



Responsible Gambling.

- A Perspective from a pathological gambler.



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2011 London Workshop on Problem Gambling: Theory
and (Best) Practice



Introduction

- More than twenty years experience in the gambling industry as a pathological gambler.
- Spent more than £1 million gambling.
- Have funded gambling through variety of means, but primarily borrowing money through banks.
- Have gambled via slot machines, lottery, online gaming, physical casinos, raffles, SMS, bookmakers, TV gaming, cards.
- Started again more times than I can remember.
- I am very interested to share my experiences, to talk at lectures, to make young citizens aware of the dangers of gambling, to participate in the creation of stronger government regulation for gambling; without saying that gambling should be prohibited altogether.



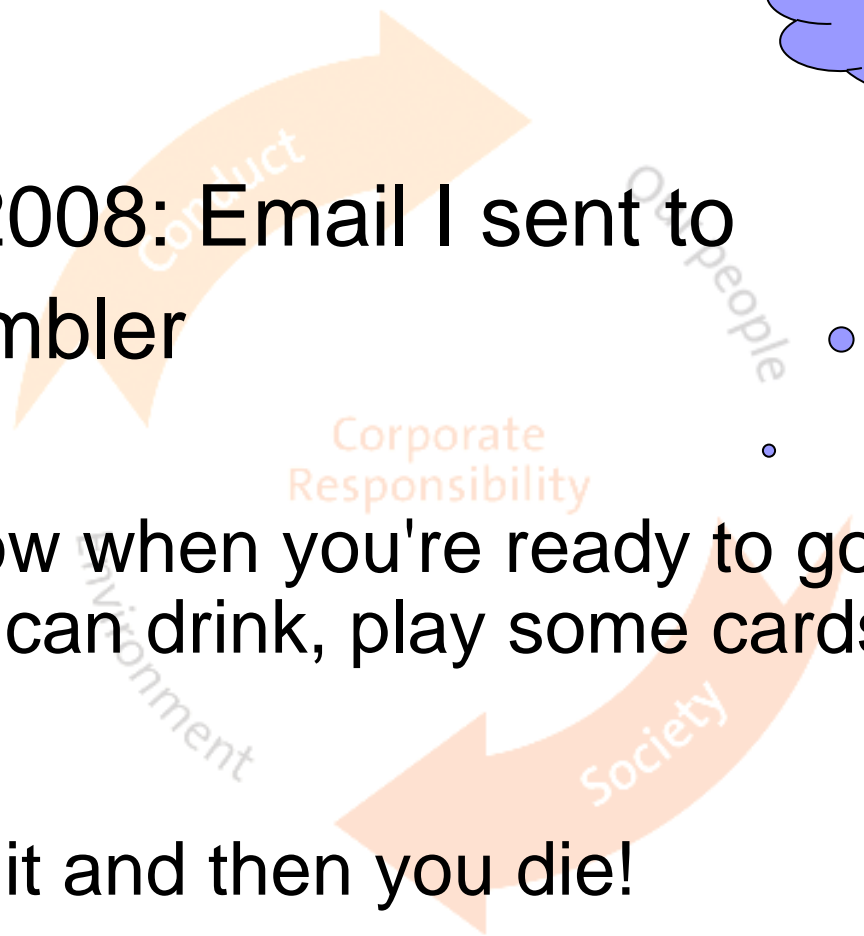
Social Responsibility

Gambling is not fun anymore!

Oct 20th 2008: Email I sent to fellow gambler

Let me know when you're ready to go to the other side, we can drink, play some cards, and travel there.

Life is shit and then you die!





Gambling Industry key points

1. Multi-billion \$ business.
2. Source of taxation revenues for government.
3. Ease of consumer access to gambling across EU.
4. Massive growth of online gambling industry.
(internet/smart-phone)
 - Choice of jurisdiction for casino to operate from.
 - Ease of set-up with off the shelf casino software. (eg Microgaming, playtech)
 - Ease of deposit and wide choice of Payment platforms (eg. Credit Cards, Paypal, Neteller)
5. Gambling increasingly socially acceptable, and has become part of the fabric of society.
6. Advertising (large budgets to spend)
7. The self-exclusion procedure forms the main plank in the social responsibility structure which stands as the quid per quo for the modern policy of the encouragement of gambling as an industry and as a leisure activity. (source: Mr Justice Briggs in William Hill v Calvert)
8. Research shows that Casinos make 90% of profits from just 10% of its customer base. (source [www. stoppredatorygambling.org](http://www.stoppredatorygambling.org))





Self Exclusion Court Cases.

There have been numerous challenges in the courts in UK, Australia, Canada, and USA to recoup gambling losses incurred whilst self excluded.

Most recent cases have failed based on the ruling that no general duty of care exists to problem gamblers regardless of any self-exclusion agreement in place.

In a number of rulings the judge has indicated in his/her summary that the question of the limited effectiveness of self-exclusion as a remedy for problem gambling as part of the public policy bargain for gambling regulation is a question for the regulators and government rather than the courts.

- Graham Calvert: http://news.bbc.co.uk/2/hi/uk_news/7243656.stm
- Canada Class Action Law suit: <http://www.responsiblegambling.org/articles/Ontario%20Court%20Interprets%20Exclusion%20Clause.pdf>
- Harry Kakavas: <http://www.reuters.com/article/2008/12/12/us-crown-idUSTRE4BB5R320081212>
- David Williams: http://blog.cleveland.com/metro/2011/05/us_courts_say_casinos_have_no.html
- Michael Lee*: <http://www.cbc.ca/news/canada/british-columbia/story/2010/07/26/bc-bclc-voluntary-self-exclusion-lawsuit.html>



The Spectrum of Prevention

Level of Spectrum	Actions related to gambling
1. Influencing Policy and Legislation	<ul style="list-style-type: none"> ■ Increase Gambling regulator supervisory powers ■ Review legislation on restricting use of credit for gambling ■ Propose Gambling ombudsman
2. Changing Organizational Practices	<ul style="list-style-type: none"> ■ Design in collaboration with banks an ethical self-exclusion policy related to use of payment cards for gambling transactions. ■ Define and implement stricter upfront verification checks on age, and legitimacy of funding source. ■ No reversals of withdrawals pending payouts. ■ Know your customer! Better analysis of transactions to identify likely problem gambling. (software exists for online, loyalty cards, used for targeted marketing) ■ Slow down speed of play, reduce jackpots on AWP.
3. Fostering Coalitions and Networks	<ul style="list-style-type: none"> ■ Increase collaboration across NGOs, Regulators, Interested industry parties, Scientific/Medical Research etc with people directly impacted by problem gambling. This way hopefully the problem gamblers voice can be heard.
4. Educating Providers	<ul style="list-style-type: none"> ■ Increase collaboration/dialogue on problem gambling with schools, education authorities, GPs, CAB, and other interested parties.
5. Promoting Community Education	<ul style="list-style-type: none"> ■ Raise public awareness of dangers of gambling, Consider to introduce cigarette style health warnings for gambling.
6. Strengthening Individual Knowledge and Skills	<ul style="list-style-type: none"> ■ Add to school education curriculum on skills for life.

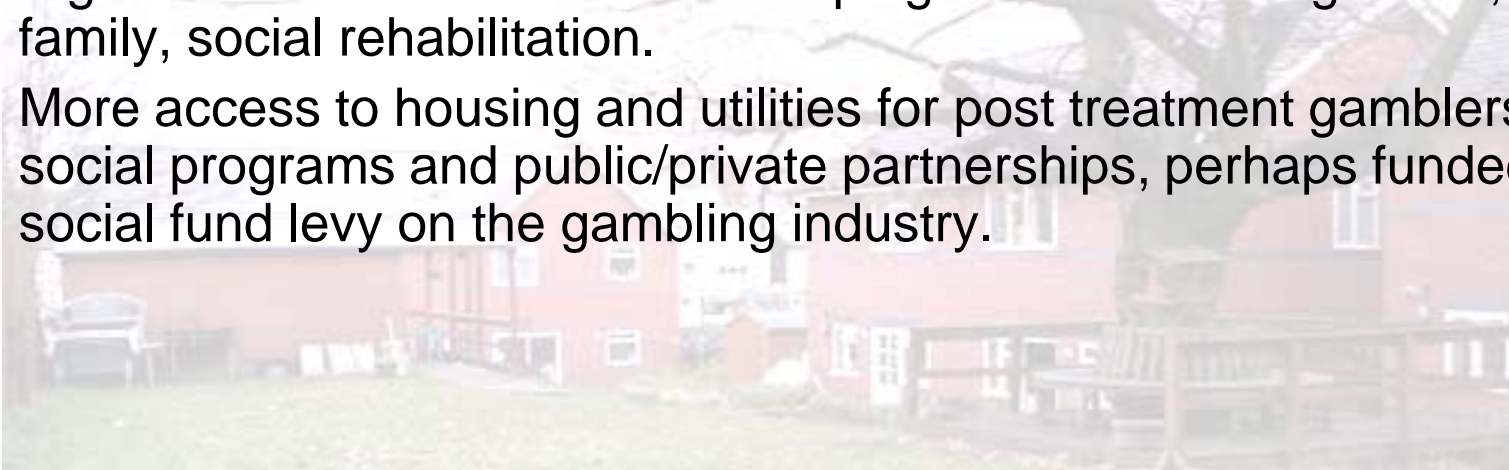
Prevention Institute. (1999). Spectrum of Prevention.

Retrieved from: <http://www.preventioninstitute.org/component/jlibrary/article/id-105/127.html>



Treatment of Gambling

- Need for increased provision of specialist gambling treatment, perhaps funded via additional social tax levy on gambling industry.
- More focus as part of treatment on provision of access to organizations that can assist in helping with debt management, and family, social rehabilitation.
- More access to housing and utilities for post treatment gamblers via social programs and public/private partnerships, perhaps funded via social fund levy on the gambling industry.





Back-up

- Appendix 1: Email from UK Bank CEO re use of credit in gambling transactions



Appendix 1

Dear Mr Franklin

Thank you for writing.

We take our obligation to lend responsibly seriously. We believe we are generally an industry leader in this regard and continually look for opportunities to enhance our position, across all of our various consumer and commercial lending operations.

As a member of VISA, we do not allow the use of any of our VISA cards to purchase or sell goods and services that are illegal for either the buyer of goods or the seller, whether in the UK or outside. You may also be aware that, in the UK, legislation does not allow gambling licensees to extend credit to UK consumers. This has led to the common practice of casinos not accepting credit cards to fund gambling activities. However, the use of cards to fund transactions on-line, and in what are called "card not present" transactions, has increased recently. In recognition of this, VISA has developed a series of regulations for its members that are designed to enhance their control. These rules permit the identification of gambling activities and use of cards in a controlled manner. XXXX operates its cards systems within this framework.

Prohibiting gambling transactions outright on any of our various payment cards would be extremely difficult to justify. Absent legislation, we cannot stipulate how customers spend their own money - as you point out yourself. While that consideration may appear to apply only to debit and pre-paid cards, it extends to credit cards as well, as millions of our credit card customers pay their balances in full every month. In theory, we could prevent those who have historically not paid their balance each month (i.e., borrowed) from using their credit card for gambling-related purchases, but we have no specific information about each customer's intention to pay their bill in any particular month, so cannot presume if they intend to borrow the money for specific transactions or not.

Even if undertaking such action was justifiable, it would be difficult for us to make it happen in practice. First, we do not always know what transactions are truly gambling related. It would not be appropriate for us to adopt a broad policy knowing we could apply it only selectively. Second, if a customer has credit available on their credit card, we cannot stop them from simply taking a cash advance and spending the money on a gambling-related activity. Even if the cash machine is on the premises of a gambling-related business, we cannot presume what the customer intends to do with the cash.

All of that said, as part of our efforts to maintain our market leading position on responsible lending, we will, in the near future, undertake a high-level review of how and when our credit card customers use their cards for gambling-related activities to see if there are any specific issues that we can identify and address.

Yours sincerely

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Group Chief Executive