implications for reducing gambling-related harm**

We welcome much of the progress that is being made. We also have some concerns, however, which we detail below under the various headings of the Strategy. Some of these are relevant to the work of Gamble Aware and the regulator, but since issues are often interconnected, we include them together.

### **1. Concerns relating to product-based harm minimisation (Priority Actions 4 and 6)**

1.1. The research programme helpfully addresses the various cognitions involved in risky or problematic gambling. However, there does not seem to be a corresponding emphasis on addressing product features that are associated with high-risk and harmful gambling, and on the associated questions of availability, including as regards access to funds.

1.2. The Product-Based Harm Minimisation report commissioned by Gamble Aware<sup>1</sup> researched these issues and suggested several evidence-based areas for harm minimisation with regard to machines, and some of their findings may well be relevant to other forms of gambling. Amongst the interventions the authors list as having a high or medium evidence-base - and therefore very likely to be effective - are:

- restrictions on access to funds in gambling venues (including by remote loading via ATMs, debit cards or gambling wallets);
- facilitating rather than inhibiting withdrawal decisions, including through the 'choice architecture' of machine design (a consideration that also applies to internet gambling);
- restricting incentives that may encourage an increase in stake-size;
- the removal of the auto-play function.

We note that the auto-play function was identified as a matter for concern in the first report of the Gambling Commission of 2005-6, and hope this renewed focus will prompt serious consideration by the regulator.

1.3. The same report also identifies evidence-based priorities for further research, including as regards:

- 'post event pauses' i.e. restricting re-betting immediately after a gambling session;
- 'in running' sports betting (an obviously high-risk form of gambling because of its speed and intensity).

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<sup>1</sup> Parke, J., Parke, A., and Blaszczynski, A. (2016). Key Issues in Product-based Harm Minimisation: Examining theory, evidence and policy issues relevant to Great Britain. 10.13140/RG.2.2.30894.10560.

1.4. We would be happy to be corrected, but as far as we can gather, these areas do not seem to be included in the Gamble Aware programme of research. Some are suitable for action and others for trialling. Trialling relates to our wider reservation about the industry being given the leading role in selecting the harm reduction measures they adopt. Whilst their initiatives are certainly welcome, some effective approaches may not be covered by this disparate strategy. Independent and specific prioritisation of the most promising approaches needs to occur to make sure that these actually happen.

**Recommendation 1a: We would like to see a more specific lead from the RGSB in trialling product-based harm minimisation measures, including the ones detailed above.**

1.5. A key recommendation of the Product Harm Minimisation review was the first one listed above, which relates to restrictions on access to funds in gambling venues. The authors rate this as a significant contributor to harm reduction and discuss four ways in which it could proceed. As far as we can see – though again, we would be very glad to be corrected – this does not seem to be discussed in the further work of the Strategy. We believe this discussion should be happening, particularly given that some practical developments for combining different kinds of access to funds may actually be tending away from it (see point 4, below).

1.6. We appreciate that this is also a matter for the regulator, as did the authors of the report, who classify this as an intervention that would be likely to have a significant impact on the industry. That this is a sensitive matter is undeniable; it is equally undeniable that it should be actively considered.

**Recommendation 1b: If it is not already happening, we would like to see the RGSB working actively and urgently with the Gambling Commission to explore ways of placing restrictions on access to funds in gambling venues.**

## **2. Understanding and measuring harm (Priority Action 1)**

2.1. We welcome the fact that data on the ‘primary mode of problem gambling’ are now being collected from help-seekers and included in the collection framework of Gamble Aware. This information has cross-cutting relevance to several of the aims of the Strategy. For this reason, we are very concerned that these data do not seem to have been published. In a public health framework for gambling, these statistics would be publicly available in the same way as they are for substances.<sup>2</sup>

2.2. The data would be used for similar purposes: better to identify changing patterns of risk and harm, including emerging risks; to inform policy on these questions; and to assist local service provision in responding appropriately to need through geographical and demographic data.

**Recommendation 2: That data on ‘primary forms of problem gambling’ be published in a similar format to those relating to alcohol and other substances, in the interests of public health.**

## **3. Education to prevent gambling-related harm (Priority Action 8)**

3.1. We appreciate the work that has been undertaken on this (including in the ‘Revealing Reality’ report as regards perception/cognition/information in relation to gambling judgements). We also appreciate that this review is aimed at assisting the industry to promote a framework for its own ‘responsible gambling’ approaches.

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<sup>2</sup> <https://www.ndtms.net/Publications/downloads/Adult%20Substance%20Misuse/adult-statistics-from-the-national-drug-treatment-monitoring-system-2015-2016.pdf>

3.2. However, as regards the wider issue of public education, we hope that more basic information about risk will be communicated. In particular, the public needs to know that swift, repetitive, continuous forms of gambling with few structural breaks carry more risks of problem behaviours than do those with a lower 'event frequency'. Similarly, data that problems are found at higher rates among those who gamble frequently or in many different ways needs to be provided to the public. (A ready parallel, though not an exact one, is public health advice on having 'drink free days' in the week.)

3.3. The 'Revealing Reality' report looked at a wide range of theoretical models and information-giving approaches. However, perhaps because its remit was focused on industry practice, it did not consider how gambling health education works in some other countries. In New Zealand, for example, where gambling is located within the Department of Health, unequivocal information derived from treatment data about problem rates for specific forms of gambling is given in public health information leaflets. A factsheet published by the Department of Internal Affairs states, for example:

*'However, pokies are the most harmful form of gambling. The majority of people who seek help for their gambling problems do so because of non-casino pokies (i.e. those found in pubs). Casino gambling (including pokies and table games) is the second largest category.'*<sup>3</sup>

3.4. There are also useful parallels and precedents from Australia, where the complexities of 'Return to Player' and associated matters are condensed into straightforward messaging. For example:

*'Poker machines are computers that use randomised mathematical programming. This means the machine will pay out prizes at random intervals, keeping a percentage of the money put into them....In Victoria, the law stipulates that poker machines must pay back 87 per cent of the money spent on it each year, after the deductions of any special jackpots. The rest goes to the pokie owners or in tax....Any time you play, you are likely to lose more than the 13 per cent on average. The way the pokies are programmed means your losses could be two, four or even six times this amount...Poker machines are programmed to pay out less than you put into them, so the odds are you will lose...The longer you play a poker machine, the more likely you are to lose all the money you have put in the machine.'*<sup>4</sup>

3.5. The 'Revealing Reality' report, while containing many interesting parallels, also did not include an examination of the principles of reinforcement and operant conditioning which are actively at work in repetitive forms of gambling. This too is relevant information for public education, particularly for young people. People simply need to be alerted to the fact that fast, continuous gambling – whether in-play betting, EGMs, remote gambling, or any other emerging forms of this nature – are higher risk, and therefore should be undertaken more carefully.

3.5. Credible and effective public health information needs to include the factors mentioned above.

**Recommendation 3: that public (and youth) education on gambling learns from comparable jurisdictions and that it includes clear information about the characteristics of high-risk forms of gambling, which forms have higher problem rates, and unequivocal explanations of the chances of winning and losing.**

#### **4. Horizon scanning (Priority Action 11)**

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<sup>3</sup> <https://www.pgf.nz/fact-sheet---gambling-in-new-zealand.html>

<sup>4</sup> <https://www.responsiblegambling.vic.gov.au/getting-help/understanding-gambling/types-of-gambling/the-pokies>

4.1. There is a certain vagueness in the Strategy about the horizon scanning priority. Alongside this is the fact that some industry planning has, and does, present some very obvious risks in relation to problematic gambling. This has not yet been addressed in the fully integrated way to which the Strategy aspires.

4.2. The position as regards B2 machines provides a notable case in point. In advice to government, the RGSB has pointed out the risks of 'displacement' to other machines or to remote gambling if the B2 stake were to be substantially reduced. This, of course, is a valid point. However, as far as we can see, it is not mentioned that the industry has already anticipated some form of regulatory action, and has adopted business planning and marketing strategies that actively promote and encourage such displacement - with very little regard, it seems, for the significant and well-attested risks that these entail. These business plans relate to increasing the uptake of both B3s and remote/mobile assisted gambling:

*Good engagement with our customers through implementation of the '£50 journey' and our speed to market on launching innovative lower staking B3 slots and content has seen machine revenue grow by 6.1% with strong growth in slots which now accounts for c.39% of machines gross win (2014: c.31%). Machines net revenue was 4% ahead of last year with lower staking B3 slots gross win growing by 10%, driven by a strong product offering including a wide range of in-house developed games. Slots now represent 41% of total machines gross win.<sup>5</sup>*

*'To give shop customers access to engaging products that have already proven popular with Online's customers, we have launched the Plus card and app. The card links a customer's SSBTs [self-service betting terminals] transactions to their account, which is linked to their mobile phone number. The app allows them to track those bets and Cash In once they have left the shop. As their account is linked to a mobile phone number, we can also send offers to shop customers through push notifications for the first time.... In the second half of the year, we will launch the first phase of an 'omni wallet', making it even easier for existing Online customers to use their account funds in shop.<sup>6</sup>*

4.3. We hardly need to rehearse the evidence, but Loyalty card holders in bookmakers and are likely to be more engaged gamblers and show high rates of problems<sup>7</sup>, and there are signs that B2 players generally are also vulnerable; the speed of B3s present risks; online gambling is one of the riskiest forms of gambling due to its speed and constant accessibility; people with pre-existing terrestrial gambling problems tend to have these exacerbated when they gamble on the internet;<sup>8</sup> encouraging the use of mobile phones for gambling is likely to increase these risk factors; the Product-Based Harm Minimisation report speaks strongly of the risks of remote access to money on debit cards and via 'wallets'; remote gambling problems seem to be emerging as a leading 'primary problem,' among at least some of those seeking treatment.

4.4. In the context of horizon scanning we find it odd, and concerning, that the RGSB advice speaks of the possibility that there 'might' be a commercial shift to B3 and remote gambling, but it does not identify that this has already occurred to some degree, and that the risks of consumer divergence/displacement are being actively driven by the industry. Whilst this is taking place within the

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<sup>5</sup> *Building a better Ladbrokes, 2015, and their 2016 report 'A shared goal'*

<sup>6</sup> [www.williamhillplc.com/media/11914/wmh-half-year-results-statement-020817.pdf](http://www.williamhillplc.com/media/11914/wmh-half-year-results-statement-020817.pdf)

<sup>7</sup> Wardle, H. et al. (2014). Identifying problem gambling – findings from a survey of loyalty card customers. Gambling Machines Research Programme Report 2, NatCen, prepared for RGT.

<sup>8</sup> Gainsbury, S. (2015). Online Gambling Addiction: The relationship between internet gambling and disordered gambling. *Current Addiction Reports*; 2(2):185-193.

law and regulations, it nonetheless needs to be clearly acknowledged that a driver of risk factors is a risk factor in itself.

4.5. One of the implications of this for horizon scanning is that if the industry is to be involved in finding solutions to risk and harm, there needs to be precision about the role it plays, including as regards upstream actions of this nature. It should not be a matter of surprise in any quarter to acknowledge that there are likely to be some conflicts of interest for the industry between increasing revenue, and building in harm-minimisation practices that might reduce it.

4.6. Although it did not discuss these points specifically, we were glad to see some related issues addressed in the 'Revealing Reality' report vis-a-vis remote gambling.<sup>9</sup> We agree with the authors that:

*'...gambling companies who are serious about RG may need to consider discontinuing some communications activities that sit in tension with RG outcomes – for example, high frequency promotional messages or time-limited offers. More specifically, the research team encountered numerous examples of player-focussed communication that would likely trigger well-evidenced psychological biases to the detriment of players, which are clearly at odds with RG principles...'*

We were also glad to see they drew attention to the critical issue of money access/limits as regards remote gambling:

*'At the time of writing it also took seconds to find operator websites with extremely high default spending limits, including one set to £99,999....Easy-to-find, everyday examples like this, where operators have stated that they are committed to RG (the option to set limits being one such initiative) but have then undermined their efforts in execution – and in extreme cases like the limit-setting highlighted above have deployed them, knowingly or not, in a way that encourages irresponsible behaviour – illustrate clear double standards around RG.'*

4.7. We hope the 'Revealing Reality' Report signals a more proactive approach to tackling these issues, both as regards marketing and the wider questions of industry practice, including those we have illustrated.

4.8. We welcome the use of the Assurance Statement and also the new stress on evaluation within the Strategy and by the Gambling Commission. However, we think that the balance still relies too much on the initiatives of the industry, and also on the industry providing evidence that it will pick up harms, rather than on designing systems and strategies that reduce risk and certainly do not encourage it. Put simply, we would like to see a greater shift from post-hoc harm reduction towards more harm minimisation of existing or planned practices. In specific terms, we believe the industry could, and should, be asked to provide evidence of how it is working to reduce the risks that its marketing/expansion/diversification strategies can pose for customers.

4.9. We agree that the recent Gamble Aware report as regards remote gambling<sup>10</sup> is useful and that this approach could be developed further. However, it can, of course, only work on picking up indicators of problem gambling when they already exist, and the fact that people may gamble on several platforms also places some limitations on this technology. We very much welcome the approach of the RGSB in identifying the anomalous and extremely high-risk situation regarding the lack of staking limits on remote gambling other than those imposed by the operator. We appreciate that identifying problems has more potential than in an on-line environment, but reiterate that picking up signs of problem

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<sup>9</sup> P2-3 'Revealing Reality' <https://about.gambleaware.org/media/1581/revealing-reality-igrg-report-for-gambleaware.pdf>

<sup>10</sup> Price Waterhouse Cooper. (2017). Remote Gambling Research: Interim Report on Phase II. Prepared for Gamble Aware.

gambling should be an adjunct, not an alternative, to preventative measures. Regulation is the most certain way of achieving reasonable and universal standards as regards stakes and perhaps also daily/weekly expenditure, and we hope that the RGSB and the Gambling Commission will be discussing/pursing this.

4.10. We also note that some of the data that have been found significant enough to be used in algorithms could also be considered suitable for consideration as regards regulation. For example, both in terrestrial and remote gambling, late night/pre 4 a.m. gambling has been found to be significantly associated with gambling problems. Regulation that could at least give a break to this at-risk group is worthy of active consideration, and we hope that would be included within the discussions about harm minimisation.

**Recommendation 4a: We would like to see a sharper and more proactive approach to horizon scanning by the RGSB and for this to include an explicit focus on industry business/marketing plans in relation to evidence-based risk factors. We recommend that there be a specific section in the Annual Assurance Statement on planning and marketing, and for businesses to provide evidence of how they plan to reduce the risks that these might involve.**

**4b: We recommend that regulation be considered as regards late night/early morning gambling, and as regards stakes/expenditure levels in the remote environment.**

N.B. We have seen the recent GC announcement (in October 2017) regarding restricting methods that might appeal to children, and we welcome this as an example of this approach. We also welcome the RGSB's proactive/integrative focus on stake size in relation to terrestrial EGMs and remote gambling in its advice to government.

## **5. Public confidence in the RGSB Strategy and in Gamble Aware and their research (Priority Action 10)**

5.1. We welcome that efforts have been made to introduce more independent members to the boards of the RGSB and Gamble Aware, and the fact that some recent commissioned research proposes harm minimisation methods. We also welcome that efforts have been made to set out processes for research/commissioning that are more independent, and also that minutes of meetings are published. However, the latter do not reveal little about how decisions are made about commissioning, nor how the content and the recommendations of reports are considered and construed in terms of further planning by the bodies involved. For example, it is difficult to know whether some of the points we raise in this document are under discussion at a policy level, in what ways, with whom, and to what degree. This is particularly relevant as regards harm minimisation measures we have described in this document, including in relation to the horizon-scanning points that we made above. It would help transparency and public confidence for more information to be shared about how judgements are made. We should add that we do very much appreciate the fact that comments on the Strategy are made possible as it progresses.

**Recommendation 5a: That there be greater transparency and information sharing about the content of discussions about commissioning and research outcomes.**

5.2. Our general observation is that some lack of confidence in the research programme may have related partly to how commissioned work was undertaken - but also, and perhaps even more strongly, to relevant areas that were not investigated, or not to a sufficient degree.

5.3. In this connection there has been a continuing issue, almost a fault-line, about specific forms of gambling and their role in the incidence/severity of gambling-related harm. For example, the long delay

in conducting research on problem rates among FOBT gamblers and limitations on the terms of some of the commissioned research gave the sense of a reluctance to undertake investigations that might increase the case for regulation and/or the public appetite for it.

5.4. We are aware that there is a debate in the literature about whether undertaking multiple forms of gambling and/or gambling intensity is more significant than taking part in specific forms of gambling. We note too that a stress on the salience of 'multiple gambling' tended to place research attention on the individual, and away from investigations into the harms associated with particular forms of gambling. We appreciate that there has been some redressing of this balance to some degree. However, we drew attention above to what could be most benevolently described as a coyness about publishing treatment data on the 'primary gambling problem(s)' of help-seekers. This ten-year reluctance first to collect this data centrally, and, up to now to publish it, runs counter to a public health approach. Whatever the intention, it can seem that information is not being shared for the reasons outlined in 5.3.<sup>11</sup> We do note, however, that in its advice to government, the RGSB speaks of this being published, and would welcome this as a way of increasing public confidence.

5.5. We accept that there are complex questions about the roles of multiple and specific types of gambling. We think this needs to be addressed still more squarely, and that the research programme should investigate this balance and patterning within a UK context. The rise of remote and mobile gambling, which present major future risks, makes this particularly pertinent. We would like to see within this some attention being given to obviously high-risk forms, such as in-game betting.

5.6. Research of this type does happen in other jurisdictions. A recent national longitudinal study in Sweden has looked at different types of gambling, probing data on 'last year' and 'regular' (at least monthly) gambling behaviour.<sup>12</sup> Its findings show that some forms of gambling are more closely associated with problem gambling than others. The relationship between gambling involvement and problem gambling is found to be complex, and influenced by the specific forms of gambling in which individuals participate. The authors conclude that gambling policy and regulation should focus on those forms of gambling more closely associated with problem gambling behaviours (e.g. EGMs).

5.7. We mention the study now because we understand that a longitudinal study is being planned by Gamble Aware, and it is possible that these issues could be considered for inclusion in some form. Addressing these questions would, we believe, help build more confidence in the research programmes.

5.8. This approach is also potentially relevant to the question of a levy: in New Zealand, for example, industry contributions are based partly on numbers of participants - which includes widespread forms of gambling such as lotteries - and partly on the risk/harm levels of particular forms of gambling, which includes help-seeking presentations. We hope that the New Zealand model will be considered seriously in discussions on this subject.

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We note in this connection it was recently reported that mobile gambling has risen significantly as regards people presenting to the NPGC for treatment. This is reported to have been released under Freedom of Information procedures <http://www.bbc.co.uk/news/uk-england-41389820> but this should not have been necessary: all treatment agencies should be routinely made available.

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With regard to *regular* gambling participation (QAAD's italics), the highest proportions of problem gamblers were found amongst those using EGMs. Involvement in multiple forms of gambling is indeed found to be associated with gambling intensity and problem gambling, but this was not a straightforward or linear relationship. Indeed, half of problem gamblers regularly participate in only one or two forms of gambling. Ref: Binde, P. et al. (2017). Forms of gambling, gambling involvement and problem gambling: evidence from a Swedish population survey. *International Gambling Studies*; 17 (3): 490-507.

**Recommendation 5b: that more research is carried out into the differences in risk profile between different forms of gambling, with the aims of informing educative approaches, harm-minimisation policies, and improving public confidence.**