

Citation: Swanton T. B., Gainsbury, S. M., & Blaszczynski, A. (2019). The role of financial institutions in gambling. *International Gambling Studies*, 19(3), 377-398.
<https://doi.org/10.1080/14459795.2019.1575450>

This is an Accepted Manuscript of an article published by Taylor & Francis in *International Gambling Studies* on 14 Feb 2019, available online:
<https://doi.org/10.1080/14459795.2019.1575450>

The Role of Financial Institutions in Gambling

Abstract

Financial institutions have an obligation to uphold rigorous corporate governance and risk management practices. However, they also have corporate social responsibility for assisting customers in enhancing and maintaining a state of financial wellbeing. Financial institutions play a role in facilitating gambling transactions in many instances, including potentially providing credit to customers experiencing gambling-related harms. Consequentially, this paper reviewed the role of financial institutions in gambling and considered various ways in which policies and practices could be enacted to enhance customer wellbeing. The review, which focused largely on Australia, found limited evidence of any bank policies specifically regarding gambling, despite a potential minor increase in awareness of the importance of such policies. Behavioural economics and psychological approaches may be promising frameworks to guide the development of policies to assist customers in limiting their gambling to affordable levels. Financial institutions may consider implementing products and resources for customers seeking assistance in managing their gambling expenditure, as well as appropriate processes for the disclosure of gambling problems and strategies to detect potentially risky transactions. It is likely that there will be increased government and community scrutiny over the role of financial institutions in gambling. A proactive effort to enhance customer wellbeing could have broad positive outcomes.

Keywords: gambling, banking, corporate social responsibility, business ethics, consumer protection

The Role of Financial Institutions in Gambling

Since the 2008 Global Financial Crisis, financial institutions have faced increased scrutiny from regulatory and supervisory agencies over corporate governance and risk management practices (Financial Crisis Inquiry Commission, 2011; Härle, Havas, Kremer, Rona, & Samandari, 2015). On a global scale, the crisis exposed numerous failings of financial institutions in policy and practice that brought about serious consequences at a macroeconomic level, but also felt severely by individual consumers (Reserve Bank of Australia, 2014). In Australia, banks have been publicly criticised for neglecting to manage risk appropriately and failing to meet emerging social expectations, culminating in the Federal Government declaring a royal commission into the banking sector, due to hand down its report in early 2019 (Laughlin, 2018). Much of this discourse relates to excessive charges, imprudent lending practices, inappropriate financial advice, and improper conduct by bank employees. However, one area of financial institutions' activity that remains largely unexplored in academic literature, as well as public discourse, is their role in gambling. This gap is concerning considering the critical role that financial institutions play as a conduit for gambling transactions, especially with the increasing popularity of online gambling which almost exclusively relies upon electronic transactions facilitated by financial institutions (Blaszczyński et al., 2015; Department of Social Services, 2016; Gainsbury et al., 2011; Griffiths & Barnes, 2008). Given their key role as an intermediary in gambling transactions, financial institutions have an opportunity to instigate strategies designed to prevent and/or reduce exposure to burdens for those vulnerable to experiencing harms related to gambling.

The prevalence rate of problem gambling is around 1% in most jurisdictions where this has been measured (Abbott, Romild, & Volberg, 2014; Gainsbury et al., 2014; Wardle, Griffiths, Orford, Moody, & Volberg, 2012; Welte, Barnes, Tidwell, Hoffman, & Wiczorek, 2015). Around six additional people (e.g., family and friends) are affected by each problem

gambler, with harms experienced by the broader community including family breakdown, reduced productivity, bankruptcy, crime, and poor mental health (Goodwin, Browne, Rockloff, & Rose, 2017). Financial harms, including reduced household net worth, debt, and bankruptcy, have been identified as one of the most important indicators of the adverse effects of gambling (Blaszczynski et al., 2015). Reduced savings, doing without goods including necessities, and debt are among the five most common impacts of gambling in terms of harm, according to recent Australian research, along with worry and frustration, which may be associated with financial difficulties (Shannon, Anjoul, & Blaszczynski, 2017). In Australia, it has been estimated that problem gamblers contributed AUD \$6.15 billion to gambling revenue in 2011/12, with many incurring sizeable debts in proportion to their income (Blaszczynski et al., 2015). Access to cash through in-venue ATMs and EFTPOS facilities and the ability to use credit for gambling transactions constitute major risk factors behind such trends by increasing accessibility to funding for gambling activity.

Whilst governments have a fundamental role in regulating gambling environments, financial institutions are also key players in shaping the nature of these environments. For example, in Australia, the four major banks, which possess 73.1% of the market share of total lending in Australia, allow gambling transactions on credit cards, and cash withdrawals from ATMs and EFTPOS in gambling venues (PricewaterhouseCoopers, 2016; Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry, 2018). In contrast, a number of other financial institutions (e.g., American Express, Bank of Queensland, Citibank, Suncorp Bank, Virgin Money, and Bendigo Bank) have prohibited the use of credit cards for gambling transactions, but most do not appear to have made any public comment about their rationale for doing so (Bradney-George, 2017; South Australian Financial Counsellors Association, 2016). A number of banks, such as Bank Australia Limited (Bank Australia Limited, 2017), are currently reviewing their policies regarding

gambling, citing the effects of problem gambling on individuals' finances, relationships, and mental health as reasons to consider blocking gambling transactions on their credit cards. To date, there is little evidence of banks considering similar restrictions on individual consumers relating to other problematic risk-taking behaviours with potential financial harms (e.g., excessive shopping), aside from fraudulent or illicit activity. The Australian Government responded to the 2015 Review of the Impact of Illegal Offshore Wagering by committing to prohibit wagering providers from providing lines of credit to consumers. The currently proposed National Consumer Protection Framework prohibits direct links from online wagering operators to payday lenders (Department of Social Services, 2017). This has occurred during a period of escalating calls from consumer protection advocacy groups, such as Financial Counselling Australia (FCA), for financial institutions to be banned from offering credit for consumer gambling transactions (Department of Social Services, 2016; Financial Counselling Australia, 2017; UCA Funds Management, 2016). Such appeals have also been made in the United Kingdom amidst a government review into gambling regulation (Davies, 2018; Etches, 2018; PokerNewsReport.com, 2018).

There is an increasing expectation for financial institutions to conduct business in an ethical and socially responsible manner (Scholtens, 2009). This expectation is driven by a broad range of factors, including competitive, societal, political, regulatory, media, and ethical influences (Ali, Frynas, & Mahmood, 2017; Darus, Mad, & Nejati, 2015; Marin, Ruiz, & Rubio, 2009). In addition to financial institutions having an important role in creating a stable macroeconomic environment, they exert significant influence over the stability and sustainability of the finances and livelihoods entrusted to them by individual consumers (Griffiths, 2007). For this reason, financial institutions operate in a highly regulated environment and have a widely recognised responsibility for enhancing the wellbeing of customers, and of society more broadly (Castelo, 2013). Thus, financial institutions typically

devote considerable resources to corporate social responsibility (CSR) activities. The business case to develop and implement successful CSR strategy has received significant attention in academic literature (Carroll & Shabana, 2010). The ethical implications of CSR for corporations involved in the gambling industry more broadly have been the subject of debate (Leung & Snell, 2017; Lindorff, Prior Jonson, & McGuire, 2012; Miller & Michelson, 2013; Prior Jonson, Lindorff, & McGuire, 2012). Given the importance of financial harms as an indicator of problem gambling, and the widely recognised responsibility of banks to enhance the financial wellbeing of their customers, there is reason for financial institutions to have effective strategies in place to minimise financial harms for their customers.

Insights into financial decision-making are useful for understanding consumer gambling behaviour, given a number of similarities in the decision-making processes involved (Hurla, Kim, Singer, & Soman, 2017). Despite there being an extensive body of research exploring consumer financial decision-making and mental accounting (Kahneman & Tversky, 1979; Thaler, 1980; Thaler & Johnson, 1990), there is a paucity of literature applying these findings to financial institutions' policy and practice in response to consumer gambling behaviour. Advances in the field of behavioural economics offer potential avenues for developing a more sophisticated theoretical framework for understanding the role of financial institutions in gambling. This includes considering institutional responsibility in reducing information asymmetries, improving financial literacy, and establishing an environment conducive for individual consumers to make informed decisions (Altman, 2012). This scoping review aims to consider the role of financial institutions in gambling and minimising related harms by reviewing the existing academic literature and conducting an environmental scan of non-academic documents. The paper provides a descriptive overview of the literature, exposes gaps in the discourse to date, and identifies potential targets for policy and interventions. The findings have implications for policy makers, financial

institutions, and relevant stakeholders, such as consumer advocacy groups, and may extend to other problematic risk-taking behaviours involving potential financial harms for consumers.

Methodology

To complete a scoping review of the academic literature, Scopus, Web of Science, PsycINFO, and the ABI/Inform Collection were searched using the following keywords: ‘financial institution’; bank; gambl*; policy; wellbeing; ‘financial hardship’; credit; sustainability. Literature was selected from peer-reviewed journals. In addition, an environmental scan was conducted to gain an overview of current policy and practice of financial institutions with regards to gambling. For the purposes of this study, the focus was limited to financial institutions that provide services directly to consumers, such as banks and credit unions. The aforementioned keywords were used in the environmental scan for searching Google to identify and subsequently analyse relevant non-academic documents, such as reports, newspaper articles, submissions to parliamentary committee inquiries, and financial institution policy documents. The websites of Australia’s four major banks (Australia and New Zealand Banking Group Limited (ANZ), Commonwealth Bank of Australia (CBA), National Australia Bank (NAB), and Westpac Banking Corporation (Westpac)) were also searched for relevant publicly available information and documentation using the said keywords. This search was conducted using the Google Advanced Search function to narrow the search according to website. The environmental scan was not exhaustive, given it was not possible to review documentation that was not publicly available, such as internal policies, standards or procedural documents of financial institutions. All searches were conducted between November 2017 and February 2018.

The role of financial institutions as intermediaries in gambling transactions

The present-day ubiquity of electronic funds transfer as a payment method means that financial institutions are a key participant in the majority of financial transactions. For

example, in an online credit card transaction, there are usually five parties involved: the cardholder, the card issuer (e.g., the bank or other financial institution), the card payment system (e.g., Visa, MasterCard), the acquirer (e.g., the bank receiving the funds on behalf of the merchant), and the merchant (e.g., an online gambling provider) (iBus Media Limited, 2011). The Reserve Bank of Australia (RBA; 2018) reported that, as of November 2017, there were 16.7 million credit and charge card accounts in Australia with a total outstanding balance of AUD \$52.2 billion, and a total credit limit of AUD \$152.6 billion. The RBA's latest survey of consumer payments revealed that the trend away from cash and cheque payments towards debit and credit card payments continues to grow amongst Australians, with debit and credit/charge cards accounting for 52% of total payments in 2016 (up from 26% in 2007) from over 1,500 participants surveyed (Doyle, Fisher, Tellez, & Yadav, 2017). Card payments for online transactions were found to account for 6% of total payments in 2016. Similar trends have been observed on an international scale, with global non-cash transactions growing 11.2% during 2014-15 to a total of USD \$433.1 billion, and continued increases predicted in the use of electronic payment methods (Capgemini & BNP Paribas, 2017). In many jurisdictions, credit cards are a primary means of payment for online gambling transactions, amongst more than 170 different payment methods available to customers across online gambling providers (Gainsbury, 2012; PokerNewsReport.com, 2018).

In addition to their involvement in online gambling transactions, financial institutions play a role in 'offline' gambling transactions (i.e., in land-based venues). Land-based gambling transactions are not as easily identifiable as online gambling transactions, particularly when cash is withdrawn for the purposes of gambling. In some jurisdictions, consumers are able to make payments for offline gambling transactions via debit or credit cards, or using cash withdrawn from in-venue ATMs and EFTPOS, methods facilitated by

financial institutions (Australian Transaction Reports and Analysis Centre, 2011; Productivity Commission, 2010a). However, in some instances these transactions are not clearly identified as pertaining to gambling as consumers may be using funds to purchase food, beverages, or other entertainment within gambling venues. Nonetheless, there are restrictions in several jurisdictions (e.g., Australia, Canada, Singapore), such as requirements for ATM facilities to be placed outside the gambling floor and restrictions on the number or value of ATM/EFTPOS transactions permitted per day. Evidence that strongly links ATM/EFTPOS facilities and gambling-related harms has led to recommendations for the introduction of further restrictions to promote responsible gambling behaviour (Productivity Commission, 2010a).

Electronic transactions for gambling-related services can be identified by financial institutions via a Merchant Category Code (MCC), a standardised four-digit classification allocated to a merchant based on their primary business type. In addition to activity tracking, financial institutions use this information for reporting and risk management purposes. If restrictions on gambling transactions were introduced using the MCC as an identifier, safeguards would be necessary to prevent the possibility of gambling providers circumventing such measures by altering their primary business type to avoid identification as a gambling business (Miller, 2008). Further, there are many third-party payment providers (e-wallets, e.g., Neteller, Skrill) that consumers can use to mask their online transactions, which has been identified as a problem with the US attempt to prohibit Internet gambling (Leonard, 2008). Overall, however, the relative ease of identifying gambling transactions made electronically, as opposed to those paid in cash, makes electronic transactions more feasible as a target for policies and interventions.

Facilitation of gambling-related transactions

In addition to facilitating access to cash through in-venue ATMs and EFTPOS facilities, the provision of credit cards, personal loans, and overdrafts are primary means by which financial institutions facilitate consumer gambling-related transactions (Farnsworth & Selvaratnam, 2018; Kratzke & Depperschmidt, 2006). In doing so, gamblers are able to fund their gambling activity to a level that may be beyond their means. Gambling-related transactions are commonly treated as cash advances by card issuers as they are seen as ‘cash equivalent’ or ‘cash substitute’ items (Australia and New Zealand Banking Group Limited, 2017b; Commonwealth Bank of Australia, 2017b; National Australia Bank Limited, 2016; Westpac Banking Corporation, 2017). A gambling survey of Queensland households in 2008/09 found use of credit cards to access cash advances for gambling activity to be more common amongst problem gamblers (27.1% reported sometimes, often, or always) than low-risk gamblers (6.6%) (Productivity Commission, 2010a). Cash advances attract additional fees and do not include the standard interest-free period usually received with credit products, instead attracting high interest rates applied from the transaction date and charged until the balance is repaid in full (Bradney-George, 2017). For example, for gambling transactions made on a credit card, CBA (2017a) charges customers a cash advance fee of AUD \$2.50 or 2.00% of the transaction amount (whichever is greater), and interest accrues at a rate of 21.24% p.a. from the date of transaction. Hypothetically, a customer who uses such a credit card to place AUD \$2,500 worth of bets with an online sports betting provider and makes the minimum monthly repayments would pay a total of AUD \$12,813 over 39 years and 1 month (assuming the balance was \$0 to begin with and this is the only transaction on the card). Such scenarios can be avoided by using a debit card instead of a credit card to withdraw cash or purchase items treated as cash advances, such as online gambling transactions. However, it is easy to see how choosing to use a credit card not just to transact, but also to finance gambling

activity could inevitably become problematic for consumers who lack the financial resources to repay the outstanding balance quickly.

For this reason, provision of credit for gambling transactions has been a major point on the lobbying agenda of consumer advocacy groups. For example, FCA (2017) argued that there may be ‘increased reliance on credit cards as a means of fuelling gambling addictions’ (p. 3) following the Australian Government’s decision to ban gambling operators from offering credit to consumers. FCA’s (2017) submission to the Australian Senate’s Inquiry into Consumer Protection in the Banking, Insurance and Financial Sector reported that financial counsellors frequently encounter clients who have acquired multiple credit cards, often with debt running into the tens of thousands of dollars, largely as a result of gambling activity. Their submission argues that consumer protection measures in the finance industry are inadequate in this regard, particularly with consumers only needing to demonstrate capacity to make the 2% minimum monthly repayments, and no limit to the amount that can be gambled on credit in one gambling session (subject to the cardholder’s credit limit). After conducting a survey on Australians’ attitudes towards institutional lending practices, Fear and O’Brien (2009) found that 72% of respondents agreed with the item, ‘it is too easy for banks to lend money to people who can’t afford the repayments.’

Financial institutions have faced extensive public criticism over their risk assessment and lending practices in recent years, with FCA accusing banks of ‘wilful blindness’ (para. 23) in this regard (Farnsworth & Selvaratnam, 2018). In one example cited by Farnsworth and Selvaratnam (2018), a major bank approved a personal loan of AUD \$25,000 to a customer with minimal savings and whose transaction history with the bank revealed his expenditure of hundreds of dollars a day with online gambling providers. Under the *National Consumer Credit Protection Act 2009* (Cth), financial institutions have an obligation to assess the unsuitability of a credit contract given a consumer’s financial circumstances and

prevent them from entering into an unsuitable contract. The Australian Prudential Regulation Authority, which oversees the industry, has called upon banks to make more prudent lending decisions, suggesting that whilst strong responsible lending policies may be in place, actual compliance with such policies and accurate assessment of borrowers' repayment capacity may be lacking in practice (Byres, 2017).

Whilst credit products are still made available through many institutions for customers to fund their gambling activity, some banks have introduced measures that restrict their use in an effort to promote responsible gambling. For example, CBA (2003) does not permit credit card cash advance transactions on ATMs located within gambling venues in order to limit cash availability in such contexts. More recently, the four major banks have suggested they will be introducing further measures to protect customers in financial hardship, including the option for customers to block use of credit cards for online transactions (Farnsworth & Selvaratnam, 2018). In addition, CBA's former Chief Executive Officer, Ian Narev (2017), indicated in his appearance before the government's inquiry into the four major banks that the bank is currently considering whether to cease permitting credit cards to be used for online gambling transactions and how this would be operationalised. Brian Hartzler (2017), Westpac Group's Chief Executive Officer and Managing Director, reported that whilst the bank does not have a specific policy regarding how it allows customers to use credit cards for online gambling, 'what I can certainly assure you of is: we are not supporters of the idea of customers using credit cards to gamble' (p. 18). Credit card scheme regulations were cited by the bank as a complicating factor in advancing this issue. In spite of this, numerous gambling industry stakeholders have argued that consumer protection measures proposed by banks to date are insufficient, advocating that at the core of the problem, there is 'a clear difference between allowing a person to use money from their cheque or savings accounts to gamble as they see fit, and allowing a person to gamble on

credit, where losses can be much higher' (Clubs Australia, 2009, as cited in Productivity Commission, 2010, p. 580). This statement summarises what is emerging as a key issue for financial institutions to consider for their responsible lending policy and practice. Whilst regulations already restrict use of credit in land-based gambling venues in Australia, this issue is especially pertinent to online gambling transactions, in which credit cards remain a primary payment method. Evidence suggesting that moderate risk and problem gamblers use credit to fund gambling activity more frequently than other gamblers creates tension between institutions' lending decisions and their social responsibilities to consumers, particularly towards those experiencing financial hardship (Productivity Commission, 2010a).

Financial institutions' policies on gambling

The environmental scan revealed that very few financial institutions appear to have detailed policies or position statements specific to gambling. Many banks set out their overarching principles and positions relating to CSR in sustainability statements available on their websites; however, only a small number of these statements make reference to gambling.

Of the four major banks in Australia, none have position statements specific to gambling (Australia and New Zealand Banking Group Limited, 2015; Commonwealth Bank of Australia, 2018b; National Australia Bank Limited, 2017a; Westpac Banking Corporation, n.d.-a). Gambling was however identified as both an area of engagement with consumer advocacy organisations and an issue of interest for shareholders in NAB's most recent sustainability report, particularly with regard to 'provision of credit cards for use in gambling transactions', and 'exposure to companies with a negative social impact (i.e., gambling, fossil fuels, tobacco)' (National Australia Bank Limited, 2017b, p. 79). 'Gambling addiction' (National Australia Bank Limited, 2017b, p. 18) was also identified in this report as a personal issue for some financially vulnerable customers. In ANZ's (2017a) annual corporate

sustainability review, the bank reported piloting a hardship assistance program for customers with gambling-associated debt. However, no reference was made to gambling in the annual sustainability reports of either CBA (2017c) or Westpac (2017).

Internationally, Standard Chartered (n.d.) was found to be one of few major financial institutions having a position statement specific to gambling. In their statement, Standard Chartered declared their commitment to being a 'force for good', aligning their position with their brand promise ('Here for good'), and recognising that '[their] success as a bank is linked intrinsically to the health and prosperity of [the] markets [in which they operate]' (p. 1). Relating specifically to gambling, the bank's stated concern is the associations of gambling with 'fostering organised crime, prostitution, facilitating money laundering, and problem gambling and personal bankruptcy' (p. 2). Overall, however, the content of this position statement predominantly concerns the bank's activities in corporate finance, setting out lending criteria for gambling sector clients, rather than detailing policy regarding individual consumers who might be experiencing financial hardship due to their gambling activity.

Gambling is also recognised by a number of smaller Australian banks as an issue relevant to their sustainability framework, but many of these corporations similarly appear to lack a comprehensive position statement specific to gambling, particularly in relation to consumers. Bank of Queensland Limited (n.d.-a), for example, identifies online gambling sites as one of several industries lying outside the risk appetite for their lending portfolio. Bank Australia Limited (2017) has a similar policy with regards to corporate lending, but has invited consumers to take part in an online survey to give their opinion on the bank allowing credit cards to be used for gambling transactions. Along with other industries seen to have adverse social and environmental impacts, the gambling industry is identified in the responsible investment strategy of many banks as one with which they avoid or have limited involvement (Bendigo and Adelaide Bank Limited, 2016). A number of banks, such as NAB,

Westpac, Bank of Queensland, as well as Bank of Melbourne and St. George Bank (both subsidiaries of the Westpac Group), state that they will not sponsor activities related to gambling operators (Bank of Melbourne, n.d.; Bank of Queensland Limited, n.d.-b; National Australia Bank Limited, n.d.; St. George Bank, n.d.; Westpac Banking Corporation, n.d.-b).

As an advocate for the banking industry, the Australian Bankers' Association (ABA) outlined some of the details of its position on gambling in response to the Federal Government's review of the prevention and treatment of problem gambling. In a letter to the Joint Select Committee on Gambling Reform, the ABA stated their support for 'encouraging socially responsible programs and effective and workable strategies for addressing problem gambling' (Münchenberg, 2011). In another letter to the committee, the ABA's Policy Director stated that 'the ABA and member banks believes gambling has serious detrimental consequences, not only for those who experience financial and emotional deterioration through a gambling addiction, but also on society in general' (Hossack, 2012). This letter included a summary of measures employed by the four major banks to provide assistance to customers experiencing financial hardship as a result of gambling activity. The measures surveyed included whether the bank had a financial literacy program, whether the bank had a financial hardship policy, whether the bank restricts access to credit card cash withdrawals in gambling venues, and whether customers can adjust the maximum credit limit on credit cards; however, only yes/no answers were made to each item, with no detailed evaluation provided about the appropriateness of existing measures. Based on this superficial survey, the ABA concluded that 'banks have consistent measures which would be useful in assisting those people and families battling gambling addiction' (Hossack, 2012).

Overall, whilst gambling does appear to be at least somewhat a consideration for policy makers within the banking industry, it seems that their focus is more on risk mitigation for corporate lending and reputation, rather than on customers that may be experiencing

financial hardship as a result of gambling. The latter issue does however look to be attracting more attention from the banks, especially with trends towards a stricter regulatory environment and following increasing calls from consumer protection advocacy groups to ban provision of credit for gambling transactions.

Regulation of gambling transactions

In Australia, the regulatory framework for the gambling industry is comprised of over 60 pieces of legislation at both the state and territory, and Commonwealth levels. The key piece of legislation pertaining to online gambling regulation is the *Interactive Gambling Act 2001* (Cth) (IGA). The IGA targets gambling operators by prohibiting them from providing interactive gambling services to consumers physically located in Australia, but makes a number of exemptions, such as for some online wagering services. Section 69A of the Act stipulates that the Government may establish regulations providing that an agreement allowing for the exchange of a monetary payment for the supply of an illegal online gambling service will have no effect to that extent. Whilst this provision could implicate financial institutions in the regulation of online gambling transactions, such regulations have not been introduced by the Government (OECD, 2011). A review of the IGA by the Department of Communications, Information Technology and the Arts (2004, cited in The Allen Consulting Group, 2009) suggested that doing so could expose Australian card-issuing financial institutions to litigation over dishonoured gambling-related debts (e.g., repudiation of gambling debts incurred by consumers), potentially resulting in a decision by financial institutions to block all gambling-related transactions.

A subsequent review of the IGA by the Department of Broadband, Communications, and the Digital Economy (2012) concluded, based on advice from Australian financial institutions, that blocking of illegal gambling transactions may be possible if the government developed and maintained a register of unlicensed online gambling providers. However,

whilst a number of key reforms to the IGA have recently taken effect, this approach has not been pursued thus far (Australian Communications and Media Authority, 2018). Hampering its feasibility are concerns relating to the cost and complexity of implementation within payment systems, as well as the relative ease of circumventing such measures (e.g., by using overseas-based payment methods). The ABA has voiced these concerns in submissions to a number of government reviews into gambling reform, suggesting that ‘new systems and processes for all electronic transactions would be operationally complicated, administratively costly, and legally convoluted’ (Münchenberg, 2011; Tate, 2016).

Attempts overseas to regulate illegal online gambling using financial transaction blocking demonstrate the existence of such obstacles, including dealing with businesses that operate as intermediaries to disguise credit card transactions for online gambling services (Fidelie, 2009; U.S. Department of Justice, 2007). In the United States, legislators have taken a prohibition approach to managing illegal online gambling (The Allen Consulting Group, 2009). The *Unlawful Internet Gambling Enforcement Act of 2006* (UIGEA) targets financial institutions as intermediaries in gambling transactions as a means to regulate use of illegal online gambling services. Under the Act, financial institutions are prohibited from accepting payments for unlawful online gambling transactions (OECD, 2011). The legal implications of the UIGEA for financial institutions have been the subject of some debate in the academic literature, especially considering the lack of an explicit definition in the legislation about what constitutes illegal activity (Fidelie, 2009; Marconi & McQuaid, 2007). The ease of circumventing mechanisms put in place by financial institutions to block illicit transactions is a major criticism of this approach (Department of Broadband, Communications and the Digital Economy, 2012). For example, third party payment providers and alternate types of currency, such as cryptocurrency, are widely accepted by many offshore gambling sites (Gainsbury & Blaszczynski, 2017). Such legislation thereby appears to create an impetus for

consumers to move away from larger legitimate gambling providers to smaller unregulated offshore operators (The Allen Consulting Group, 2009). In her review of Internet gambling regulation strategies, Fidelie (2009) concluded that aiming to regulate online gambling solely through financial institutions is not a comprehensive strategy, despite their role as an intermediary in gambling-related transactions.

In Australia, both the finance and gambling industries are covered by anti-money laundering and counter-terrorism financing (AML/CTF) legislation requiring them to detect and report suspicious transactions. Gambling is commonly exploited by money launderers as a channel for disguising illicit funds to integrate them into the regulated financial system through a process called co-mingling (Australian Transaction Reports and Analysis Centre, 2012). In addition to their compliance obligations, financial institutions are driven to identify and prevent illicit transactions due to the reputational risk involved (Senia, 2014). Tropina (2014) has suggested that whilst financial institutions play an important role in detecting such transactions, there are numerous difficulties in applying AML/CTF regulation through financial institutions to online gambling. In particular, the complex, cross-border nature of the Internet makes identification and prevention of illicit transactions problematic. The author goes on to suggest that financial institutions generally lack an understanding of the behavioural patterns of online gamblers, making it difficult for them to carry out these processes suitably with regard to online gambling transactions.

The role of financial institutions in enhancing customer wellbeing

Given the considerable role that financial institutions play in customers' financial wellbeing, their influence extends into their customers' wellbeing more broadly. Indebtedness, for example, has been linked by several studies to poor mental health outcomes (Drenea & Reynolds, 2012; Fitch, Chaplin, Trend, & Collard, 2007). There appears to be only limited academic inquiry into the role of the financial sector in consumer mental health

and wellbeing; however, these concepts have emerged as key concerns within the community in recent years. Consequentially, many financial institutions engage in marketing based around their commitment to enhancing customer wellbeing. ANZ (2017a), for example, states in their corporate sustainability review, ‘our purpose is to shape a world where people and communities thrive’ (p. ii). In the same document, they acknowledge the importance of an individual’s financial wellbeing in the broader context, stating ‘it is widely accepted that financial wellbeing contributes significantly to overall health and wellbeing and community connectedness, leading to greater economic and social participation’ (p. 46). Despite banks’ commitments in this regard, a Gallup web survey conducted in 2013 of over 11,800 adults in the US found that only 25% of customers strongly agree with the statement, ‘My bank looks out for my financial well-being’ (Riffkin & Jalajel, 2015).

Currently, one of the main avenues by which financial institutions seek to enhance customer wellbeing is through the provision of financial hardship assistance. The industry typically defines financial hardship as a period of financial difficulty that customers may experience in which they are unable to meet their current financial obligations (e.g., mortgage or credit card repayments), despite their intention to do so (Australian Bankers’ Association Inc., 2016). The period of financial hardship may be short-term, which might involve a temporary measure to assist the customer (e.g., payment deferral, or late/default fee waiver), or it may be sustained, which can require formal financial hardship assistance (e.g., agreeing on a new repayment plan, loan refinancing, or bankruptcy arrangements). In addition, banks generally offer customers information on budgeting and financial literacy, provide tools for budgeting and expenditure tracking (e.g., CBA’s Spend Tracker), and may refer customers in financial hardship to free financial counselling services (Commonwealth Bank of Australia, 2018c). Australia’s four major banks reported that they provided between 19,652 to over 72,000 customers with hardship assistance during 2017 (Australia and New Zealand Banking

Group Limited, 2017a; Commonwealth Bank of Australia, 2017c; National Australia Bank Limited, 2017b; Westpac Group, 2017). The ABA (2016) sets industry guidelines for financial hardship assistance in order to provide a framework for consistent decision-making; however, each bank has its own policies and procedures, meaning that the solutions offered to individual customers may differ depending on their financial institution and personal circumstances. Each bank is accountable to the regulations and obligations set out in the *National Consumer Credit Protection Act 2009 (Cth)*, the Code of Banking Practice, and the Australian Government's Hardship Principles, which collectively seek to protect consumers' interests with regard to the provision of credit by financial institutions.

Although the majority of financial institutions appear to have invested substantial resources in financial hardship assistance programs for customers, few were found to list gambling as a risk factor for financial hardship in their policy documents. This is in spite of the well-documented financial harms associated with problem gambling. Financial institutions typically describe circumstances or events precipitating financial hardship as 'unforeseen' or 'unexpected' (Australian Bankers' Association Inc., 2016), commonly citing examples such as job loss, relationship breakdown, illness, or natural disaster. Based on the information provided in most banks' financial hardship policy documents, it is not clear how banks would respond to requests for assistance from customers reporting hardship associated with problem gambling behaviour. Despite that, Bankwest (2018) was one institution surveyed which provides a link to the Gambling Help Online support service on their webpage relating to financial hardship assistance. For customers seeking to proactively manage their gambling activity, banks generally offer the ability to block international transactions, contactless card payments, and ATM cash advances on credit cards, as well as the option to set transaction and overall expenditure limits (e.g., Commonwealth Bank of Australia, 2018a). Commercial credit cardholders are able to block gambling transactions on

their credit card (Australia and New Zealand Banking Group Limited, 2002); however, it appears there is no straightforward way for customers to do this for personal credit cards (mitch_duhig, 2014).

Discussion

The behavioural economics perspective

What *should* the role of financial institutions be in gambling? Who is primarily responsible for consumer gambling debt: lenders, regulators, or the consumers themselves? Issues such as these remain contentious, particularly in the public discourse between banks and consumer protection advocates. At present, financial institutions appear to take an individual-focused approach in their policy and practice relating to consumer gambling behaviour. Fear and O'Brien (2009) suggest that financial institutions are typically of the view that 'individuals must shoulder the consequences of their own choices' (p. 4). For example, most banks rely upon the individual customer to request financial hardship assistance themselves, rather than proactively identifying financially vulnerable customers and offering assistance (Commonwealth Bank of Australia, n.d.). The former approach, in its individual focus, tends to align with the 'addiction' model of gambling, which conceptualises problem gambling similarly to substance abuse disorders. Behavioural economics presents an alternative to this model in framing gambling behaviour as a public health issue, providing a theoretical basis for government and institutions to develop policy at the population level with potentially preventative effects.

Altman (2012) has presented a robust argument for the value of behavioural economics over conventional (neoclassical) economic theory for public policy relating to financial literacy. In this conceptual paper, the author draws upon previous literature (Kahneman & Tversky, 1984; Simon, 1978) that demonstrates the limitations of conventional economic wisdom in assuming human rationality in decision-making. In view of the assumed

physiological and psychological capacity of the individual for optimal decision-making within their environment, the conventional approach sees little theoretical basis for government or institutional interventions. However, this approach lacks consistency with human decision-making in the real world, where humans often have incomplete or poor information to work with and make decisions with less rationality than ascribed by conventional theory. The behavioural economics model, conversely, posits that humans are systematically biased or error-prone in their decision-making as a result of heuristics, or cognitive decision-making short-cuts, which exist as part of normal human psychology. In order to compensate for these biases which can lead to sub-optimal decisions, the behavioural economics approach proposes a greater role for government and institutions in creating an environment that nudges individuals towards better decisions (Thaler & Sunstein, 2008). Taking credit cards as an example, Altman argues that in addition to financial literacy education, policy interventions are critical for reducing the information asymmetries that often exist with financial products. Credit card interest rate policies, for instance, should be written in plain language that can be easily understood and used by the consumer to make informed decisions.

There is a need for further discourse around the application of this same logic to the policy and practice of financial institutions in relation to consumer gambling behaviour. For example, customers are currently offered the option to reduce their maximum daily ATM withdrawal limit, but banks require an explicit instruction from the customer to do so (Productivity Commission, 2010a). A survey of approximately 200 problem gamblers by the Productivity Commission (2010b) found that 86% of respondents had never contacted their financial institution to lower their ATM withdrawal limit, and that only 18% nearly always or often left their ATM or credit cards at home as a self-control strategy. These findings suggest that the current reactive approach of financial institutions, which relies upon customers with

gambling problems to manage their expenditure and request financial hardship assistance themselves, may be largely ineffective in promoting the wellbeing of such customers.

Furthermore, whilst the ABA's (2016) guidelines on financial hardship state that customers are usually already in arrears when banks become aware of their financial hardship, they acknowledge at the same time that customers may be reluctant to seek assistance from banks, due to factors such as embarrassment, guilt, shame, fear, denial, or concern that the information would impact their ability to access credit. This tension between banks' practice relating to initiation of financial hardship assistance and the reality of customers' personal circumstances appears to thwart customers' ability to access support. Banks may also be neglecting their ability to initiate contact with customers they identify as experiencing financial hardship under clause 28.4 of the Code of Banking Practice (2013). The ABA guidelines go on to state that 'ultimately, customers are best placed to know whether they are struggling financially' (p. 14). However, given the complexity and information asymmetry that characterise many financial products on the market, behavioural economics would suggest it is not so simple.

Hurla et al. (2017) have provided a thorough review of findings from financial literacy programs to draw implications for strategic interventions promoting responsible gambling. Of particular relevance to the role of financial institutions in gambling, the authors have made recommendations regarding interventions targeting three key behaviours associated with responsible gambling: setting limits, tracking behaviour, and impulse control. Setting a limit and sticking to it is a common method of self-regulation amongst gamblers. As gambling involves distributed choice, tracking a series of decisions to gamble over time and making the aggregate expenditure salient to the player can help them understand the extent of their spending and evaluate whether they are sticking to their limit. Targeting problem gamblers' impulse to repeatedly choose immediate rewards despite their combined sub-

optimal value over a longer time period, a phenomenon known as melioration, is also fundamental to promoting responsible gambling choices. Key to all of these intervention strategies is their timing, which rests theoretically on the importance of context in framing an individual's choice between various options, such as whether to continue gambling or to pursue a different activity (Tversky & Kahneman, 1981).

Smartphone apps are a promising avenue for financial institutions to integrate intervention strategies to assist customers in making more prudent decisions, especially within gambling sessions. For example, CBA's Spend Tracker provides customers with real-time financial feedback on their spending and saving behaviour. Tools such as these utilise customer behavioural data to provide 'just in time' personalised feedback and alerts to the customer in an effort to engage them in better managing their finances (Hurla et al., 2017). Responsible gambling intervention strategies could be integrated within such apps, prompting players to set a limit, receive real-time alerts tied to gambling-related transactions made, as well as view insights and track overall expenditure on gambling-related transactions they have made. A randomised controlled experiment by Stewart and Wohl (2013) has demonstrated the effectiveness of pop-up reminders in facilitating adherence to monetary limits pre-set by slot machine players, with 90% of participants receiving reminders staying within their pre-set limit, contrasted to only 43% of participants who did not receive the reminders. Another strategy identified by Hurla et al. is sending players notifications centred around tangible items of equivalent value to a player's gambling losses in order to help them visualise alternatives to gambling (e.g., "You just lost the equivalent of buying a new laptop"). Whilst it is not feasible for a financial institution's app to report a player's gambling losses, similar types of notifications could be incorporated focusing on a customer's gambling expenditure in relation to their pre-set limit within the app. Additionally, Hurla et al. suggest that social influences could be used to drive responsible gambling behaviour, for

example, by giving players with joint bank accounts the option for their partner to receive alerts when they withdraw money from in-venue ATMs or make gambling-related transactions apparent on credit card statements. A real-time app-based strategy overcomes concerns around the ineffectiveness of financial literacy education programs due to memory decay. However, Shefrin and Nicols (2014) found that 25% of credit cardholders report low confidence in managing their finances using online technologies, indicating that apps will not be used by all consumers. Nonetheless, this strategy presents financial institutions with an opportunity to nudge customers engaging in gambling activity towards responsible gambling behaviour.

Another key opportunity for change is within financial institutions' policy on the provision of credit cards for gambling-related transactions. From a behavioural economics standpoint, permitting problem gamblers to use credit to fund gambling transactions is risky (in view of the player's financial wellbeing), given that gambling decisions are intertemporal in nature, as are credit card transactions (Chan, Soman, & Cheema, 2011; Loewenstein & Thaler, 1989). That is, the financial consequences of a player's choice to enjoy the immediate gratification of a gamble are delayed in time from their original decision. As humans are typically myopic in their preferences, opting for temporally proximal outcomes over distal ones (a phenomenon known as hyperbolic discounting), it is not surprising that problem gamblers commonly have credit card debt running into the tens of thousands of dollars (Financial Counselling Australia, 2017; Hurla et al., 2017). Although it is possible to use credit cards responsibly for gambling transactions (such as by using credit solely for the purposes of transacting, rather than funding, and repaying the outstanding balance entirely either before or by the due date), it seems likely that many problem gamblers do not use credit cards for gambling transactions in this manner (Ali, McRae, & Ramsay 2012). Ali et al. (2012) suggest that consumers, especially those vulnerable to financial hardship, may

exhibit behavioural biases in relation to optimism and imperfect self-control which can result in underestimations of their capacity to meet their repayment obligations. As such, the authors of this paper have underlined a number of key consumer credit reforms needed in order to assist vulnerable customers in making prudent financial decisions, highlighting the value of targeted consumer-specific regulation over existing disclosure-based regulation strategies for doing so.

In addition to developing and providing tools, resources, and products which consumers can opt to use, financial institutions should have policies to guide responses to consumers who self-disclose that they are experiencing gambling-related harms. This would involve creating an action plan for consumer-facing staff (e.g., telephone support staff, branch staff) to identify specific trigger words and respond appropriately. This may involve referral to specially-trained financial assistance staff, who may provide options for customers within the bank, as well as referrals to gambling treatment and support services. Importantly, an action plan should include communication of this information throughout the various bank departments, for example, to ensure that the customer is not offered additional credit by the marketing department. It would also be useful for policies to be developed for disclosure of a customer's gambling problem by a concerned family member. Appropriate training regarding gambling and related harms for all customer-facing bank staff as well as management would assist in developing a culture that is responsive to gambling harms.

Finally, financial institutions may follow the lead of some wagering operators by developing algorithms to detect potentially risky gambling transactions. This may involve working with gambling specialists, such as researchers, to identify and flag specific behavioural indicators that would be apparent, such as repeated and increasing transactions with gambling operators, accessing credit on multiple occasions, instances of failing to make appropriate repayments or repeatedly paying the minimal required amounts, and fees from

other merchants indicating failure to pay bills. Evaluation would be needed to verify the accuracy of any algorithm and detection systems. Policies would need to be developed to guide action when suspected risky gambling is detected, which would likely involve contacting the customer. Initial work completed by the gambling industry may be helpful to guide these developments.

Limitations and future directions

As it was not possible to review the internal policies and practices of financial institutions on consumer gambling activity, this paper is limited in its scope for the evaluation of the status quo within the industry. This review provides an overall picture of the discourse to date within both the academic and public domains regarding the role of financial institutions in gambling. The findings have implications for policy makers within government and institutional settings. In-depth case studies would be valuable in providing insight into the interpretation and implementation of CSR strategies relating to consumer gambling activity within specific financial institutions. Qualitative methodologies, such as interviews and focus groups, could be useful to gain a better understanding of the underlying issues concerning both financial institutions and consumers. For example, it would be useful to understand specific barriers to customers disclosing problems related to gambling to financial institutions, as well as the confidence of banking staff in handling such disclosures. It is important to evaluate strategies for the identification of risky gambling, as well as policies for action plans to be followed as a consequence of such a detection. The prevalence of players who fall into debt as a result of using credit to fund their gambling activity should be investigated, including credit provided by financial institutions, as well as gambling operators and payday lenders. Future research should focus on the development of cost-effective interventions that assist financially vulnerable customers in making better decisions for their long-term interests, whilst not obstructing the freedoms of those who use credit and gamble

responsibly. The use of customer behavioural data and gamification for such interventions are promising avenues warranting in-depth investigation.

Conclusions

Financial institutions naturally play a fundamental role in consumer gambling activity, whether through the provision of access to cash for offline gambling transactions, or via electronic funds transfer in the online environment. Currently, it appears that the majority of financial institutions lack comprehensive policies on gambling, particularly regarding specific strategies to identify and assist financially vulnerable consumers with gambling problems. Financial institutions appear to be largely of the view that they have little business in how customers spend their money (excluding fraud and other illicit activity), regardless of whether customers are spending their own savings or using credit. For the most part, this view seems to align with public expectations and banks' regulatory obligations, especially in relation to consumer privacy standards. From a behavioural economics standpoint, however, banks do have a certain level of responsibility for how customers use their money. Financial institutions are able to compensate for bias in decision-making, which is fundamental to problem gambling behaviour. A measured approach is needed that enables customers to engage in gambling at an appropriate level, whilst providing those experiencing gambling-related harms with options that do not rely solely on self-enactment by such customers.

References

- Abbott, M. W., Romild, U., & Volberg, R. A. (2014). Gambling and problem gambling in Sweden: Changes between 1998 and 2009. *Journal of Gambling Studies*, 30(4), 985–999. <https://doi.org/10.1007/s10899-013-9396-3>
- Ali, P., McRae, C., & Ramsay, I. (2012). Consumer credit reform and behavioural economics: Regulating Australia's credit card industry. *Australian Business Law Review*, 40(2), 126–133. <https://ssrn.com/abstract=2052615>
- Ali, W., Frynas, J. G., & Mahmood, Z. (2017). Determinants of corporate social responsibility (CSR) disclosure in developed and developing countries: A literature review. *Corporate Social Responsibility and Environmental Management*, 24(4), 273–294. <https://doi.org/10.1002/csr.1410>
- Altman, M. (2012). Implications of behavioural economics for financial literacy and public policy. *The Journal of Socio-Economics*, 41(5), 677–690. <https://doi.org/10.1016/j.socec.2012.06.002>
- Australia and New Zealand Banking Group Limited. (2002). *Commercial cards Merchant Category Code controls*. Retrieved from http://www.anz.com/Documents/Business/CommercialCard/Merchant_category_codes_control.pdf
- Australia and New Zealand Banking Group Limited. (2015). *ANZ policies*. Retrieved from <http://www.anz.com/about-us/corporate-sustainability/governance-risk/standards-policies/>
- Australia and New Zealand Banking Group Limited. (2017a). *2017 corporate sustainability review*. Retrieved from <http://www.anz.com/resources/4/4/4469d63c-d837-487a-a844-8229b135fe4f/corporate-sus-review-2017.pdf>

- Australia and New Zealand Banking Group Limited. (2017b). *ANZ credit cards: Conditions of use*. Retrieved from <https://www.anz.com.au/content/dam/anzcomau/documents/pdf/anz-creditcards-conditions-of-use.pdf>
- Australian Bankers' Association Inc. (2016). *Promoting understanding about banks' financial hardship programs*. Retrieved from <https://www.bankers.asn.au/images/uploads/ArticleDocuments/233/Industry%20Guideline%20-%20Hardship%20Programs%20Version%202.pdf>
- Australian Communications and Media Authority. (2018). *Interactive Gambling Act reforms*. Retrieved from <https://www.acma.gov.au/Industry/Internet/Internet-content/Interactive-gambling/interactive-gambling-act-reforms>
- Australian Transaction Reports and Analysis Centre. (2011). *Money laundering in Australia 2011*. Retrieved from http://www.austrac.gov.au/sites/default/files/documents/money_laundering_in_australia_2011.pdf
- Australian Transaction Reports and Analysis Centre. (2012). *AUSTRAC typologies and case studies report 2012*. Retrieved from http://www.austrac.gov.au/sites/default/files/documents/typ_rprt12_full.pdf
- Bank Australia Limited. (2017). *Have your say - credit cards and online gambling*. Retrieved from <https://bankaust.com.au/about-us/news/corporate/have-your-say---credit-cards-and-online-gambling/>
- Bank of Melbourne. (n.d.). *Partnerships*. Retrieved from <https://www.bankofmelbourne.com.au/about/partnerships>
- Bank of Queensland Limited. (n.d.-a). *Approach to sustainable lending*. Retrieved from <http://www.boq.com.au/sustainable-lending.htm>

- Bank of Queensland Limited. (n.d.-b). *Sponsorships*. Retrieved from http://www.boq.com.au/aboutus_community_sponsorships.htm
- Bankwest. (2018). *Experiencing financial hardship?* Retrieved from <https://www.bankwest.com.au/personal/payments-services/experiencing-financial-hardship>
- Bendigo and Adelaide Bank Limited. (2016). *Bendigo Socially Responsible Growth Fund*. Retrieved from https://www.bendigobank.com.au/__data/assets/pdf_file/0020/282530/Socially-Responsible-Growth-Fund-Quick-Facts-Guide.pdf
- Blaszczynski, A., Anjoul, F., Shannon, K., Keen, B., Pickering, D., & Wieczorek, M. (2015). *Gambling harm minimisation report* (No. DTIRIS 13/23). The University of Sydney. Retrieved from <http://www.liquorandgaming.nsw.gov.au/Documents/gaming-and-wagering/problems-with-gambling/research/gambling-harm-minimisation-report.pdf>
- Bradney-George, A. (2017, October 27). *Gambling transactions using your credit card*. Retrieved from <https://www.finder.com.au/gambling-transactions-using-your-credit-card-are-they-allowed>
- Byres, W. (2017, September). *Key issues for the year ahead: Bank capital and the approaching BEAR*. Presented at the 'The Regulators' Finsia event, Sydney. Retrieved from <http://www.apra.gov.au/Speeches/Pages/Key-issues-for-the-year-ahead-Bank-Capital-and-the-approaching-BEAR.aspx>
- Capgemini, & BNP Paribas. (2017). *World payments report 2017*. Retrieved from <https://www.worldpaymentsreport.com/>
- Carroll, A. B., & Shabana, K. M. (2010). The business case for corporate social responsibility: A review of concepts, research and practice. *International Journal of*

Management Reviews, 12(1), 85–105. <https://doi.org/10.1111/j.1468-2370.2009.00275.x>

- Castelo, B. M. (2013). Banks and CSR. In *Encyclopedia of Corporate Social Responsibility* (pp. 141–148). Springer. Retrieved from <https://link.springer.com/referencework/10.1007%2F978-3-642-28036-8>
- Chan, E. Y., Soman, D., & Cheema, A. (2011). Understanding consumer psychology to avoid abuse of credit cards. In *Transformative consumer research for personal and collective well-being* (pp. 423–444). Retrieved from https://www.researchgate.net/publication/286780623_Understanding_consumer_psychology_to_avoid_abuse_of_credit_cards
- Commonwealth Bank of Australia. (2003). *ATMs located in gambling venues*. Retrieved from <https://www.commbank.com.au/about-us/news/on-the-record/2003/100603-newsfr-atms.html>
- Commonwealth Bank of Australia. (2017a). *An easy guide to our credit card fees and charges*. Retrieved from <https://www.commbank.com.au/personal/apply-online/download-printed-forms/ADB1682.pdf>
- Commonwealth Bank of Australia. (2017b). *Commbank credit card conditions of use*. Retrieved from <https://www.commbank.com.au/personal/apply-online/download-printed-forms/cc2-cou.pdf>
- Commonwealth Bank of Australia. (2017c). *Corporate responsibility report 2017*. Retrieved from <https://www.commbank.com.au/content/dam/commbank/about-us/shareholders/pdfs/corporate-responsibility/2017/2017-corporate-responsibility-report.pdf>

- Commonwealth Bank of Australia. (2018a). *Control the things you can with Lock, Block, Limit®*. Retrieved from <https://www.commbank.com.au/personal/credit-cards/lock-block-limit.html>
- Commonwealth Bank of Australia. (2018b). *Policies and practices*. Retrieved from <https://www.commbank.com.au/about-us/opportunity-initiatives/policies-and-practices.html?ei=Policies>
- Commonwealth Bank of Australia. (2018c). *Spend tracker and insights*. Retrieved from <https://www.commbank.com.au/digital-banking/spend-tracker-insights.html>
- Commonwealth Bank of Australia. Financial hardship arrangements, § Standing Committee on Economics. Retrieved from https://www.aph.gov.au/Parliamentary_Business/Committees/House/Economics/Four_Major_Banks_Review/Documents
- Darus, F., Mad, S., & Nejati, M. (2015). Ethical and social responsibility of financial institutions: Influence of internal and external pressure. *Procedia Economics and Finance*, 28, 183–189. [https://doi.org/10.1016/S2212-5671\(15\)01099-0](https://doi.org/10.1016/S2212-5671(15)01099-0)
- Davies, R. (2018, January 24). Ban credit cards for online gambling, says government review. *The Guardian*. Retrieved from <https://www.theguardian.com/society/2018/jan/23/ban-credit-cards-for-online-gambling-says-government-review>
- Department of Broadband, Communications and the Digital Economy. (2012). *Final report 2012: Review of the Interactive Gambling Act 2001*. Retrieved from <https://www.communications.gov.au/publications/final-report-review-interactive-gambling-act-2001>
- Department of Social Services. (2016). *Government response to the 2015 Review of the Impact of Illegal Offshore Wagering*. Retrieved from

https://www.dss.gov.au/sites/default/files/documents/04_2016/government_response_review_illegal_offshore_wagering.pdf

Department of Social Services. (2017). *A national consumer protection framework for online wagering in Australia: Regulation impact statement for consultation* (No. DSS 2128.05.17). Retrieved from

http://ris.pmc.gov.au/sites/default/files/posts/2017/05/final_consultation_ris.pdf

Doyle, M.-A., Fisher, C., Tellez, E., & Yadav, A. (2017). *How Australians pay: New survey evidence* (Bulletin) (pp. 59–65). Reserve Bank of Australia. Retrieved from <https://www.rba.gov.au/publications/bulletin/2017/mar/pdf/bu-0317-7-how-australians-pay-new-survey-evidence.pdf>

Drentea, P., & Reynolds, J. R. (2012). Neither a borrower nor a lender be: The relative importance of debt and SES for mental health among older adults. *Journal of Aging and Health*, 24(4), 673–695. <https://doi.org/10.1177/0898264311431304>

Etches, M. W. (2018, January 22). *Consultation on proposals for changes to Gaming Machines and Social Responsibility Measures*. Retrieved from <https://about.gambleaware.org/media/1676/gambleawares-submission-to-dcms-proposals-for-changes-to-gaming-machines-and-social-responsibility-measures.pdf>

Farnsworth, S., & Selvaratnam, N. (2018, February 11). Should banks offer credit to problem gamblers? Royal commission urged to investigate. *Australian Broadcasting Corporation*. Retrieved from <http://mobile.abc.net.au/news/2018-02-11/royal-commission-to-consider-banks-role-problem-gambling/9417114>

Fear, J., & O'Brien, J. (2009). Where does the buck stop? Community attitudes to over-lending and over-spending. *Australasian Accounting, Business and Finance Journal*, 3(1), 3–11.

- Fidelie, L. W. (2009). Internet gambling: Innocent activity or cybercrime? *International Journal of Cyber Criminology*, 3(1), 476–491.
- Financial Counselling Australia. (2017). *An inquiry into consumer protection in the banking, insurance and financial sector: Submission 91*. Retrieved from http://www.aph.gov.au%2FDocumentStore.ashx%3Fid%3D2df75b60-f788-47b4-893c-a616eda207d2%26subId%3D510266&usg=AOvVaw3AW9Ev8_gOVMTgD75B_lrN
- Financial Crisis Inquiry Commission. (2011). *The Financial Crisis Inquiry Report: Final report of the National Commission on the Causes of the Financial and Economic Crisis in the United States*. Retrieved from <https://www.gpo.gov/fdsys/pkg/GPO-FCIC/pdf/GPO-FCIC.pdf>
- Fitch, C., Chaplin, R., Trend, C., & Collard, S. (2007). Debt and mental health: The role of psychiatrists. *Advances in Psychiatric Treatment*, 13(3), 194–202. <https://doi.org/10.1192/apt.bp.106.002527>
- Gainsbury, S. (2012, June 25). *Response to the Interim Report of the review of the Interactive Gambling Act 2001*. Retrieved from https://s3.amazonaws.com/academia.edu.documents/30708809/Gainsbury_-_Submission_on_interim_report.pdf?AWSAccessKeyId=AKIAIWOWYYGZ2Y53UL3A&Expires=1512537444&Signature=UioITWUHWy2zbeSasFMQY5voghg%3D&response-content-disposition=inline%3B%20filename%3DOnline_Gambling_and_Regulatory_Section_D.pdf
- Gainsbury, S., & Blaszczyński, A. (2017). How blockchain and cryptocurrency technology could revolutionize online gambling. *Gaming Law Review*, 21(7), 482–492. <https://doi.org/10.1089/glr2.2017.2174>

- Gainsbury, S., Hing, N., Blaszczynski, A., & Wood, R. (2011). *An investigation of internet gambling in Australia*. Southern Cross University. Retrieved from https://epubs.scu.edu.au/cgi/viewcontent.cgi?article=1720&context=tourism_pubs
- Gainsbury, S., Russell, A., Hing, N., Wood, R., Lubman, D. I., & Blaszczynski, A. (2014). The prevalence and determinants of problem gambling in Australia: Assessing the impact of interactive gambling and new technologies. *Psychology of Addictive Behaviours*, 28(3), 769–779. <https://doi.org/10.1037/a0036207>
- Goodwin, B. C., Browne, M., Rockloff, M., & Rose, J. (2017). A typical problem gambler affects six others. *International Gambling Studies*, 17(2), 276–289. <https://doi.org/10.1080/14459795.2017.1331252>
- Griffiths, M. (2007). Consumer debt in Australia: Why banks will not turn their backs on profit. *International Journal of Consumer Studies*, 31(3), 230–236. <https://doi.org/10.1111/j.1470-6431.2006.00524.x>
- Griffiths, Mark, & Barnes, A. (2008). Internet gambling: An online empirical study among student gamblers. *International Journal of Mental Health and Addiction*, 6(2), 194–204. <https://doi.org/10.1007/s11469-007-9083-7>
- Härle, P., Havas, A., Kremer, A., Rona, D., & Samandari, H. (2015). *The future of bank risk management*. Retrieved from https://www.mckinsey.com/~/media/mckinsey/dotcom/client_service/risk/pdfs/the_future_of_bank_risk_management.ashx
- Hartzer, B. Review of Australia's four major banks, § Standing Committee on Economics (2017). Canberra, Australia. Retrieved from <http://parlinfo.aph.gov.au/parlInfo/download/committees/commrep/0dbfe6b5-37d3-4437-8bf2->

ae1d74f5c0d0/toc_pdf/Standing%20Committee%20on%20Economics_2017_03_08_4827_Official.pdf

Hossack, N. (2012, December 6). *Inquiry into the prevention and treatment of problem gambling*. Retrieved from

https://www.bankers.asn.au/images/uploads/ArticleDocuments/157/ABA-112668-v1-Submission_-

[_Inquiry_into_the_prevention_and_treatment_of_problem_gambling.pdf](#)

Hurla, R., Kim, M., Singer, E., & Soman, D. (2017). *Applying findings from financial literacy to encourage responsible gambling* (Behavioural Economics in Action).

University of Toronto. Retrieved from <https://www.rotman.utoronto.ca/->

[/media/Files/Programs-and-Areas/BEAR/White-Papers/BEAR-ResponsibleGambling1.pdf?la=en](#)

iBus Media Limited. (2011). *Joint Select Committee on Gambling Reform: Inquiry into the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill 2011*. Retrieved from

<http://www.aph.gov.au/DocumentStore.ashx?id=11bab76e-e40a-4089-b91e-b6c0d21c3c62>

Kahneman, D., & Tversky, A. (1979). Prospect theory: An analysis of decision under risk.

Econometrica, 47(2), 263–291. <https://doi.org/10.2307/1914185>

Kahneman, D., & Tversky, A. (1984). Choices, values, and frames. *American Psychologist*,

39(4), 341–350. <https://doi.org/10.1037/0003-066X.39.4.341>

Kratzke, N., & Depperschmidt, T. (2006). Credit card advances: The impact on gambling bankruptcies. *Gaming Law Review*, 2(3), 257–265.

<https://doi.org/10.1089/glr.1998.2.257>

- Laughlin, I. (2018). *Social risks - for a financial services business*. Actuaries Institute.
- Retrieved from
<https://actuaries.asn.au/Library/Miscellaneous/2018/TheDialogue4SocialRisksWEB.pdf>
- Leonard, B. M. (2008). Highlighting the drawbacks of the UIGEA: Proposed rules reveal heavy burdens. *Drake Law Review*, 57(2), 515–545.
- Leung, T. C. H., & Snell, R. S. (2017). Attraction or distraction? Corporate social responsibility in Macao's gambling industry. *Journal of Business Ethics*, 145(3), 637–658. <https://doi.org/10.1007/s10551-015-2890-z>
- Lindorff, M., Prior Jonson, E., & McGuire, L. (2012). Strategic corporate social responsibility in controversial industry sectors: The social value of harm minimisation. *Journal of Business Ethics*, 110(4), 457–467.
<https://doi.org/10.1007/s10551-012-1493-1>
- Loewenstein, G., & Thaler, R. (1989). Anomalies: Intertemporal choice. *The Journal of Economic Perspectives*, 3(4), 181–193. <https://doi.org/10.1257/jep.3.4.181>
- Marconi, A. L., & McQuaid, B. M. (2007). Betting and buying: The legality of facilitating financial payments for Internet gambling. *Banking Law Journal*, 124(6), 483–511.
- Marin, L., Ruiz, S., & Rubio, A. (2009). The role of identity salience in the effects of corporate social responsibility on consumer behavior. *Journal of Business Ethics*, 84(1), 65–78. <https://doi.org/10.1007/s10551-008-9673-8>
- Miller, J. A. (2008). Don't bet on this legislation: The Unlawful Internet Gambling Enforcement Act places a bigger burden on financial institutions than Internet gambling. *North Carolina Banking Institute*, 12(1), 185–220.

Miller, R., & Michelson, G. (2013). Fixing the game? Legitimacy, morality policy and research in gambling. *Journal of Business Ethics*, 116(3), 601–614.

<https://doi.org/10.1007/s10551-012-1487-z>

mitch_duhig. (2014). *Is it possible to block gambling transactions?* [Online forum comment].

Retrieved from <https://community.commbank.com.au/t5/Everyday-Banking/Is-it-possible-to-block-gambling-transactions/td-p/13985>

Münchenberg, S. (2011, May 9). *Inquiry into the Interactive Gambling and Broadcasting Amendment (Online Transactions and Other Measures) Bill*. Retrieved from

https://www.bankers.asn.au/images/uploads/ArticleDocuments/182/ABA-109740-v1-Submission_to_the_inquiry_on_Interactive_Gambling_final_3.pdf

Narev, I. Review of Australia's four major banks, § Standing Committee on Economics (2017). Canberra, Australia. Retrieved from

[http://parlinfo.aph.gov.au/parlInfo/download/committees/commrep/25c45154-53de-4c1b-956a-](http://parlinfo.aph.gov.au/parlInfo/download/committees/commrep/25c45154-53de-4c1b-956a-8142c25709b4/toc_pdf/Standing%20Committee%20on%20Economics_2017_03_07_4821_Official.pdf)

[8142c25709b4/toc_pdf/Standing%20Committee%20on%20Economics_2017_03_07_4821_Official.pdf](http://parlinfo.aph.gov.au/parlInfo/download/committees/commrep/25c45154-53de-4c1b-956a-8142c25709b4/toc_pdf/Standing%20Committee%20on%20Economics_2017_03_07_4821_Official.pdf)

National Australia Bank Limited. (2016). *NAB credit cards*. Retrieved from

<https://www.nab.com.au/content/dam/nabrwd/personal/banking/documents/nab-credit-cards-tcs.pdf>

National Australia Bank Limited. (2017a). *Corporate responsibility*. Retrieved from

<https://www.nab.com.au/about-us/corporate-responsibility>

National Australia Bank Limited. (2017b). *Sustainability report 2017*. Retrieved from

<https://www.nab.com.au/content/dam/nabrwd/About-Us/shareholder-centre/documents/sustainability-report-2017.pdf>

- National Australia Bank Limited. (n.d.). *NAB Group sponsorship guidelines*. Retrieved from <https://www.nab.com.au/content/dam/nabrwd/About-Us/corporate-responsibility/docs/nab-group-sponsorship-guidelines.pdf>
- OECD. (2011). Illegal Internet gambling. In *The role of Internet intermediaries in advancing public policy objectives* (pp. 133–142). Paris: OECD Publishing.
- PokerNewsReport.com. (2018, January 28). *UK charity calls for ban on online credit card deposits*. Retrieved from <http://www.pokernewsreport.com/uk-charity-calls-for-ban-on-online-credit-card-deposits-22145>
- PricewaterhouseCoopers. (2016). *Banking matters: Major banks analysis*. Retrieved from <https://www.pwc.com.au/publications/assets/major-banks-analysis-11-nov-2016.pdf>
- Prior Jonson, E., Lindorff, M., & McGuire, L. (2012). Paternalism and the pokies: Unjustified state interference or justifiable intervention? *Journal of Business Ethics*, *110*(3), 259–268. <https://doi.org/10.1007/s10551-011-1152-y>
- Productivity Commission. (2010a). *Gambling: Productivity Commission inquiry report (Volume 1)*. Retrieved from <https://www.pc.gov.au/inquiries/completed/gambling-2009/report/gambling-report-volume1.pdf>
- Productivity Commission. (2010b). *Gambling: Productivity Commission inquiry report (Volume 2)*. Retrieved from <https://www.pc.gov.au/inquiries/completed/gambling-2009/report/gambling-report-volume2.pdf>
- Reserve Bank of Australia. (2014). *Submission to the Financial System Inquiry*. Retrieved from <https://www.rba.gov.au/publications/submissions/financial-sector/financial-system-inquiry-2014-03/pdf/financial-system-inquiry-2014-03.pdf>
- Reserve Bank of Australia. (2018). *Statistical table C1: Credit and charge card statistics*. Retrieved from <https://www.rba.gov.au/statistics/tables/>

- Riffkin, R., & Jalajel, A. (2015). *Customers want banks to improve their financial well-being*. Retrieved from <http://news.gallup.com/businessjournal/183419/customers-banks-improve-financial.aspx>
- Royal Commission into Misconduct in the Banking, Superannuation and Financial Services Industry. (2018). *Some features of the Australian banking industry*. Retrieved from <https://financialservices.royalcommission.gov.au/publications/Documents/some-features-of-the-australian-banking-industry-background-paper-1.pdf>
- Scholtens, B. (2009). Corporate social responsibility in the international banking industry. *Journal of Business Ethics*, 86(2), 159–175. <https://doi.org/10.1007/s10551-008-9841-x>
- Senia, L. (2014). Other international organizations efforts to combat money laundering in casino gambling—Part 2. *Gaming Law Review and Economics*, 18(7), 689–701. <https://doi.org/10.1089/glre.2014.1876>
- Shannon, K., Anjoul, F., & Blaszczynski, A. (2017). Mapping the proportional distribution of gambling-related harms in a clinical and community sample. *International Gambling Studies*, 17(3), 366–385. <https://doi.org/10.1080/14459795.2017.1333131>
- Shefrin, H., & Nicols, C. M. (2014). Credit card behavior, financial styles, and heuristics. *Journal of Business Research*, 67(8), 1679–1687. <https://doi.org/10.1016/j.jbusres.2014.02.014>
- Simon, H. A. (1978). Rationality as process and as product of thought. *The American Economic Review*, 68(2), 1–16.
- South Australian Financial Counsellors Association. (2016, February 12). *Big four banks profiting from problem gambling*. Retrieved 28 November 2017, from <http://www.safca.org.au/big-four-banks-profiting-from-problem-gambling/>

- St. George Bank. (n.d.). *How to apply for sponsorship*. Retrieved from <https://www.stgeorge.com.au/about/community-sponsorship/apply>
- Standard Chartered. (n.d.). *Standard Chartered position statement: Gambling*. Retrieved from https://www.sc.com/en/resources/global-en/pdf/sustainability/Gambling_Position_Statement.pdf
- Stewart, M., & Wohl, M. (2013). Pop-up messages, dissociation, and craving: How monetary limit reminders facilitate adherence in a session of slot machine gambling. *Psychology of Addictive Behaviors*, 27(1), 268–273. <https://doi.org/10.1037/a0029882>
- Tate, D. (2016). *Inquiry into the Interactive Gambling Amendment (Sports Betting Reform) Bill 2015*. Retrieved from <https://www.aph.gov.au/DocumentStore.ashx?id=7747d0de-93f0-429a-965e-d3b8a9cf8f54&subId=409351>
- Thaler, R. (1980). Toward a positive theory of consumer choice. *Journal of Economic Behavior and Organization*, 1(1), 39–60. [https://doi.org/10.1016/0167-2681\(80\)90051-7](https://doi.org/10.1016/0167-2681(80)90051-7)
- Thaler, R., & Johnson, E. (1990). Gambling with the house money and trying to break even: The effects of prior outcomes on risky choice. *Management Science*, 36(6), 643–660. <https://doi.org/10.1287/mnsc.36.6.643>
- Thaler, R., & Sunstein, C. (2008). *Nudge: Improving decisions about health, wealth, and happiness*. New York: Penguin Books.
- The Allen Consulting Group. (2009). *Review of current and future trends in interactive gambling activity and regulation*. Retrieved from https://www.dss.gov.au/sites/default/files/documents/05_2012/gambling_25june.pdf

- Tropina, T. (2014). Fighting money laundering in the age of online banking, virtual currencies and internet gambling. *ERA Forum*, 15(1), 69–84.
<https://doi.org/10.1007/s12027-014-0335-2>
- Tversky, A., & Kahneman, D. (1981). The framing of decisions and the psychology of choice. *Science*, 211(4481), 453–458. <https://doi.org/10.1126/science.7455683>
- UCA Funds Management. (2016, January 12). *Big four banks profiting from problem gambling*. Retrieved from www.ucafunds.com.au/news/Pages/Big-four-banks-profiting-from-problem-gambling.aspx
- U.S. Department of Justice. (2007). Seven individuals and four companies indicted for operating illegal credit card transaction, processing business; Defendants allegedly provided services to disguise credit card charges for internet gambling. *PR Newswire*. Retrieved from <https://search.proquest.com/docview/444792284>
- Wardle, H., Griffiths, M. D., Orford, J., Moody, A., & Volberg, R. A. (2012). Gambling in Britain: A time of change? Health implications from the British Gambling Prevalence Survey 2010. *International Journal of Mental Health and Addiction*, 10(2), 273–277.
<https://doi.org/10.1007/s11469-011-9319-4>
- Welte, J. W., Barnes, G. M., Tidwell, M.-C. O., Hoffman, J. H., & Wieczorek, W. F. (2015). Gambling and problem gambling in the United States: Changes between 1999 and 2013. *Journal of Gambling Studies*, 31(3), 695–715. <https://doi.org/10.1007/s10899-014-9471-4>
- Westpac Banking Corporation. (2017). *Combined conditions of use and credit guide*. Retrieved from https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/pb/Consumer_Conditions_of_use.pdf

Westpac Banking Corporation. (n.d.-a). *Our positions and perspectives*. Retrieved from <https://www.westpac.com.au/about-westpac/sustainability/our-positions-and-perspectives/>

Westpac Banking Corporation. (n.d.-b). *Sponsorship guidelines and opportunities*. Retrieved from <https://www.westpac.com.au/about-westpac/sustainability/initiatives-for-you/social-enterprises-sponsorships/>

Westpac Group. (2017). *2017 Westpac Group annual review and sustainability report*.

Retrieved from

https://www.westpac.com.au/content/dam/public/wbc/documents/pdf/aw/ic/2017_Westpac_Annual_Review_and_Sustainability_Report.pdf