

Annex D

Review of Gaming Machines and Social Responsibility Submission

Name: George Kidd

Organisation: The Senet Group

Q5. What has been the impact of social responsibility measures since 2013, especially on vulnerable consumers and communities with high levels of deprivation?

The Senet Group campaigning and the commitments given and met by members, have delivered positive measurable outcomes in terms of addressing problem gambling.

The Senet Group introduced Enforceable Commitments for its members in 2015. Whilst membership of The Senet Group is voluntary, compliance with these Commitments is a requirement for membership. Breaches of any of the Enforceable Commitments can lead to sanctions and/or expulsion.

Ongoing commitments to responsible gambling messaging

All Senet Group members are required to set aside elements of their marketing content to encourage responsible gambling. The current Commitments include requirements that:

- Twenty percent of betting shop window advertisements must be dedicated to responsible gambling messages;
- Twenty percent of the area of TV advertisement end-frames must be dedicated to responsible gambling messages;
- Ten percent of all press advertisements must be dedicated to responsible gambling messages;
- All web and social applications must carry prominent responsible gambling messages, including homepages and social media sites.

All Senet Group messaging and the material carried by The Senet Group members is anchored in the message “When the Fun Stops - Stop”. This messaging and the broadcast advertising that has helped deliver it can be seen at <http://www.whenthefunstops.co.uk/>

We estimate that the cost of buying this volume of messaging would have been approximately £16m in 2015 and the same in 2016.

Responsible gambling messaging works

The Senet Group commissions regular research into the awareness and impact of its stand-alone responsible gambling messages on the public at large and with regular gamblers as a sub-set. The work is carried out by Bilendi, an independent market research company using an online omnibus of a nationally representative sample of 2,000 adults. *Ref: https://senetgroup.org.uk/wp-content/uploads/PDF-Docs/the_senet_group_march_2016_report.pdf

The most recent findings showed that 50 percent of the adult population recognised The Senet Group's responsible gambling campaign and that this figure rose to 75 percent amongst regular gamblers. Broad recognition was based on regular, and, in some cases, continuous messaging: occasional broadcast advertising by The Senet Group alongside the constant use of messaging within all advertising by members in print, in shops, online and on television.

Research shows that our campaigning has a considerable effect. Amongst the regular gamblers who were aware of the campaign, 38 percent said it had made them think about their gambling behaviours and 16 percent said that the campaign had helped them – at least once – to stop gambling more than they should.

In a sample group of 800 people, 21 percent of all adults agreed the campaign had “led me to warn other people about their gambling, if only jokingly”. If this sample is extrapolated to the adult population as a whole, it would equate to over five million adults. In the same sample, 64 percent of regular gamblers and 74 percent of all adults said the campaign had made them more aware that gambling can become a problem for some people.

Under each of these headings, researchers found 30 to 50 percent increases in awareness over a period of eighteen months.

The research did not target particular social groups. The response data from gamblers was data from people who considered themselves regular gamblers. The research did not seek to target gamblers who were problem gamblers or were at high risk of becoming problem gamblers.

Q6. Is there anything further that should be considered to improve social responsibility measures across the industry? Please provide evidence to support this position.

Yes, more can and should be done.

We see a case for a different pro-active approach to those in the 18 to 24 age group, better use of customer data for responsible gambling purposes, and new industry commitments to take responsible gambling messages online in a significant way. We suggest a levy on gambling advertising spend to fund an increase in stand-alone responsible gambling messages that are known to work.

The Senet Group is actively involved in a number of initiatives already under way. These include research into the most effective forms of messaging right across the gambling sector in preventing regular gamblers becoming problem gamblers. The project will deliver advice and a range of ideas and tools businesses can use in their communication with users. This is one of a number of projects being taken forward in partnership with the Industry Group for Responsible Gambling. In addition, The Senet Group has taken responsibility for managing the retail Multi-Operator Self-Exclusion Scheme, helping those who wish to self-exclude from United Kingdom bookmakers.

Our comments at this stage are limited to fields of activity within which The Senet Group engages and where we might be of assistance through the Enforceable Commitments we secure and enforce and the messaging activities in which we engage.

We believe strongly in the case for action on a number of fronts, rather than any assumption that complex problems can be addressed by action on any one front, be it levels of stakes and prizes, the volume of advertising or some other “fix”.

We believe thought has to be given to the nature of different problems and possible solutions and

to the most appropriate regulatory or other vehicle for delivering these solutions.

There are matters where it is possible and arguably essential for the duties on gambling businesses to be absolute and set out in statute or statutory regulation. But we can also see an increasing number of issues where forms of “soft power” and self-regulation and social responsibility by operators is necessary, if we are effectively to influence behaviours of operators and of those using gambling services. A genuine sense of ownership of a responsibility is arguably preferable to duties imposed from above.

The other consideration, as is evident with an Act that has now been in place for over ten years and the concept of “triennial reviews”, is that forms of self-regulation, possibly with some statutory under-pinning or endorsement, are likely to keep better and more responsive pace with developments and deliver faster and with less administrative burden.

Our suggestions

We see a case for a differential approach to 18 to 24 year olds. Research by the Gambling Commission (“Participation in gambling and rates of problem gambling 2015”) and equivalent research in Australia* and in the United States* highlights 18 to 24 year olds as being more ‘at risk’ to problem gambling. Similar research indicates that customers within that age group who contemplate an appropriate rate and then set a deposit limit, are more likely to bet sensibly as a result.

The Senet Group is exploring how its existing or new Commitments can be set in ways that deal specifically with this age group particularly when joining services to gamble online. We will look at the case for requirements or procedures unique to this community of new younger players, helping them manage their use of services and delivering responsible gambling messages and tools that positively enforce safe and controlled activity and help prevent problematic behaviour developing.

**Ref <http://phys.org/news/2016-03-young-men-biggest-problem-gamblers.html#jCp> Young men three times more likely to be problem gamblers in Australian Casinos.*

**Ref <https://www.ncbi.nlm.nih.gov/pmc/articles/PMC4405098/> 2008 US National institute of Health report regarding problems with adolescents being up to four times higher than for adults.*

Ongoing integrated responsible gambling messages. In relation to online services, The Senet Group and its members will look at how possible new Commitments can be created to dedicate percentages of poster, advertisement and TV advertising space which can be replicated online on web and mobile app landing pages in ways that maximise impact and their deterrent effects.

Social media: We want to see more responsible gambling messages shared via social media. The Senet Group members are committed to daily, and sometimes twice-daily, social media responsible gambling messages to customers. We believe others could join in this initiative.

We support a responsible gambling advertising levy: Given the evidence on the positive impact of stand-alone responsible gambling messages, we would argue for some link between the advertising of betting services or gambling services generally and stand-alone responsible gambling messages and other independent work to prevent problem gambling and support those with this difficulty.

This could be achieved through a form of levy on gambling advertising with the funds generated dedicated to stand-alone responsible gambling messaging and other responsible gambling

activity. The data in our response to Question 5., demonstrates the high impact targeted stand-alone responsible gambling messages can have on those at most risk and reports cross-industry investment in research on how these messages can be delivered to maximise effect.

Better analytics through loyalty cards: Operators should be required to explore how loyalty and reward cards can be used to give a deeper understanding of customer behaviour and information to support any interventions necessary when problem gambling trends are identified. This may be another example of where the issue is more cultural than regulatory in the traditional sense; where progress might be through voluntary commitments. This approach has been shown to work with the set of eight Enforceable Commitments given by The Senet Group membership since 2015.

Staff training: We see a related challenge in making effective personal interventions with those with a gambling problem. It is easy to underestimate the sensitivity and challenge in intervening in person, online or in a telephone conversation with someone an operator thinks has a gambling problem. Staff need practical training and support. They need “softer” listening and communicating skills if they are to get past forms of denial or obfuscation and make an informed decision and give the most helpful sign-posting for customers. The Industry Group for Responsible Gambling is conducting important research into issues with staff training. This work should be given wide distribution.

Self-exclusion schemes: The Gambling Commission has made clear its commitment to the principle of putting the customer first. The current and fragmented arrangements with self-exclusion schemes do not currently deliver on this goal. They do not address the fact that many of those with serious gambling problems and a need to self-exclude have these problems and that need exists across many or all gambling sectors. Asking that person to approach 4 to 5 different bodies using 4 to 5 different mechanics to self-exclude with each “provider”, does not seem to be putting the customer first, and is unfortunate when dealing with people whose lives have been damaged seriously by their gambling problems. Senet Group is keen to work with others with self-exclusion responsibilities to deliver more consumer-focused solutions.

In the meantime, The Senet Group is reviewing the retail bookmaker scheme for which it took responsibility, to test how it is seen from user, operator and staff perspectives, and is exploring ways in which digital advances could simplify and speed up exclusions and make it easier to spot those who are seeking to breach their promise to self-exclude.

Q7. Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising?

We recognise the concern expressed over the advertising and promotion of gambling services via broadcast advertising. Progress has been made but we see a need to address the feeling that advertising is excessive and to evaluate whether changes in tone and content or density or volume of advertising could be meaningful in mitigating the risk of problem gambling.

Gambling services are used by 30 to 60 percent of the population depending on the definitions used. These services are part of everyday life for millions. That is important context when considering any interventions. But it also means it is right to look with care at how services are marketed and there is the right framework of statutory and/or voluntary arrangements to ensure advertising is meeting the required standard and demonstrates social responsibility.

The issue needs to be understood and properly analysed before those involved take decisions that make a positive difference in addressing genuine concerns without adverse unintended consequences. We have seen concerns raised over volume, the density of advertising in some

circumstances and the tone and content of some material.

The Senet Group argues that the focus, in terms of outcomes, should be on any impacts broadcast advertising might have in relation to those who are vulnerable in terms of moving from social to problem gambling, the prevention of under-age gambling and the way in which gambling is seen, even at the margins, by youngsters as they move to adulthood.

The Call for Evidence makes reference to trends in the period from 2005 to 2012 and more recently. These are dramatically different worlds in terms of broadcasting and digital activity. There is a need for “caution and context” if looking simply at the volume of advertising.

We believe we should be informed in what we do by data and other evidence on advertising and the behaviours of children and those with vulnerability in relation to problem gambling. We recognise, however, that there is a need also to understand and respond to the concerns and perceptions that exist and to have an open mind over the need for change that demonstrates the social responsibility that comes with gambling and other age-restricted services.

This approach requires understanding, analysis and thinking within the sector, with broadcasters and media players. This, rather than arbitrary action based on some simple count of “spots” across hundreds of channels, seems most likely to deliver targeted action to deter problematic behaviour or gambling services being received by younger viewers in ways that are not socially responsible.

Children viewing gambling advertising

The Ofcom data on the volume of broadcast gambling advertising spots is quoted by the DCMS in the Call for Evidence. In relation to the specific, and often cited, issues of children and gambling advertisements during live sports events, we see the need to disaggregate the total number of advertising spots referenced by DCMS. Of the 1.4m gambling spots recorded by Ofcom in their report on 2012, only 6.6 percent relate to sports gambling and related broadcasting. This, alongside the Gambling Commission data below, is the context in which we should consider the issue with children as viewers of gambling services advertising.

We believe data from the advertising agencies who have been working with The Senet Group on our responsible gambling campaign is informative. Work conducted to analyse BARB data on all advertising from January 2016 to September 2016, shows 3.9 percent of all impacts from bookmakers’ broadcast advertising are seen by children. The equivalent figure for alcohol advertising is 4.0 percent, 5.4 percent for payday loans and 6.6 percent for high fat, sugar and salt (HFSS) products.

The 4 percent figure was reflected in the impact/viewing rates for a selection of individual matches and sports channel programming with impacts of between 3.2 percent and 7.8 percent when the average TV advertisement viewing attributed to children is 8.2 percent.

On this basis, and without complacency, it does not seem children are heavy viewers of bookmaker/online betting advertising in pre-watershed sports events relative to other content. What matters more is what they see and hear in terms of content. Other more recent data from broadcasters or the representative bodies in the advertising sector might validate or qualify this assessment.

Under-age gambling

The Gambling Commission reported in December 2016 updating previous work on gambling by

those aged 11-15.

The report set out a relatively static position with the incidence of gambling at 16%, similar to 2013 levels and down on a high in 2011.

The research again identified lotteries, private bets with friends and fruit machines as the only areas where more than 3 percent of children have participated. This would seem to reflect the clear duties on those offering betting and other gambling services to prevent under-18s from gambling and on compliance with these duties.

Care is needed in drawing conclusions just from the data in this survey and data on broadcast advertising but there is nothing in the information from 2011-2016 to suggest that children are trying or managing to gamble with the services that are advertised during live sports events with, perhaps, the limited exception of National Lottery products.

Ref: <http://www.gamblingcommission.gov.uk/pdf/Young-people-and-gambling-2016.pdf>

Problem gamblers and advertising

There is limited data on the impact of advertising on problem gambling. A report from 2009 from the University of Gothenburg stated that advertising, and broadcast advertising as a sub-set of all advertising, does not have a tangible impact on about 80 percent of those with problems and that few, if any, with acknowledged problems saw advertising as the main cause of their problems.

That cannot, however, be grounds for complacency and inactivity. If advertising is an aggravating factor for problem gamblers it must also pose a risk to those who gamble regularly and whose behaviours could take them into problem gambling if not addressed.

With gambling, as with other services and goods, there are those who struggle to manage their use of services and others who might fall into this trap. This is why all print, retail and broadcast advertising from The Senet Group members contains responsible gambling messages.

This is why we believe we should look beyond the data that will come from all quarters and reflect on what feels right in terms of social responsibility and in minimising the risk of others developing gambling problems.

In our answer to Question 6 we identify the 18-24 years old age group as one with a higher propensity to problem gambling and where action unrelated to advertising might be taken to target this group. If advertising can have a tangible effect on some problem gamblers and there is a higher risk of problem gambling in a particular age group it is logical to reflect on this cohort when looking at ideas and options suggested by Senet Group or by others.

Sport gambling and live broadcast events

The issue with gambling services in and around sports events attracts particular attention and might, for some, seem the sole or primary consideration.

This concern over the volume of advertising needs careful analysis, however, if we are to address risks, rather than perceptions. It is as important, when addressing a mixed viewing audience that includes some who may be vulnerable to strong calls to action and repeat betting, to reflect on the tone and density of advertising as well as its volume and impacts.

There has been a year-on-year increase in gambling advertising over recent years. The DCMS Call

for Evidence cites the top-level figure for all gambling impacts in 2005 and in 2012.

These come from the Ofcom report, "Trends in Advertising-Gambling 2013". The report breaks this information down between bookmaking, online betting, bingo, lotteries etc. This report showed that only 6.6 percent of all advertising spots in 2012 were specific to sports betting compared to online casino and poker which accounted for 36.2 percent of the total spots. 64 percent of the spots taken by gambling companies related to bingo, lotteries and scratch cards. Sports gambling accounted for 12.4 percent of all gambling impacts in that year.

The exercise needs also to take account of the exponential growth in the number of channels and broadcast hours committed to sports broadcasting and parallel growth in entertainment channels where other gambling services are regularly promoted.

Is there a case for action?

We believe there is a case for action, largely at industry self-regulatory levels.

Under-age gambling is declining as, reportedly, is the volume of gambling advertising seen by children. Gambling participation generally has declined over recent years, but the services are still used and enjoyed by millions.

Some problem gamblers are influenced by advertising and there are groups where the incidence of problem gambling has increased, particularly 16 to 24 year olds as referenced above. Given this and the fact that children do see this advertising, we believe it right to continue to apply a precautionary approach to gambling advertising, looking afresh at issues of volume, density and content.

We are not calling here for some simple numeric percentage reduction in advertising spots. The approach is hugely problematic in delivery terms, arguable largely or wholly without purpose in terms of impacts and of little value in addressing those at risk of problem gambling.

But any argument for thorough analysis involving the key players should not be seen as code for inactivity. We think action is needed and believe much of it is best delivered by non-statutory means:

- The Senet Group supports actions to address any advertising that is misleading or otherwise in breach of existing Codes;
- The Senet Group sees the case for a fresh examination of the cross-industry Advertising Code led by the Industry Group for Responsible Gambling that currently exists and for a review of its "fit" with changing social and business activities, most obviously with the move to digital services and online advertising;
- We are wary of proposing any prescriptive form of words regarding tone in advertising gambling services but recognise the concern that tone and content, while wholly in line with regulatory requirements and advertising standards, could imply a lack of responsibility on the part of those advertising. There is no barrier to the sector seeking to agree higher standards specific to the services they offer;
- The Senet Group believes that there is a case, for the sports betting community in particular, exploring the case for some further voluntary commitment reviewing how betting odds or other explicit calls to action are delivered during live sports;
- There is a need to understand the nature of advertising contracts, the management of use of advertising spots, the difference between spots and impacts, how any trend regarding gambling advertising sits alongside the growth in channels and broadcasting of live sports events;

- There is a case for an industry group exploring the “density” of advertising around “live sports”, at whether changes here or in bundling of spots or other contact arrangements could reduce the impression that gambling advertising is unconstrained. The Senet Group is ready to work with the lead bodies from broadcasters, operators, and advertisers on possible ways of managing these impacts;
- There is a case for an industry group exploring what changes could reduce the impression that gambling advertising generally is excessive. The Senet Group is ready to work with the lead bodies from broadcasters, operators, and advertisers on possible ways of managing this work. This exercise could include an evaluation by all involved of whether and what changes in tone, content and volume are meaningful as a mitigation against problem gambling.

Q8. Any other relevant issues, supported by evidence that you would like to raise as part of this review but that has not been covered by questions 1-7?

Our response focuses on issues for which The Senet Group has a direct responsibility and where we might play a role delivering responsible gambling behaviours going forward.

As a standards and compliance body, The Senet Group has not played a significant role to date in research work and educational initiatives. We do, however, think both are important in preventing problem gambling, particularly in relation to children of school age where there are obvious difficulties in calculating the impact of various factors that might play into how these young people use services as they pass the ages of consent for different forms of gambling.

We have highlighted the actions being taken to minimise under-age gambling and the downward trend in the incidence of problems with those under 16 alongside our view that we must be open to the case for doing more on a precautionary basis.

We strongly support the education initiatives which are already taking place in relation to youngsters. In recognition of this, we have provided a grant to the Young Gamblers Education Trust (YGAM), which is a UK-registered charity founded by a former problem gambler.

The social purpose of YGAM is to inform, educate and safeguard young people around the potential risks of problem gambling and social gaming. We are supporting YGAM’s charitable work in schools, youth groups and universities where they are currently delivering educational workshops around these issues. Trained practitioners are then supported to embed a curriculum around responsible gambling and gaming, alongside other PSHE (Personal, Social, Health & Economic) education subject areas such as SRE education (Sex & Relationships Education), digital literacy, alcohol and drug awareness. YGAM’s educational resources have gained the prestigious PSHE Association kite-mark and are accredited by the Ofqual-approved awarding body ASDAN.

Our grant has enabled YGAM to train over 140 practitioners from a variety of organisations that support young people’s learning. These practitioners have come from a variety of organisations including; Bernardos, MyBnk, YMCA, Princes Trust, over 60 different schools, two police forces and several local authorities. In addition, YGAM have delivered directly to pupils in schools and colleges through PSHE awareness days, reaching over 600 young people.

Our grant to YGAM comes to an end in January 2017, when YGAM expects to have trained over 170 practitioners in total during the period of investment. The Senet Group intends to publish the YGAM evaluation report on our website early in 2017.

Feedback from YGAM founder and CEO Lee Willows was positive:

“The grant by The Senet Group has been a huge enabler for our charity during its start-up phase. We have been able to deliver a large number of workshops over the year where we have trained professionals who have influence over young people’s learning. The response has been tremendous with a wide variety of delegates. Our evaluation report will outline specifically who we have trained, their comments to our workshop and how they have taken forward the work of YGAM locally. We will also share our learning as an organisation and how we have amended and further strengthened our workshop and educational resources in light of feedback.”

This is another form of social responsibility on the part of those funding the work, this particular activity is helpful in flagging the importance of considering the dynamics over time in how people generally and younger people in particular engage with gambling services and the importance of longitudinal analysis as well as “snapshots” at any given point in time.