



Gambling Related Harm APPG

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Date: Tuesday 2nd February 2021

Time: 2:30pm

Location: Virtual

Chair: Carolyn Harris MP

Minutes taken by: Chloe Sercombe, Interel UK

Members Present

- Carolyn Harris MP
- The Rt Hon. Sir Ian Duncan Smith MP
- Ronnie Cowan MP
- Margaret Ferrier MP
- Lord Foster of Bath

External Guests

- Dr James Noyes - Social Market Foundation
- James Grimes - The Big Step
- Martin Cruddace – Arena Racing Company
- Colin Hord – Horseracing Bettors Forum
- Natalie Ledward - Monzo
- Matt Zarb-Cousin – Clean Up Gambling
- Liz Ritchie – Gambling with Lives
- Katherine Morgan – Interel Consulting UK
- Holly Ramsey – Interel Consulting UK
- Chloe Sercombe – Interel Consulting UK

Minutes of the Meeting – 2:30pm – 3:30pm

CAROLYN HARRIS MP started the meeting and welcomed all the guests. She asked **DR JAMES NOYES** to speak first.

DR JAMES NOYES began discussing the article in the Sun on £100 limits that would result in a loss of £60 million to racing. He said that the claim is based on the assumption that the regulator wants to impose a hard limit of £100 per person but said that the Social Market Foundation does not propose this limit. He said that it is unconventional for research to be presented in this way without being published and held up to scrutiny – this is why gambling reports are referred to as ‘dodgy dossiers’.

DR JAMES NOYES said that the evidence for £100 limit is robust as it is not just the Social Market Foundation that draws this conclusion. It is arrived at from an assessment of minimum income standards which concluded that £100 was the minimum amount needed for vulnerable households to sustain a minimum standard of living. He said that affordability should be an ‘invisible hand’. He said that there was a huge desire for the industry to get a single standard view on affordability and that while government might play a role in setting the legal and policy framework, regulators should be independent.

CAROLYN HARRIS MP said that the APPG has never criticised the horse racing industry or talked about the industry. She said that it is an activity within the gambling world that has never been brought to her attention as a problematic section.

COLIN HORD said that the Horserace Bettors Forum serves to assist those who bet on horse racing and that he was not here to represent betting companies. He said that they fundamentally believe that bookmakers need to be spending more time assisting and working with those who have problems with their gambling. He said that many



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people who bet on horse racing take their gambling seriously and that the horse racing industry can figure out who has a problem with gambling and can help them.

COLIN HORD said that the Horserace Bettors Forum has submitted a consultation response but that they are not sure what is being proposed or the limits that will be put in place. He said that a number of bettors have contacted them who are undergoing affordability checks and said that they are quite intrusive and require a lot of information on income, savings and tax returns and that the forum doesn't see this as appropriate for small amounts of money. He said that he believed there should be cross-fertilisation on those who are betting on online casinos and horse racing betting which they have mentioned in their consultation response. He said that 7 million people enjoy betting on horse racing and that 99.5% do so without any signs of problems – this means that a proportionate approach should be taken on affordability. He said that gambling industries need to put welfare at the heart of their industries.

MARTIN CRUDDACE said that there is a legitimate case for looking at affordability and that he was not personally impressed by libertarian arguments. He said that he did not believe that affordability should be looked at in isolation as while the amount lost is an important marker of harm, there are also 24 markers of harm. He said that out of 100 customers who bet on horse racing, propensity to be a problem gambler is 3 – this is 3 too many. He said that if RMG (media company) did a survey of their customers and 56% said they would not go through affordability checks, we could lose some or all of their customers from betting on horse racing when they haven't got a problem with gambling.

MARTIN CRUDDACE said that PWC may have overstated the propensity of the problem gambler to go to the black market. He said that we can all agree that the betting industry can do more on problem gambling. He questioned why so many companies who are sponsored on shirts are based off-shore.

CAROLYN HARRIS MP said that **MARTIN CRUDDACE's** understanding is coloured by the side of the gambling industry and the commission. She said that some things he mentioned have not been her experience. She said that she has always said the black market was an issue but not the issue that the industry would have you believe and that we have been through this with the FOBT argument.

DR JAMES NOYES said the consultation is an opportunity to review evidence. He said that no one is talking about a hard limit of £100 per month and that the gambling commission needs to hear the message: a threshold is being proposed, not a hard limit. He said that we need to consider how to make affordability checks less intrusive for members of Mr Hord. He said that data already exists for those who gambling online but questioned who controlled this data – is it operators or an independent regulator? He said that something needs to be done about the practice of cross selling between less harmful products and more harmful products.

DR JAMES NOYES said that affordability is not the only marker of harm, there is also advertising, inducements, and offers. He said that the track record of elements of the industry is to resist reform. He said that the revenue of racing does not depend on problem gambling in the same way that other forms of gambling do, such as online slots. He said that online casinos do not engage with the APPG.

DANIEL CHANDLER said that he was a survivor of a gambling related suicide attempt. He said that affordability has to happen across the board to protect everyone – and then have a more detailed look into sectors. He said that he was a heavy football punter and cross selling is where he was targeted. He said that he was not vulnerable until he was exposed to gambling. He said that there were no real limits to his gambling, he was able to gamble in betting shops and online. He said that he crossed a threshold that would exploit his situation rather than an affordability one.

DANIEL CHANDLER said that he was never spoken to apart from one organisation after he hit a £70,000 threshold. He said that he failed to understand where the threshold is because at this point he was a million pound in debt due to gambling. He said that when he was checked up on his first instinct was to talk his way out of it but they wanted evidence. He said at this point he was able to reflect on his gambling and he contemplated his situation before betting again. He said that UK regulators don't want you to be mugged by a person overseas but that they want to mug you themselves. He said that we should regulate well and deal with the aftermath if there is one. He said that if you asked people to provide evidence, the majority of people who will struggle to do so will be problem gamblers but if they get the same feedback from every operator then the person can reflect. He said that the relationship between the operator and the gambler is grooming and destructive and that we need to put in protection for these people.

CHARLES RITCHIE said that gambling harms can happen at low levels of expenditure. He said that affordability can be a preventative measure. He said that if there had been a rigorous affordability at around the £100 mark his son



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Jack would have been picked up as a school boy, a student, and at his first job. He said that he would still be alive today if there had been an affordability check.

NATALIE LEDWARD said that Monzo is a digital only bank that is on your smartphone. She said that they have grown their customer base to around 5 million in the UK. She said that visibility and control is at the heart of what they do – they want to give customers the power to manage their finances. She said that Monzo was the first in the UK to roll out a friction based gambling block. She said that she thought the gambling review was an opportunity to level up the solutions in the financial services section. She said that Monzo introduced a block in 2018 after customers asked for it.

NATALIE LEDWARD said that on Monzo, when someone spends, each transaction is tagged with a transaction code that tells you what transaction is carried out – this allows you to set limits on groceries, cinema, and now for gambling. She said that if a customer tries to spend on their card at a gambling merchant then it declines. She said that it is easy to turn on but it is harder to turn off – you have to reach out to customer support and wait 48 hours to gambling. She said that Monzo is lucky to have a specialist team who are trained to manage conversations about gambling. She said that we need to discuss additional needs for customers too as the block is not the silver bullet but recommended as a part of other measures such as GamBan. She said that gambling firms already have access to data to build up a picture of affordability and that every customer should have a gambling block regardless of how they gamble.

PAUL BLOMFIELD MP asked **MARTIN CRUDDACE** how far the intrusion comment was valid? He said that the industry is trying to get on the front foot in relation to the argument on harm.

MARTIN CRUDDACE said that from his experience at Betfair, they always tried to stay one step ahead of regulation. He said that rightly or wrongly there is a cohort of people who will be reluctant to share bank statements but who will still pass affordability checks. He said that if affordability can be done non-intrusively this would go a long way.

RONNIE COWAN MP said that we have heard consistently that people will find a way of gambling and that every obstacle we put in the way helps. He said that every intervention is hugely important. He said that he wondered if we push people away from recognised form of gambling we might open up an avenue to black market gambling.

LORD FOSTER said that he understands that betting on horse racing is very different from betting online and in casinos. He asked **MARTIN CRUDDACE** what questions people were asked in the survey that said 66% of people would stop betting on horse racing if affordability checks came in.

MARTIN CRUDDACE said that he would forward the exact questions but that the questions were similar to 'once you have lost £100 in a calendar month, would you be comfortable about disclosing your proof of income?' He said that this is akin to your bank statement and tax returns.

LORD FOSTER asked when **MARTIN CRUDDACE** was at Betfair – if he wanted to become a customer what data he would have to provide?

MARTIN CRUDDACE said that it depends. He said if you're going to bet 2 pounds then no one will ask more than an address and name. He said it is similar to what you have to offer to open a bank account – name, address, proof of residence, driving license and passport. He said it depends on hitting a certain threshold.

CAROLYN HARRIS MP asked where the 60 million figure came from.

MARTIN CRUDDACE said that it was commissioned from experts and from his own knowledge/media rights that they get from horse betting. He said that it was based on an assumption and no one knows how much will be lost. He said that Regulus Partners wrote the report.

IAIN DUNCAN SMITH MP said that if there was an affordability limit then people will no longer gamble. He said that he did not think that people will disappear off gambling when you try to ascertain how much they can afford.

MARGARET FERRIER MP asked **NATALIE LEDWARD** what the role of wider financial services was.

NATALIE LEDWARD said that there was a sense of positivity in the industry but that stuff was not happening quick enough.



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JAMES GRIMES said that we can be short sighted as a lot of the debate is centred around addicts. He said that it should be a wholly preventative measure for young people and that the idea of spending more than £100 should be ludicrous for young people.

JAMES NOYES said that the industry made the link between enhanced affordability checks and harm prevention. He said that the digital solution in a digital age is affordability checks.

CAROLYN HARRIS MP thanked everyone for attending the meeting and suggested further discussion between the APPG and the horse betting industry. She said that the APPG's primary concern has always been the damage that online gambling causes.

CAROLYN HARRIS MP closed the meeting at 3:30pm.