

# The Parliamentary All Party Betting & Gaming Group



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*'Are children really gambling and if they are, what  
needs to be done about it'*

Transcripts of the Seminar held on 26<sup>th</sup> February 2019

The mission statement of the Parliamentary All-Party Betting & Gaming Group is *‘To act as a forum for the discussion of issues concerning betting and gaming in the UK’*.

This seminar is part of a series aimed specifically at providing a platform for an educated and informed exchange of views and issues. Attendance at these seminars is restricted to members of the gambling industry and its stakeholders. If you would like to join the mailing list, please contact the Public Enquiry Point listed below.

The Parliamentary All-Party Betting & Gaming Group is a group of Parliamentarians who have a shared interest in the UK gambling industry. We regularly meet with stakeholders in the industry. The Group maintains a view that gambling should be legal and well-regulated but beyond that, encompasses a wide spectrum of beliefs into the extent and scope of gambling provision that should be allowed.

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The Parliamentary All-Party Betting & Gaming Group hosted a seminar entitled: *'Are children really gambling and if they are, what needs to be done about it'* on Tuesday 26<sup>th</sup> February 2019, 6pm-7.30pm, in Committee Room 12 of the House of Commons.

The speakers were:

- David Williams, Director of Public Affairs, Rank Group
- Ben Haden, Programme Director for Insight, Gambling Commission
- Richard Flint, Executive Chairman, Sky Betting & Gaming
- Lee Willows, CEO, Youth Gamblers Education Trust: YGAM

Philip Davies MP, Co-Chair of the Parliamentary All-Party Betting & Gaming Group chaired the seminar.

An audience of c.50 invited members of the British gambling industry were also present.

We provide below the transcripts of the speakers' speeches. There is no transcript of the question & answer session held after the speeches. The transcripts were provided by the speakers and the Group takes no responsibility for any deviation or omission from the transcript that may have happened on the day.



Left to right: Lee Willows, Ben Haden, Philp Davies MP, Richard Flint, David Williams

## **David Williams, Director of Public Affairs, Rank Group**

Good evening and thank you for the opportunity to take part in this interesting discussion. It's a privilege to be here. By way of introduction, I am the Public Affairs Director for the Rank Group – Grosvenor Casinos and Mecca Bingo being amongst our leading brands.

It strikes me that we have a number of issues to crack & time is not on our side, both this evening and in the industry. Are children really gambling, we ask? We probably wouldn't have come here if we felt the answer was 'no'. The answer, of course, is 'yes'. But what is gambling, what is gaming, what is legal and what is going on behind the statistics quoted with alarm in the nation's press?

I want to start by setting out a number of findings from the prevalence surveys that have been carried out on youth gambling in this country since 2011.

- First, participation in gambling by children in Great Britain has declined, quite significantly, over the last seven years – from 23% on a past-week basis in 2011, to 14% on the same basis in 2018. The decline is evident for both boys and girls and across all age cohorts studied.
- Second, the vast majority of gambling by children is currently legal. The most popular forms of gambling by children are betting-or-playing-cards with friends & family, and playing low stake machines. The proportion of children gambling on age-restricted products has fallen from 14% in 2011 to 6% in 2017. We may decide that such activities ought to be banned; in reality, these are matters for legislation and enforcement.
- Third, past-week participation by children in online gambling – according to the surveys – has fallen from 3% in 2007, to 2% in 2011, to 1% from 2016 onwards. The proportion of children playing legal on-line gambling-style games - activities that the Gambling Commission does not consider to be 'gambling' – is three times as high.
- Fourth, reported rates of problem gambling by children declined between 2014 and 2016. It has increased in 2017 and 2018 – as widely reported in recent media, but this is due, in part at least, to significant changes in survey sampling. As the Gambling Commission repeatedly makes clear in its report, data from 2017 and 2018 are not comparable with data from 2014 to 2016.

These facts ought not to lessen our concern about youth gambling; but getting a grip on the facts available to us is critical if we are to address those concerns.

If we are serious about harm prevention, we need to employ a really clear and disciplined framework for the use and quoting of data & statistics. Seeking rigour around how we report the issues is not unreasonable.

Every student will tell you that to properly treat a problem, we need to accurately diagnose it and we need to align that diagnosis to an accurate dosage. If we get the diagnosis wrong, if we fail to interrogate some of the data and narrative that is finding a home in the mainstream, if we swallow perhaps well-intentioned but wrongly used data, we will mis-diagnose, we will get our dosage wrong and whilst (of course) many law-abiding people & businesses will get caught up in it, perhaps most importantly those who need help the most will ultimately suffer. Conflating problem gambling with addiction is easy to do; it's also irresponsible. And the responsibility for challenging the misuse of data lies far more widely amongst constituents than simply the betting industry who will always carry the label of being out for its own good.

On diagnosis and dosage, we could point to the Advertising Standards Authority's review at the start of February as a depressing case-study in how polarised things have become. Fairly entrenched elements of the media led with an interpretation that children are exposed to a quarter more gambling ads than a decade ago, whilst others looked to the CEO of the ASA who preferred to highlight that exposure of children and young people to gambling ads is decreasing. What are we left with? Confusion, certainly. Impatience, yes. And ultimately, a muddled picture where a desire to score points runs the risk of eclipsing a far more important opportunity – to my mind – for the industry to sharpen up its act and practises and, in doing so, accelerate the process of regaining trust and resetting the balance of the debate.

On this, the betting and gaming industry must shoulder its fair share of the blame for the binary and polarised climate that we all too often find ourselves in. As an industry we have been far too slow to cotton on to social concerns and public trends, and meet them head-on with intelligent and reasonable solutions. We're in danger of reducing everything to a "permit" or "prohibit" position. I find that depressing; it's not where we want to be.

Take advertising as an example – it very clearly is in the vanguard of issues exercising those of us who care about children and gambling. What would happen if we banned advertising in its entirety as a leading newspaper columnist demanded earlier this month? Of course it would decrease exposure to children and to vulnerable people, but at what cost? At what cost to the millions of customers who appreciate choice, and who have benefitted from the 2005 Act which stripped away much of the regulation that had kept a lid on competition? If we simply permit or prohibit, we fail the vast majority of our customers in the

middle – adult customers who have fallen silent as the debate has become polarised, adult customers who bet responsibly with regulated operators and who enjoy great choice. Prohibition would weaken the relationship between regulated revenues and vital funding of research, education & treatment, and undo much of the progress we are making. And there has been progress, of course: the whistle-to-whistle ban which comes into effect later this year has been widely welcomed. And yet we'd be willing to go further if we could. Providing we don't simply give competitive advantage away to less scrupulous operators, we'd endorse a more robust clampdown on TV advertising around sports. Similarly, a look at the shirt sponsors of many of the top football clubs in the country – an issue often flagged as being of concern when it comes to the normalisation of gambling amongst children – reveals that a large number of the gambling sponsorships are for non-UK facing brands. Are we really suggesting that large numbers of British children are betting on Asian-facing sites, such as Fun 88? These brands are not looking to target UK customers, but forcing UK-facing brands to comply with regulations whilst other operators are exempt will do little to shift public perception and address key issues. One of my company's brands, Grosvenor, were the shirt sponsors of Fulham FC until recently – we pulled it within weeks of a new senior management team arriving; there is evidence of proactive, responsible best practice.

I am not looking to deny that sponsorship presents valid concerns in this space – and yet some of these must be soluble. We're here this evening to work out what we can do. Is it beyond us all to get football clubs, operators and kit manufacturers to sit around the same table and offer kits without those sponsors to allow choice – particularly for parents. Isn't choice a more appealing solution than censure? I understand that one of the issues parents face with some children once they outgrow youth sizes is that they HAVE to buy small-adult size kits. Can't we change the sizes of these kits? Do we always have to complicate issues when solutions might be under our noses? The football clubs and the manufacturers ought to be joining discussions like this.

Returning to the core question of whether children are gambling. They are certainly video gaming on smartphones, consoles and computers. Loot boxes and skins have entered our lexicon, and in-app purchases are evidently part of the gaming landscape for some young people. For me, this is where the video gaming industry rather than the gambling industry needs to be working harder than ever to combat malpractice and irresponsible design. We all need to wake up to the fact that our children are quicker than us when it comes to embracing technologies, and necessary research must be done to get a sense of the scale of the issue and to put in place the appropriate levels of protection. Perhaps I would say this wouldn't I, but I do believe that enlightened and responsible operators are investing in safer gambling and finding technology-led solutions to some of

the issues we face, whilst video game developers are held to a lower level of scrutiny. That's not a whinge – it's a call for action.

The Commission has made considerable progress in addressing many of these issues, and recent judgements handed out over the appearance of gambling brands in popular TV programmes have been understandable. The announcement earlier this month to tighten up the process around age verification is welcomed. We've committed to working collaboratively with the regulator to discuss the art of the possible, and hope we'll continue to better understand what it is we each want to do and how we can do it together. I think there is less disagreement around the desired outcomes of change than some would have us believe.

And just as I caution against a binary debate around prohibition, nor do I think legislation alone is the answer without, at least, a degree of self-regulation. Indeed, if operators adhere only to the law we could see a landscape where children are welcome in bingo halls. That is the law – a law that we, as operators, choose to supersede with what we consider to be the right thing to do; we have a strict over-18s only policy. Similarly, across our casino estate in this country we operate a Think 25 policy; legally it is only required to be a Think 21 policy. I'm not looking for a round of applause, but am I am keen to contest a narrative which suggests that responsible operators are not self-regulating.

I don't deny that there is more to do and that the industry has failed to grasp some nettles quickly enough, but I think it would be wrong to assume that at every opportunity the industry looks to bend itself around the law or the regulator to exploit gaps. We need to restore normal order to the discussion, shake off the remaining minority who are resistant to change, and work together – with the regulator, with parliamentarians and with technology providers, amongst others – to better protect children from the worst excesses of a wider gaming landscape. To do that, we must take ourselves away from the extremes of a debate, and in doing so, we stand a better chance of making the progress that every single person in this room surely wants to see delivered.

### **Ben Haden, Programme Director for Insight, Gambling Commission**

While there are a wide range of matters could be discussed in relation to children and gambling I'm going to try hard to keep to the core question over the next 10 minutes or so.

So, what does the data say? I'm not going to just keep to gambling to start with, so I can set the gambling data more within the context of children's wider lives and where we find larger numbers of participation.

According to Ofcom:

- 83% of 12-15 year olds have own smartphone
- they spend on average, 21 hours online a week
- 77% play games 12 hours a week

Moving off the sofa Sport England tell us that:

- more than 40% of children in England do an average of more than 60 minutes of physical activity a day
- though of that group, only 1.2 million (17.5%) are meeting the Chief Medical Officer's guidelines of more than 60 minutes of activity a day, every day of the week.

Then to potentially more dangerous areas, the Commission's research shows the following claimed behaviour by young people between the ages of 11- 16 claim:

- 13% have drunk alcohol,
- 4% have smoked
- 2% have taken illegal drugs
- And 14% gambled in the last week

The gambling figure was comparatively low despite small increase (2%) seen in 2018 over 2017, given it was 23% in 2011.

But we all know that this headline 'gambling' figure is a bit more complex than one statistic. It covers a range of legal as well as illegal activity and we're also interested in activities which include gambling style behaviour.

So what does the data tell us beneath the headline?

Again using the same 11 – 16 year old cohorts claims over a weekly period we see:

- 7% claimed activity with friends - private bets or card games
- 6% at licensed premises – [ 2% gaming machines at betting shops, 2% other gaming machines, Bingo 1%, elsewhere 2% ]
- 5% play NL (mainly SCs 4%) but 41% was legal 16 year old play
- 3% machines - mix of legal and illegal
- 3% have played online gambling style games
- 2% other lotteries
- 1% spending money to gamble online – [though 5% over the year]
- Prevalence increases with age – 4% at 11 and 22% at 16 [noting legal lottery play potential]



So what does that all tell me?

- Children do gamble while it is less than they were doing - but it's a complex picture, across a wide range of activities, including emerging gambling style behaviours, as well as activities covered by the legal gambling framework.
- A significant amount of the gambling reported is outside of licensed environments or where they are you might expect to find parents present - such as scratchcards in supermarkets or fruit-machines in pubs.
- The online environment raises challenges where gambling is not a destination, like a shop but a more a part of a wider, larger, general consumption.

But regardless of the variety of activities undertaken the statistic we must come back to is that 1.7% of these young people report as problem gamblers, with a further 2.2% at risk. This is a demonstration of the potential harm and a call for vigilance.

So what needs to be done about it?

The Commission needs to do its part, as others do theirs. I'd like to concentrate in the interests of time on two perspectives of this – understanding and having the right framework.

We need to grow and refine the evidence base. To that end the Commission is looking to evolve its survey to better take account of the gap in knowledge around 16-17 year olds and include questions on loot-boxes, advertising, receipt of marketing, as well as broader context questions to better understand gambling within the swirling context our children face.

We need to have the right framework and enforce and take action swiftly and effectively. The Commission has recently strengthened online age verification, put free to play games behind the pay-wall, undertaken a specific compliance programme on age verification and can now ourselves fine companies who fail to meet rules around advertising.

Safeguarding children in a digital age is complex, and what both RGSB and our research has highlighted is that it takes a multi-faceted approach by us, government, educators, gambling firms and parents. It will take firm ongoing commitments from the Commission as gambling regulator, but also from all of those with a part to play.

Thank you.

**Richard Flint, Executive Chairman, Sky Betting & Gaming**

Waking up to negative headlines is something that executives in the gambling sector, like myself, have regrettably become used to in recent years.

The headlines of 21st November 2018 were particularly troubling:

“Number of child gamblers quadruples in just two years” said the BBC;

“Almost half a million children gamble every week”, said the Telegraph; and “Child gambler epidemic: Worrying new figures reveal 55,000 under-17s have 'a problem' with another 70,000 at risk - as experts blame explosion in TV adverts” was the headline in the Daily Mail, the publication to whom the Gambling Commission had chosen to provide an exclusive advance copy of their report on ‘Children and Gambling’, on which these headlines were based.

The argument presented in most of the media and commentaries went along the following lines: all of these TV ads for gambling, particularly around football, plus the fact that our children are always on their smartphones, means that there has been an explosion in children gambling, and many of those children are becoming addicted. I would say for many people, including most politicians, this has become the accepted narrative.

As I say, these headlines were troubling for me: as a parent, as someone with over 15 years’ experience in the gambling industry, and as someone who cares for a variety of reasons about the likely evolution of gambling regulation in the UK. Harm to adults who can make their own decisions is serious enough – harm to children is a whole other matter which quite rightly concerns us all greatly.

But these headlines, and the implicit role of the online gambling industry in creating these issues, did not match my own, personal, everyday experience.

Running an online gambling business for 15 years, and choosing to be relatively available on social media, means that I get a lot of data on the realities of the industry.

In our data, and in contacts that I receive, I do become aware of people who have experienced harm from online gambling. These may include problem gamblers, and in the most serious cases, people who have become addicted to gambling. These cases can be very troubling, and as I have said before, this is the area that

we need to focus on – using tech, data, and investing significantly more in research to understand the causes of gambling addiction. We also need to improve treatment and support for those experiencing harm, including families and affected others. I have met many people whose lives have been turned around through successful treatment. Problem gambling is an issue which deserves significant attention and focus of resources.

Similarly, we do all we can to prevent children gambling online, an objective which, in my experience, we are in a relatively strong position to achieve. This is mainly because, without parental consent, it is very difficult to set up and fund an online account as an under-18, and the trackability (and illegality) of it should make it less appealing for children. Also any winnings from bets go back to the cardholder, presumably the parent.

So I went back to the Gambling Commission report for the sources of these headlines. And I found that the data backed up my personal experience. In contrast to the headlines: The Gambling Commission report said that 14% of children had gambled in the last week, two percentage points higher than in 2017, but still relatively low by historical standards (23% in 2015) and part of a long-term downward trend. The most interesting aspect was that the vast majority of those young people gambling were betting with each other (6%), playing National Lottery scratchcards (4%; most of whom were aged 16 so playing legally), playing on machines in arcades, pubs, or clubs (3%), or playing cards for money with friends (3%).

The rate of online gambling in the past week amongst children was 1%, a small portion of the total, and this had fallen from 3% in 2007 and 2% in 2011.

In a similar vein, what about the headlines that there has been an explosion in problem gambling amongst children? It has been claimed that the number of 11-16 year-old problem gamblers has quadrupled in the past two years. This is simply not correct. The Gambling Commission's Report repeatedly cautions against comparing results from 2016 with those from 2018 due to small sample sizes and the change in sample definition (specifically the inclusion of 16 year-olds).

I think the points which have been lost in the media narrative are that there has not been a recent sudden increase in child problem gamblers as claimed, and the vast majority of gambling which is conducted by children is not with licensed online operators. However, we must not be complacent. At Sky Betting & Gaming we are committed to doing all we can to ensure that no children gamble on our websites or apps at all, and to ensure that all of our customers are properly protected.

So we then turn to the so-called explosion of TV advertising and the impact that this may or may not have had on children.

Firstly, lots of people in the UK participate in gambling (45% of people in the last month) and the vast majority enjoy it in a healthy way. It is something that is part of our common language, and is fundamental to the UK's second most attended sport (which is horseracing). Although the data shows that participation in gambling has fallen slightly in the last 10 years (since the reported explosion of TV advertising), gambling is a normal adult pursuit for much of the population.

Now I do believe, mainly for pragmatic reasons, that we should look to reduce the quantity of gambling advertising, particularly around live sporting events. This is why we were supportive of Sky's announcement to reduce gambling ads to one per break before the watershed, and the IGRG's further announcement to ban gambling advertising during live sport. Even before this, as recently reported by the ASA, children are now seeing fewer TV ads than before. Between a peak in 2013 and 2017, children's exposure to TV ads has declined year-on-year by 29.7%, with a decrease in exposure to gambling ads of 37.3%. Children's exposure to ads for sports-betting has decreased from an average of one ad per week in 2011 to 0.4 ads per week in 2017. Online advertising is growing, but online advertising can be, and in the vast majority of cases is, targeted to only be seen by over 18s.

Another positive recent development has been the inclusion of messaging and content around safer gambling in many advertising campaigns, something we at Sky Bet have pioneered. And the rollout of dedicated campaigns highlighting the risks of gambling, such as GambleAware's recent campaign. As with all advertising, people will have different views on the content, but this advertising can and is starting conversations in living rooms across the country – surely a positive development.

This brings me to education: I strongly believe that children need education on the risks of gambling, and the signs and risks of addiction, so they are properly prepared for adulthood. Such education should extend to parents, who play such an important role, particularly given that a significant proportion of children who gamble online do so with the connivance of their parents.

So let us focus on the real issues and identify intelligent solutions based on proper analysis. This will involve: using our tech, tools and data to prevent and minimise harm from gambling addiction; properly providing treatment for problem gamblers; and improving understanding and education for adults and children alike.

## **Lee Willows, CEO, Youth Gamblers Education Trust: YGAM**

It is a pleasure to join the panel today and thank you to everybody present and to the Co-Chair, Secretariat and my local MP, Helen Grant for attending this important seminar.

As many of you know, I am Lee Willows, the proud Founder of Young Gamblers Education Trust (YGAM); a charity I founded with colleagues following my own struggles with a gripping gambling addiction that almost drove me to commit suicide. I will give you a quick overview of our work and then attempt to share insight and give a more practical answer to the two questions asked.

YGAM has a social purpose to inform, educate and safeguard young and vulnerable people against problem gambling or gaming. As a charity we build digital resilience and life skills in young and vulnerable people and essentially deliver two education products. The first is our accredited practitioner workshops where we train and certify practitioners or professionals who have influence over young people's learning. By practitioners or professionals we mean teachers, youth workers, community mental health colleagues, prison & probation colleagues and community volunteers. We train these professionals via a formal six-hour Pearson certified CPD workshop on (i) understanding gambling or gaming disorder and (ii) how to deliver the YGAM gambling & gaming-related harm prevention programme to young people. The YGAM programme and our resources have been accredited and quality-assured by the Ofqual approved Awarding Body Pearson & ASDAN and are quality-assured by the PSHE Association. In addition, we have achieved the prestigious Pearson Assured quality-standard for the content and educational rigour of our education resources. YGAM's programmes have been evaluated by City, University of London & University of East London and we are also working with City & Guilds to achieve their Assured quality standard in Q2 2019.

The second product is university based, where we work in partnership with universities to train year two & three students to become YGAM Peer Mentors. Trained Peer Mentors are then employed part-time to deliver a range of gambling & gaming-related harm prevention programmes and awareness campaigns within their universities and local communities using our educational resources. Last year alone we reach over 55,000 young and vulnerable people and we are planning to reach over 100,000 this year.

So, to the two questions; well the answer to 'do young people gamble' the simple answer is yes. However, what can be done is a slightly more challenging, however I will share some of our insight of delivery over the past four and a half years and

what we have learned. I would like to structure this insight through the lens of what the regulatory might consider doing; what operators might consider doing and finally to what the Government might consider doing. There are ten points in total.

#### Regulator / Responsible Gambling Strategy Board

- Work with YGAM, GamCare, GambleAware, Fast Forward, Betknowmore UK and other interested parties to develop a framework for education, framed within the emerging Safer Gambling Strategy – Priority Action

#### Two: Prevention.

- Provide co-ordination so everybody who is keen to look at child gambling and provide research, education or treatment do so via the new emerging strategy in a collaborative and co-ordinated way.
- Many people who have experienced problem gambling directly or indirectly (i.e. family members, partners etc), are keen to contribute and this should be encouraged and facilitated in a structured and co-ordinated way through an Advisory Group such as what YGAM are seeking to create.
- Changing the LCCP around RET donations is a positive move to enable more organisations to contribute to the emerging strategy to achieve its success. Scrutiny of all organisations (including financial, quality, ownership & governance and impact) wanting to deliver in this space is a consideration, especially, like in the case of YGAM, a former problem gambler is in a position of trust. This approach will safeguard the national strategy and the former problem gambler themselves.

#### Licensed Operators

- In the absence of a public health funded model or statutory levy, operators (especially the larger operators) might consider raising their recommended RET donation from 0.1% to 0.2% to show a public and political commitment to funding the RET.
- Operators can choose to donate their RET donation to GambleAware, who will commission services; or operators may choose to directly donate to organisations delivering against the national strategy. If operators choose the latter, the lion share of any donations must remain focused on treatment (i.e. GamCare & its network and Gordon Moody). Due-diligence by operators looking at direct donations might consider my points earlier.

- Operators might consider a wider approach to funding and perhaps embrace a more coherent Corporate Social Responsibility (CSR) approach to also include employee skilled-volunteering. Charities such as YGAM would value this approach alongside any donations as it enables colleagues to volunteer in a purposeful way and to help their understanding of harm, especially where, as in our case, we are talking to teaching professionals every day.
- Finally, really pleased the Safer Gambling Week 2019 dates are now agreed for November 2019. Let's all work together to engage the wider public in this week's event and YGAM can certainly play its part here.

#### Government

- Continue to support calls for the statutory provision of PSHE in the curriculum and let's work together to position digital resilience and safer gambling or gaming as part of that (statutory) PSHE provision.
- Support an engaging and positive programme for parents – so we can take the conversations around safer gambling or gaming in to the living rooms up and down the country, very much like conversations around sexual health, relationships or being safe on-line.
- MPs to continue to support charities like YGAM to help us position our work in Parliamentary constituencies across the UK. Also we are keen to build an alliance of Parliamentarians, who may have views on the morality of gambling in the United Kingdom, but who can unite around a positive and impactful social action to minimise harm through education as a collaborative approach of charities, Local Authorities, operators and principle stakeholders working together.











