

**ITV PLC RESPONSE TO DCMS CONSULTATION ON PROPOSALS FOR CHANGES TO GAMING
MACHINES AND SOCIAL RESPONSIBILITY MEASURES**

Introduction

ITV's response focuses solely on question 13 of the consultation: *"Do you support this package of measures to address concerns around gambling advertising?"*

ITV welcomes the government's decision to support the package of measures put forward to address concerns around gambling advertising; these measures are a sensible and proportionate response to the concerns.

A central part of this package of measures is the social responsibility campaign proposed by the broadcasters, gambling industry and GambleAware, which will run for two years with a budget of £5-7m, a scale which is equivalent to or larger than major Government public awareness campaigns.

There is already a considerable amount of energy behind this campaign, with significant progress being made around the governance and delivery arrangements for the new Campaign Board:

- Professor Sian Griffiths OBE (a GambleAware trustee, Chair of the Global Health Committee and Associate Non-Executive member of the Board of Public Health England and Trustee of the Royal Society of Public Health) has agreed to serve as Chairperson of the Campaign Board, bringing with her a wealth of experience in public health.
- Work is underway to establish a Campaign Board of ten including representatives from GambleAware and public health bodies across the UK, and four industry members representing the Remote Gambling Association, Senet Group, Advertising Association, and the broadcasters.
- GambleAware is in discussions to appoint a Campaign Director, and has secured additional space at its offices in Covent Garden to accommodate the Campaign Director and the campaign's delivery unit.

We look forward to supporting the campaign board as it continues to make progress.

To reiterate, the reason we believe this package of measures is the right response to the concerns around gambling advertising is that evidence demonstrates that on all the key relevant metrics there is even less of a case for further television advertising restrictions than there was in 2014, when the government-initiated four strand review of gambling advertising found that in broad terms the current rules were effective, that non-compliance was low and that the regime was largely in step with public opinion. As the government's consultation states, that review *"concluded that there was no evidence that would justify further restrictions at that time."* We set out below, in summary, the evidence on which our conclusion rests and which we have already submitted at length last year.

Young people's exposure to gambling advertising on TV is very limited has been in decline in recent years and has little effect on children's behaviour in any event

Ofcom carried out extensive analysis of gambling advertising on television in 2013. This work showed that annual gambling advertising impacts for children (under 16) were on average 211 - around 4 adverts per week, a number of which are post 9pm in any event.¹ We updated that exposure information to the end of 2015 using the same methodology and sources as Ofcom in 2013. As the data tables in our submission last year showed:

- Since Ofcom's study in 2013, the number of advertising impacts for children under 16 has declined by 12% to 185 per year in 2015 – i.e. to around 3.6 ads per week.
- 3.6 adverts represent around 1.8% of all children's advertising impacts and approximately 0.2% of the average 779 minutes of weekly total TV viewing for 4-15 year olds.
- The fall in exposure was more pronounced than the average amongst the older age group – the 10-15 year olds. Here, gambling impacts have declined from 261 per year to 218, in other words a fall from 5 adverts a week in 2012 to just over 4 in 2015.
- The data also shows that children's exposure to gambling adverts has declined significantly more over the period than the decline in their exposure to all television advertising in general, indicating that the existing regime to protect children from exposure to gambling advertising is working effectively. In fact, for all children aged 4-15, the number of gambling impacts has declined more than twice as much between 2012 and 2015 as the total number of advertising impacts (-13.2% vs -5.5%).

Whilst advertising exposure data is of interest, it is clearly also important to look at whether that advertising (which cannot be designed to be attractive to children) has any effect on them. In this context, as can be seen from the table below, the Gambling Commission research from 2016 indicates that the small and declining exposure of children to gambling advertising has a vanishingly small impact on their actual participation in gambling. This is consistent with the fact that, as we set out below, both participation in gambling and problem gambling amongst young people have been in decline since 2007 (the year when the liberalization of gambling advertising on TV came into force following the 2005 Act). As the Gambling Commission report says:

"Based on the claims of respondents, we found little evidence of a direct influence on gambling activity. When presented with a set of statements describing the impact on their gambling activity, for both gambling adverts and social media posts, no more

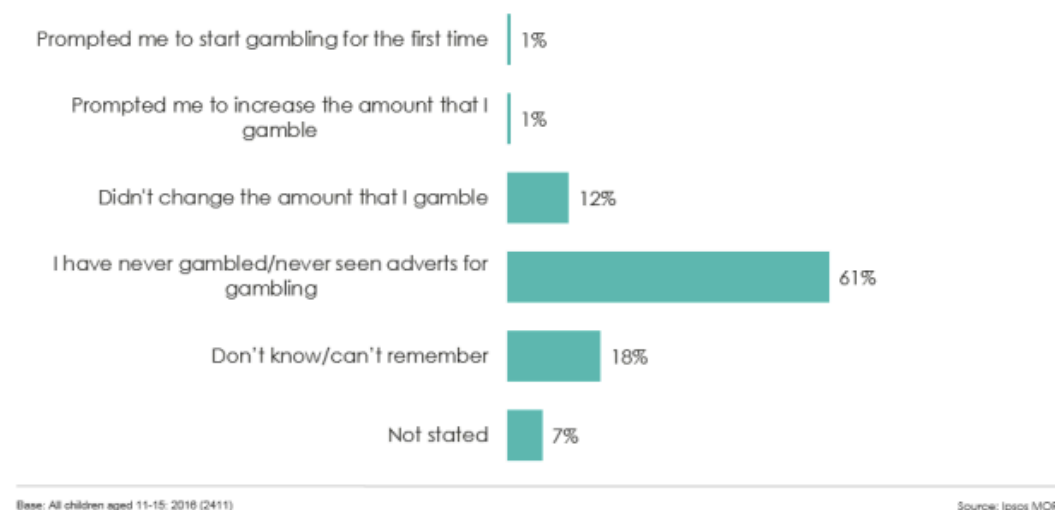
¹ <https://www.ofcom.org.uk/about-ofcom/latest/media/media-releases/2013/ofcom-publishes-research-on-tv-gambling-adverts>

than 1% of all 11-15 year olds selected "It prompted me to start gambling for the first time" or "it promoted me to increase the amount that I gamble"².

Impact of seeing gambling advertisements

GAMBLING
COMMISSION

Q Which of the following statements best describes your gambling activity after seeing adverts for gambling companies?



In other words, some exposure of children to gambling advertising which is not targeted at them has not driven participation.

Furthermore, if an argument were to be advanced that there is a social issue around rates of problem gambling amongst young adults (notwithstanding that the rates of problem gambling in that group, as with all others, are low) it would be very hard to argue that exposure to gambling advertising on television was driving this. This is case because the data shows that there has been a significant decline in the number of gambling adverts that age group has seen on television, with the total number of gambling impacts amongst 16-24 year olds down by 7.8% between 2012 and 2015.

Children's TV consumption is declining -- they are increasingly consuming less broadcast TV and more online media.

There is no evidence to suggest that these exposure trends will not continue. The detailed 2016 Ofcom research³ (published before the original consultation) shows that children are moving away from linear television and towards online media. The Ofcom research showed, for example, that for the first time 5-15 year olds spend more time online than they do watching TV. This has been driven both by a decrease in the amount of time

² Gambling Commission, Young People and Gambling, November 2016, page 19

³ Ofcom: Children and Parents: Media Use and Attitudes report 2016

<https://www.ofcom.org.uk/research-and-data/media-literacy-research/children/children-parents-nov16>

children are spending watching TV and a significant increase in the amount of time they spend online. These conclusions are clearly supported by the Barb data around children's viewing over the past few years.

Tightening the already strict linear broadcasting regime will not address the large and growing amount of online activity by children. But nor would it address the part of the media landscape that parents are actually most concerned about in relation to their children.

The Ofcom research showed that parents are more concerned about the time their child spends online than the time they spend with any other medium, with television the medium that parents are the least worried about. In fact, the Ofcom research showed that parents are less likely to even consider TV viewing 'screen time' in the way that smartphone, tablet or gaming usage is, since *"watching TV is increasingly seen as a family activity"*⁴

This concern perhaps reflects, in part, the fact that a substantial proportion of children now have a social media profile, including 50% of all UK 12-year-olds, despite the fact that the minimum age for having a profile on Facebook, Instagram, Snapchat, YouTube, Twitter and Google+ is 13⁵ – and close to three in ten 12-15 year olds visit their main social media account more than 10 times a day⁶. Content on these sites, which operate in a very different regulatory environment, is therefore likely to be increasingly influential to children.

Against this backdrop, we are concerned that the government is focusing increasingly on the wrong medium, potentially seeking to intervene where it is easiest and not where intervention might be needed and on the basis of a historical view rather than an evidence based assessment of the issue today. In this context, we would note that in announcing the conclusion of the previous review on gambling advertising the minister said that:

*"I want to see gambling operators, regulators and social media firms come together to examine if more needs to be done to ensure that marketing for gambling products is not reaching young people through social media"*⁷

It would seem appropriate for this examination to begin in the near future given current media trends.

Underage participation in gambling has fallen steadily since 2007 and rates of problem gambling by under 16s have decreased dramatically since 2008/9 to very low levels

The available evidence shows that children's actual participation in gambling is declining, notwithstanding the arrival of gambling advertising on TV when the law changed in 2005.

⁴ Ibid, page 11

⁵ Ibid, footnote 36, page 74

⁶ Ibid, page 76

⁷ Gov.uk, "Gambling Industry Toughens code on television adverts", Press Release, 20 August 2015

For instance, the National Lottery Commission study in 2013⁸ found that gambling amongst 11-16 year olds had declined substantially between 2007 and 2013. The most significant contributor to the remaining participation was via an adult purchasing a national lottery ticket which is permitted in law.

Similarly, the Gambling Commission's own research shows a 27% decline in participation rates for 11-15 year olds between 2007 and 2016⁹. This is significant as it covers the period immediately after the liberalization of gambling advertising on TV which came into force in 2007 (following the 2005 Act).

Amongst those children who have participated, the frequency of participation is very low – as the Gambling Commission report says:

“The most common frequency of 11-15 year olds spending their own money on each of these types of gambling is once or twice a year”¹⁰

and within that, the activities with the greatest frequency are National Lottery Scratchcards and Lotto, (both being overwhelmingly bought by parents¹¹) along with betting amongst friends.

As is illustrated below, the Gambling Commission's research also shows a very substantial decline in the rates of “problem” gambling amongst 11-15 year olds between 2008/9 and 2016, with problem gambling amongst that age group at just 0.4% in 2016¹². Again, this time series is important as it covers the period immediately following liberalisation of gambling advertising on TV.

⁸ National Lottery Commission (2013), Young People Omnibus 2013: A research study on gambling amongst 11-16 year olds.

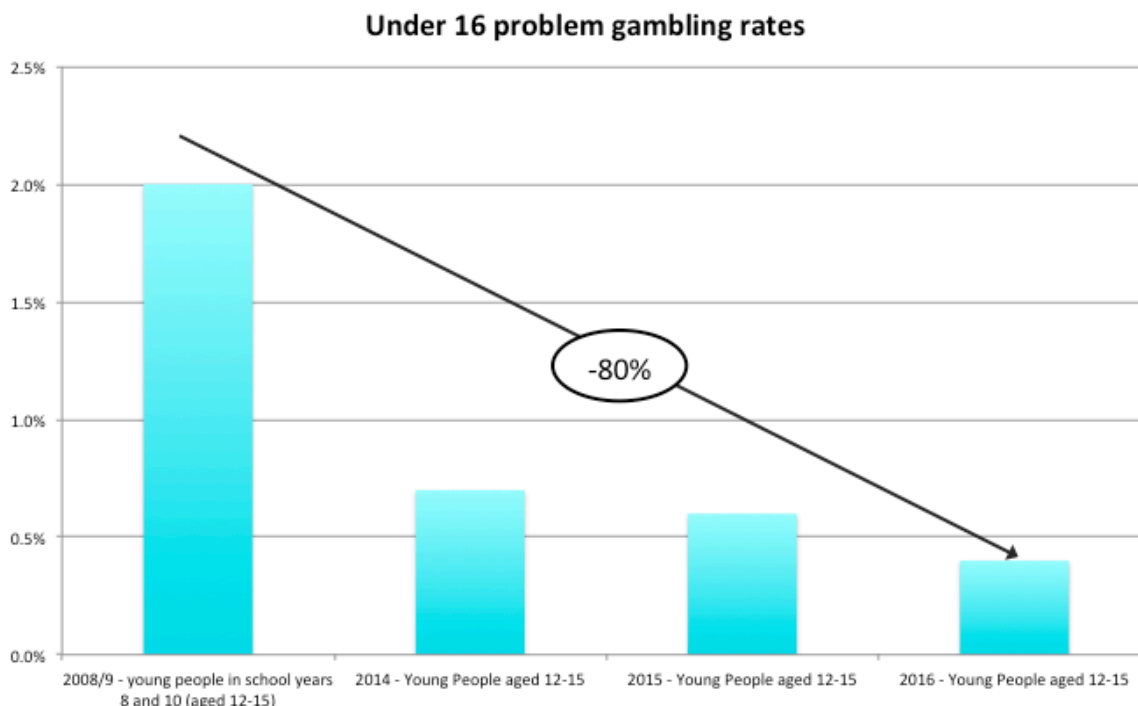
⁹ Gambling Commission, The Prevalence of Underage Gambling 2016. Page 7, Data shows the proportion of 11-15 year olds who had participated in any form of gambling in the past week.

¹⁰ Ibid p.10

¹¹ Ibid p.26 and 27

¹² Gambling Commission, The Prevalence of Underage Gambling 2016

<http://www.gamblingcommission.gov.uk/docs/The-Prevalence-of-Underage-Gambling-2016.xlsx>



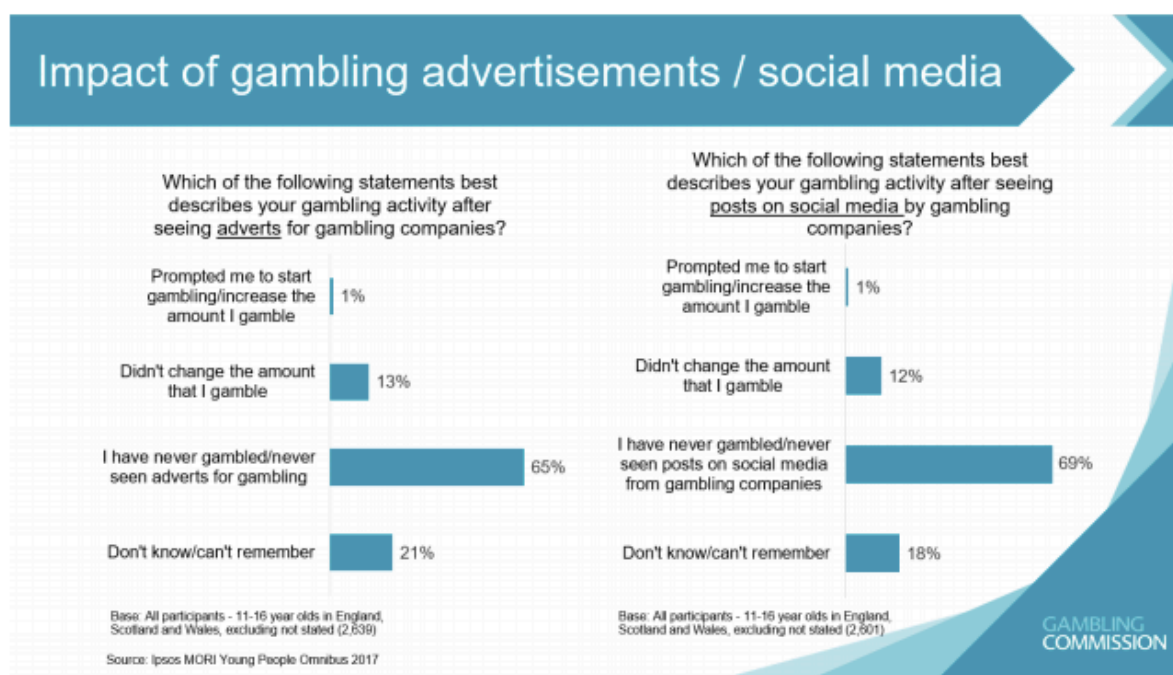
Additional evidence published after the Government's consultation supports the fact that there is no case for further advertising restrictions

Since the Government published its consultation in October, the Gambling Commission has published the Young People and Gambling 2017 report, which adds to the weight of evidence that there is no case for additional advertising restrictions.

Critically, there is a continued decline in participation in (and therefore interest in) gambling amongst young people, with the latest research showing 12% of 11-16 year olds had spent their own money on a gambling activity in the past week, a 25% reduction on the previous year and, as the report stated, *"a continuation of the longer-term decline seen since 2011, when 23% of 11-15 year olds in England and Wales had gambled in the past week."*¹³

The research also showed that the even when young people do see gambling advertising (and as noted above, the actual number of TV gambling ads that children have seen has declined significantly since 2013), the impact remains absolutely minimal, with the number of young people who say that seeing a gambling ad prompted them to start gambling or increase the amount they gamble remaining flat at 1%:

¹³ Gambling Commission, Young People and Gambling 2017 <http://live-gamblecom.cloud.contensis.com/PDF/survey-data/Young-People-and-Gambling-2017-Report.pdf>



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Ofcom has also published a new version of its detailed research on children and parents' media use and attitudes¹⁵ which shows that the trends set out above have continued to intensify, with children aged 5-15 continuing to spend more time online than watching TV and with older children in particular spending even more time online than watching TV than ever before.

YouTube now has a higher level of brand awareness amongst 12-15 year olds than the BBC or any other public service broadcaster; and twice as many 8-11s and three times as many 12-15s say they prefer to watch YouTube videos than watch TV programmes on a TV set.

Again, this is reflected by the fact that parents' concerns around their children's media exposure is increasingly focused around the internet. Ofcom's research shows that levels of concern amongst parents about their children's media use are 35% higher for the internet as they are for TV.

These updates to the existing research base reinforce the fact that any further restrictions on television advertising would be misplaced.

¹⁴ Ibid

¹⁵ Ofcom, Children's and parents' media use and attitudes 2017

https://www.ofcom.org.uk/data/assets/pdf_file/0020/108182/children-parents-media-use-attitudes-2017.pdf

