



viewpoints

Getting to grips with gambling controls

December 2014

Leo Martin, director of responsible business advisers, GoodCorporation, asks if the gaming industry is doing enough to promote responsible gambling

According to the Gambling Commission, almost three quarters of the UK population participate in some form of gambling, up from just over two-thirds in 2007. While the vast majority of gamblers (92%) do so safely, without risk of developing a problem, the number of people in danger of becoming problem gamblers has reached almost a million. Worse still, the numbers with some form of gambling addiction have doubled over the last six years to almost 500,000, with the average debt standing at £17,500.

While the industry acknowledges that it must take a proactive approach to promoting responsible gambling, is it really doing enough?

The latest statistics from Gamcare reveal that the numbers receiving treatment through their organisation rose by 21% in 2012/3, with visitors to the site that year up by 100,000 and posts on the forum for problem gamblers up by 35%. In an attempt to tackle the problem, the industry regulatory body, The Gambling Commission, is currently consulting on new licensing standards that could include a social responsibility code as well as advertising restrictions. Meanwhile, four of Britain's biggest bookmakers have formed The Senet Group in a move to promote responsible gambling.

At this stage, their initiatives focus on advertising: removing adverts for touch-screen roulette machines from their windows and refraining from advertising sign-up offers on TV, such as "free bets" or "free money" until after the watershed. There is also a proposal to fund an educational advertising campaign on problem gambling and ensure that their own adverts carry more prominent messages about responsible gaming.

While advertising restraint and responsible gambling messages undoubtedly go some way to addressing the problem, it is really only the tip of the iceberg in terms of proactively preventing gamblers from developing a problem.

An initiative that involved intervening when problematic activity was identified; sharing information to exclude problem gamblers from sites or putting controls in place to prevent people from becoming addicted or spending money they can't afford, would demonstrate a real commitment to tackling the problem.

Monitoring patterns

Regulators should be looking at a model that would require gaming companies to monitor gambling patterns and intervene at an early stage if indicators of problem behaviour are identified. For online gaming, such models already exist and some companies are using them.

The Cambridge Health Alliance, part of the Harvard Medical School, runs the Division on Addiction, which has been conducting studies on gaming behavior since 2005 in co-operation with bwin.party. The study uses accurate records from computer-based internet gaming to identify indicators of addictive behavior. This has enabled the Division on Addiction to develop an algorithm that would allow gaming companies to



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intervene and notify their customers if they suspected a problem.

In the UK, Featurespace, the corporate arm of a University of Cambridge engineering department project, is using machine-learning techniques to identify people that show patterns indicative of problem gambling. Once identified, they consult with psychologists on the best course of preventative action to take.

All on-line gaming sites will collect data on the betting patterns of their customers, including time of day, frequency, size of bets and the types of games played. Featurespace is able to analyse this information to build up a picture of what would be considered normal behaviour and conversely, what would constitute erratic or uncharacteristically risky behaviour that could indicate the onset of a problem.

On-line gaming companies could be required to contribute data to such studies in order to obtain the best possible picture of addictive behaviour and develop systems to intervene appropriately. The regulators should insist that on-line gaming companies actively exclude players who are showing signs of problem gaming. They should also insist on a common reporting format (like number of excluded players per total number of customers) and require all operators to report publicly. It would then be possible to identify which companies are serious about tackling problem gambling and which are not. The regulator should also be intervening to check that the on-line operators have proper systems in place not only to apply the Featurespace and Harvard type models, but also to ensure that consistent action is being taken on the basis of the findings.

For land-based operations, there is also a need to develop a mandatory requirement to intervene when people are gambling excessively. This is not easy, but with fixed odds betting machines described as the crack cocaine of the gambling industry, the need to moderate behaviour is clear. Just as bar staff can refuse to serve a customer who is drinking excessively, staff in betting shops need to intervene when people are betting out of control.

Both on-line and land based operators should also be required to share information about addicted customers. It is too easy for an individual who may have identified a gambling problem and self-excluded to walk into a competitor's shop or go on-line and start playing elsewhere. The responsible approach would be to ask players, when they first sign up or when they first self-exclude, to agree to share their name with other responsible operators. This way protection can be increased significantly but with minimum cost.

Addiction modeling

This is not just a socially responsible approach to gaming, there is a strong business case for adopting such controls. As the world moves towards more licensing of gambling, companies that can proactively demonstrate the use of these models are much more likely to win licences and to obtain a favourable hearing from regulators. In contrast, the addiction modeling that is being developed will soon allow the regulator to take a harsh view of those that refuse to intervene.

In addition, there are brand reputation issues to consider. If the numbers with some form of gambling addiction continue to rise, it will only be a matter of time before gaming companies are pushed out of main stream advertising and promotion opportunities, for example on football shirts.

If government and regulators are serious about developing a responsible gaming industry, they need to ensure that the industry takes a proactive approach to responsible gambling. Governments and regulators should use these new techniques to push irresponsible gaming companies to adopt best practice or face sanctions. Companies should be required to share information, adopt models that monitor behaviour and intervene proactively to exclude and protect problem gamblers.

GoodCorporation has assessed and advised a number of the leading gaming operators on social responsibility over the last 14 years. Its work has included mystery customer testing of responsible gaming controls and evaluation of all social responsibility policies and systems within gaming companies.

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