

Reducing online harms: ABSG's response to the Government's White Paper

Executive Summary

The Advisory Board for Safer Gambling welcomes the UK Government's consultation on online harms. Gambling harms are not directly addressed in the White Paper,¹ yet this one of many areas where online activity is on the rise, and where harms are experienced as a result – both to children and adults. Although online gambling is regulated by the Gambling Commission, there are a large number of gambling-like activities which are not within the scope of current gambling regulation. In particular, we are concerned that:

- I. Online activities, such as the promotion of gambling brands through social media platforms, are not subject to sufficiently robust regulation. The exposure of children to this age-inappropriate content may normalise and prime children to gamble. These practices may also increase the likelihood of gambling harms amongst vulnerable adults.
- II. The integration of gambling-like activities, such as loot boxes within online video games, or social casino games, can encourage gambling-like behaviour at a young age.
- III. Action is required in the rapidly evolving eSports sector to address harm, where there is a growing association with gambling and an audience which contains large numbers of young people.

This response signposts some of the evidence on the extent and nature of these online harms, highlighting three key points of relevance to the Government's call to action.

Our primary **recommendation** is that gambling-related harms are explicitly recognised in the scope of the work that follows this White paper.

Introduction

1. The UK Government's White Paper sets out ambitious plans for improving online safety, described as a first attempt globally to address a comprehensive spectrum of online harms in a single and coherent way.² The Advisory Board for Safer Gambling (ABSG) welcomes this initiative and recognises the importance of multi-agency, cross-jurisdictional efforts to protect individuals and reduce harm when they engage in online activity. Protecting individuals online is increasingly recognised in the public discourse as an urgent priority for governments, regulators, and other agencies. There is also much more that designers and suppliers of online activities can do and must do in response to evidence of harm.

¹ Although the White Paper does acknowledge the steps taken to try to prevent underage online gambling and to highlight the role of the Gambling Commission as the regulator of online gambling in Great Britain.

² Online Harms White paper - Page 2

2. Commercial gambling is regulated by the Gambling Commission, in partnership with local authorities and other relevant regulators, such as the Advertising Standards Authority. This consultation response, however, focuses on issues not adequately addressed by existing regulation. This includes the wide range of ways that social media, and other online spaces, are used in a way that exposes children to messages about gambling. We also focus on gambling-like activities which are integrated within some online games. There are concerns that these activities may 'normalise' gambling and prime some children to gamble – both now and later in life. We also highlight concerns about eSports and its intersection with gambling. The harms associated with these are within the scope of the online harms described in the White Paper – i.e. protection from coercion and exposure to inappropriate content.³
3. Our response to the consultation focuses on providing examples on these issues and setting out the available evidence. Some of the concerns we raise are newly emerging and the evidence base is not yet well developed. Clear evidence of cause and effect is not always available, but we believe there is enough insight about the practices and process which are likely to cause harm to justify a precautionary approach – particularly as many of those affected are children.

Gambling and harms

Gambling harms are a serious public health issue.⁴ Gambling Commission research found that 1.7% of 11-16-year olds were defined as 'problem' gamblers – which equates to around 55,000 children.⁵ Amongst the adult population of the UK, 340,000 people are classed as problem gamblers, and around 450,000 are classed as 'moderate risk' and therefore suffering some form of harm.⁶

4. Gambling harms are generated through a range of commercial, societal and individual practices.⁷ People who develop problems with gambling can experience a wide range of impacts such as low levels of mental wellbeing and poor health, ruptured relationships and extreme financial difficulties. Gambling can contribute to suicidal thoughts and loss of life.⁸ Impacts on children are of great concern because of the potential for negative impact on their longer-term development (see Figure 1).⁹
5. Online gambling has many characteristics that are associated with harm: it is highly accessible, available 24 hours a day, involves complex products,¹⁰ and has no limits on speed of play.¹¹ It is associated with relatively high rates of problem gambling - 9.2% of adults who gamble online are designated as 'problem' gamblers; 13.7% are at moderate risk

³ Online Harms White Paper - Page 31

⁴ [Toward a public health approach for gambling-related harm: a scoping document](#), Gillies, Scottish Public Health Network, August 2016

⁵ [Young people and gambling](#), Gambling Commission, November 2018

⁶ [Gambling participation and problem gambling](#), Gambling Commission, February 2019

⁷ [Gambling and public health: we need policy action to prevent harm](#), Wardle, Reith, Langham, May 2019

⁸ [Measuring gambling-related harms – a framework for action](#), Wardle, Reith, Best, McDaid, Platt, July 2018

⁹ [Measuring gambling-related harms among children and young people](#), A framework for action, Ipsos MORI, April 2019

¹⁰ [Live-odds gambling advertising and consumer protection](#), Newall, Thobhani, Walasek, Meyer, PLOS One, June 2019

¹¹ [Key issues in product-based harm minimisation](#), Parke, Parke Blaszczynski, December 2016

of harms.¹² The frequency of opportunities to bet online are an important risk factor for those who are problem gamblers.¹³ For example, online football betting is offered pre match and in play, creating multiple betting opportunities at a time on many matches. Placing bets via apps on mobile phones is now commonplace. The speed and complexity of new game design is difficult to quantify or evaluate but research is increasingly addressing these from a harms or potential harms perspective. Research indicates that football marketing has become increasingly skewed toward complex bets with high odds,¹⁴ that many consumers struggle to correctly understand these new complex football bets,¹⁵ and that bets at high odds are associated with higher percentage losses than traditional bets.¹⁶

6. Despite legal age restrictions on most commercial forms of gambling, 14% of 11-16-year-olds have gambled in the last week.¹⁷ This includes private betting and gambling between family and friends, as well as gambling on some commercial products which are legal for these age groups (for example, gaming machines in amusement arcades). However, it is also estimated that around half of all gambling among 11-16-year olds is on commercial, age restricted forms.¹⁸
7. Longitudinal research has shown that rates of moderate risk and problem gambling tripled between the ages of 17 and 20, indicating high levels of incidence (new cases) among this age group.¹⁹ The risk of experiencing harm from gambling is very high during the early years of exposure to the full legal range of gambling opportunities. It is likely that a range of factors are responsible - exposure to high volumes of advertising and marketing in childhood and adolescence could be one of them. Evidence of direct cause and effect is unclear, but research has shown that exposure to gambling advertising and marketing in young people has been found to have a normalising effect.^{20 21 22 23}

¹² [Gambling behaviour in Great Britain, Evidence from England, Scotland and Wales](#), Natcen, September 2018

¹³ [Key issues in product-based harm minimisation](#), Parke, Parke Blaszczynski, December 2016

¹⁴ [Live-odds gambling advertising and consumer protection](#), Newall, Thobhani, Walasek, Meyer, PLOS One, June 2019

¹⁵ [Behavioural complexity of British gambling advertising](#), Newall, February 2017

¹⁶ [A machine learning perspective on responsible gambling](#), Hassanniakalager, Newall, April 2019

¹⁷ This makes it a more prevalent activity among this age group than drinking alcohol (13%), smoking (4%) or taking illegal drugs (2%) - [Trends in children's gambling 2011 – 2017](#), Wardle, June 2018

¹⁸ [Trends in children's gambling 2011 – 2017](#), Wardle, June 2018

¹⁹ [Gambling and problem gambling among young adults: insights from a longitudinal study of parents and children](#), Forrest and McHale, September 2018

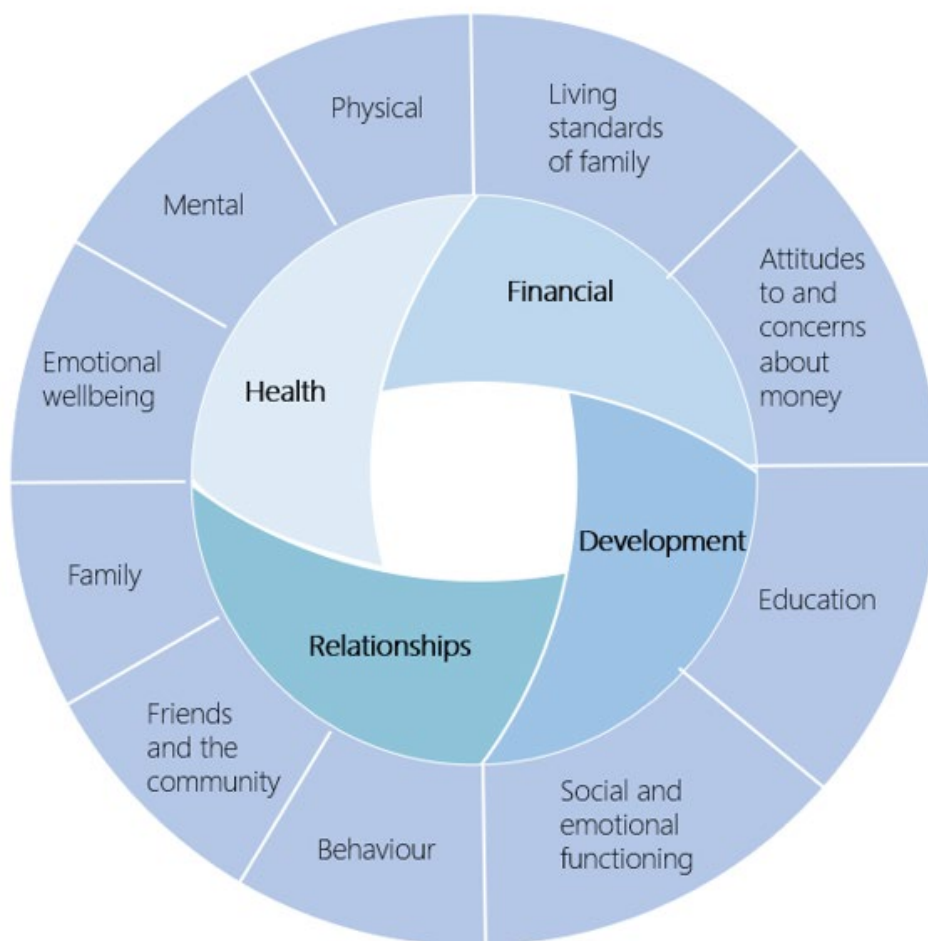
²⁰ [Recall and awareness of gambling advertising and sponsorship in sport in the UK: a study of young people and adults](#), Djohari, Weston, Cassidy, Wemyss, Thomas. Harm Reduction journal, 2019.

²¹ [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), Wardle, Journal of Addictive Behaviours, March 2019

²² [The influence of marketing on the sports betting attitudes and consumption behaviours of young men: implications for harm reduction and prevention strategies](#), Deans, Thomas, Derevensky, Daube, January 2017

²³ [Commercial gambling advertising: possible impact on youth knowledge, attitudes, beliefs and behavioural intentions](#), Korn, Hurson, Reynolds, Ontario Problem Gambling Research Centre, January 2005

Figure 1: Illustration of the range of gambling harms which can affect children and young people



Gambling marketing

Social media and other online content are increasing exposure to gambling. This is particularly focused through sports-related content. This highlights how a regulated industry intersects with unregulated online platforms, such as social media companies and streaming services, which allow gambling companies to engage in activities which increase exposure to gambling-related content.

8. Gambling companies use a range of marketing practices to promote their products and brands. Examples include, placing banner advertisements on websites, using direct marketing practices, sponsorship, using celebrities to promote and place products²⁴ and having highly active social media profiles. This is in addition to the advertising that exists on

²⁴ Guidelines have been published by the ASA: [Influencers guide](#), ASA, 2018

television, radio and in print, where several studies have identified links between increased gambling behaviours and exposure to advertising.^{25 26 27 28}

9. This multiplicity of online marketing and advertising methods increases the exposure of children to gambling advertisements. We have previously stated our concerns that gambling is an activity primarily for adults, yet children are exposed to large volumes of advertising for it.²⁹ Much of this takes place online. 12% of 11-16-year-olds follow gambling companies on social media, 59% have seen gambling advertising on social media websites³⁰ and 53% on other websites.³¹ 7% of children who had seen gambling advertisements or sponsorship report that they had been prompted to spend money on gambling when they were not otherwise planning to do so.³² This equates to 5% of all 11 to 16-year-olds, or around 200,000 children in total.³³ Evidence from Australia has also shown advertising for gambling has created a context where they believe they cannot enjoy sports without betting.³⁴
10. Regulations for these forms of online marketing make extensive use of voluntary codes and enforced mainly reactively based on consumer complaints. The system of regulation is limited in its ability to tackle harmful volumes of exposure to marketing and advertising for gambling. The outcome of this can be seen in the evidence above. We have concerns about the effectiveness of the current approach in both broadcast media and online.³⁵
11. Among adults more generally, many online marketing practices are universal and promote gambling to consumers without the ability to take into account whether some recipients may be vulnerable to harm.³⁶

²⁵ [Recall and awareness of gambling advertising and sponsorship in sport in the UK: a study of young people and adults](#), Djohari, Weston, Cassidy, Wemyss, Thomas. Harm Reduction journal, 2019

²⁶ [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), Wardle, Journal of Addictive Behaviours, March 2019

²⁷ [The influence of marketing on the sports betting attitudes and consumption behaviours of young men: implications for harm reduction and prevention strategies](#), Deans, Thomas, Derevensky, Daube, January 2017

²⁸ [Commercial gambling advertising: possible impact on youth knowledge, attitudes, beliefs and behavioural intentions](#), Korn, Hurson, Reynolds, Ontario Problem Gambling Research Centre, January 2005

²⁹ [Gambling, children and young people](#), Responsible Gambling Strategy Board (now ABSG), June 2018

³⁰ [Young people and gambling](#) – a research study among 11–16-year-olds in England, Scotland and Wales, Gambling Commission, November 2018

³¹ Exposure within television broadcasts is also prominent. Research showed that gambling logos or branding appeared on between 71 per cent and 89 per cent of the running time of *Match of the Day* (the BBC's Premier League highlights show). [Frequency, duration and medium of advertisements for gambling and other risky products in commercial and public service broadcasts of English Premier League football](#), Cassidy and Ovenden, Goldsmiths, University of London, August 2017.

³² [Young people and gambling](#) - a research study among 11-16-year-olds in England, Scotland and Wales, November 2018

³³ Based on Office for National Statistics 2017 mid-year estimates – subject to some caveats e.g. how representative the survey results are of 11-16-year-olds in forms of education which do not take part in the omnibus survey.

³⁴ [Young people's awareness of the timing and placement of gambling advertisement on traditional and social platform: a study of 11-16-year-olds in Australia](#), Thomas, Bestmand, Pitt, Cassidy, McCarthy, Nyemcsock, Cowlshaw, Daube, *Harm Reduction Journal*, 2018

³⁵ [The Responsible Gambling Strategy Board's advice on the National Strategy to Reduce Gambling Harms 2019-2022](#), Responsible Gambling Strategy Board (now ABSG), February 2019

³⁶ As online marketing tends to be personalised, this creates problems for research to provide content analysis as everyone will be exposed to different marketing. This makes it more difficult to establish an evidence base to determine what is and isn't appropriate.

12. The current population, including today's generation of children and young people, are exposed to gambling advertising and marketing in a way that previous generations were not. This changes the normative environment for gambling in a way which has potential to be harmful. This is facilitated by an online environment, involving social media platforms and streaming services, which is not directly regulated, licenced or monitored. We are also concerned that many gambling operators are not considering the potential for harm when they engage in these marketing practices.

Box 1: Blurring of gambling and sports news

The way that people obtain sports news is influenced by gambling operators', and their affiliates', use of social media platforms like Twitter, YouTube, Twitch and Facebook. Tweets and posts by gambling operators are not just limited to information about betting odds or gambling products. These platforms are used to promote brands by posting a diverse range of content, including team and transfer news, links to other sports news, and a lot of jokes and other humorous material. For example, content analysis from recent research pointed out that one of the 'most engaging' tweets was a spoof exchange between an Arsenal and a Stoke fan, created by PaddyPower.³⁷ These light-hearted posts are designed to be shared and re-tweeted amongst friends, and their popularity is perhaps one reason why so many children follow social media accounts of gambling operators.

The link between sports news and betting has been developed further via the commercial ventures of sports teams themselves. For example, in summer 2018, Manchester United announced a new global gambling partnership, which it said would 'see the two create exclusive collaborative content for fans'. This is notable as it means that a gambling platform is used to provide fans with exclusive insights into their club.³⁸

Gambling and video gaming

Playing video games, and other online games via apps on mobile phones, increasingly involve content which is very close to gambling activity. Our concerns relate to 'skins' gambling, 'loot boxes' and 'social casino games'. Further consideration needs to be given as to whether the gambling-like content is appropriate – particularly as it is used by large numbers of children and young people. Legal definitions of gambling may currently allow certain practices to avoid regulation, even though they are potentially harmful and are perceived as gambling by those that use them.

13. Video games are a global, multi-billion-pound industry.³⁹ They are very popular among children and young people, as well as adults. Among those who play these games, boys aged 12-15 have been found to play video games for over 16 hours a week (girls spend less

³⁷ [Interim synthesis report, The effect of gambling marketing and advertising on children, young people and vulnerable adults](#), Ipsos MORI, University of Stirling, University of Bristol, Scotcen, Demos, Ebiquity, University of Glasgow, University of Warwick and University of Edinburgh, July 2019

³⁸ We also note that gambling apps have become viewing platforms for streaming live events meaning that sport is consumed away from broadcast media.

³⁹ [Video Game Industry - Statistics & Facts](#), Gough, March 2019

time – but still over 9 hours per week). Video games are played online, allowing players to connect from all over the world. Over three quarters of gamers aged 5 to 15 have taken part in online games.⁴⁰

Skins

14. 'Skins' are an important part of online video games. They are decorative, customised in-game items such as coverings for weapons that can either be won or bought within the game. For example, in the popular first person shooter game 'Counter-Strike: Global Offensive (CS:GO)', skins alter the colour or design of guns and knives.
15. There are secondary online marketplaces where skins can be bought, sold and traded. There are also unregulated illegal websites where skins can be used as collateral for gambling. Gambling Commission research found that 3% of 11-16-year olds had bet with these in-game items.⁴¹ This could include staking them on the outcome of a match, or gambling them on a digital coin toss or other random event. Other research showed that 37% of children who bet on skins also gambled elsewhere and that those who engaged in both activities had higher rates of at-risk and problem gambling (23% compared with 8%).⁴²
16. Legislation in Great Britain classes gambling with skins as commercial gambling – requiring a Gambling Commission licence - if certain conditions are met, including if the skins can be convertible to money, or monies worth. However, this is a legal definition and research with young people suggests that they may view this differently, seeing gambling as the risking of something of worth or value to them. A recent review identified several studies with young people which revealed far more ambiguity in how young people perceive gambling, and some children view these activities as gambling, where gambling is seen as risking something of value.⁴³ It was suggested that for younger children, these items of value may be worth more to them than real money given their lack of real monetary resources. Likewise, some young people also felt that online gambling made gambling seem less real, less tangible, thus creating greater ambiguity among young people in how they distinguish between these practices.
17. We are concerned these practices may prime children to gamble, provide children with access to activities that they consider to be gambling and subject children to marketing and promotion practices of the gambling industry.

Loot boxes

18. Loot boxes are in-game features which allow players to stake either real world money or in-game items for a chance of winning something of an unknown value (see Case study 2). Nearly a third of 11 to 16-year-olds have paid money or used in-game items to open loot boxes.⁴⁴

⁴⁰ [Children and parents: Media use and attitudes report 2018](#), Ofcom, January 2019

⁴¹ [Young people and gambling](#), Gambling Commission, November 2018.

⁴² [The Same or Different? Convergence of Skin Gambling and Other Gambling Among Children](#), Wardle, Journal of Gambling Studies, March 2019. NB – the skins gamblers also had a greater breadth of gambling involvement and so attributing causation is not possible.

⁴³ [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), Wardle, Journal of Addictive Behaviours, March 2019

⁴⁴ [Young people and gambling](#), Gambling Commission, November 2018.

Box 2: Loot boxes

Many video games make use of loot boxes as a way of increasing revenues for developers. One such game is StarWars Battlefront, which makes extensive use of loot boxes - with characters, 'skins', weapons, and other valuable resources all available via this mechanic. Some of these in-game items have different tiers of quality – 'common', 'uncommon', 'rare' and 'epic'.⁴⁵ This means that players with money to spend can make faster progress – but this is also subject to a game of chance within the game. The characters available in loot boxes included those that were included in the game's marketing.

Games such as StarWars Battlefront, and others with similar mechanics, like FIFA Ultimate Team, have recently attracted media attention as a result of a claim made by a Vice President of the games developer EA Sports to a DCMS committee, likening loot boxes to Kinder eggs.⁴⁶ This parallel, however, does not take account of the different values to players of the items contained within loot boxes.

Research with gaming developers has suggested that the architects of these features may have little awareness of ethics surrounding gambling or the potential for exploitation through these mechanics. Some described being incentivised to ensure they included loot boxes in their design to maximise revenues and that they would develop further to "*extract further money from players*".⁴⁷

19. Research has found a repeated association between the amount that gamers spent on loot boxes and the severity of their problem gambling status, suggesting that those who buy loot boxes and also gamble on other activities are at increased risk of experiencing gambling-related harms.^{48 49}
20. The similarities between loot boxes and gambling are clear, and some jurisdictions are already taking steps to ban the provision of these games to under-18s. For example, Belgium has already imposed laws which has led to Nintendo removing games from that jurisdiction.⁵⁰ In the USA, a 'Protecting Children from Abusive Games Act' is being proposed which would prohibit video game companies from allowing under-18s to access loot boxes and 'minor-oriented' games to include pay-to-win features.⁵¹
21. There are additional concerns around loot boxes, as the information offered to players is not regulated and therefore consumers will not always have the necessary information to make informed decisions. In some jurisdictions there is now a mandatory requirement to provide

⁴⁵ [Star Wars Battlefront 2's Loot Box Controversy Explained](#), Gamespot, November 2017

⁴⁶ [EA games: Loot boxes aren't gambling, they're just like a Kinder Egg](#), BBC News, June 2019

⁴⁷ [Loot boxes, a striking new element in the ongoing gambification of video games](#), Johnson, Alberta Gambling Research Institute, 2018

⁴⁸ [Loot boxes are again linked to problem gambling: Results of a replication study](#), Zendle, Cairns, PLOS One, 2019

⁴⁹ [Adolescents and loot boxes: links with problem gambling and motivations for purchase](#), Zendle, Meyer, Over, June 2019

⁵⁰ [Nintendo removes two mobile games in Belgium](#), BBC News, May 2019

⁵¹ [Bill to ban the sale of loot boxes to children presses forward with bipartisan support](#), The Verge, May 2019

more information. For example, in China, a new rule was introduced requiring loot boxes to display the odds of obtaining different prizes.⁵²

Social casino games

22. Social casino games are games played online, often on apps, which mirror casino games or slot games but are played using virtual coins or tokens rather than real money. Concerns around social casino gaming parallel those for loot boxes.
23. Social casino games can be accessed and played by anyone of any age. 13% of children aged 11-16 have played these games, with 9% playing in the past year. The majority of these children had also gambled for money, with most saying that they played social casino games first.⁵³ In a study of adult social casino gamblers 19% reported subsequently gambling for money as a result of the social casino game play.⁵⁴ Those who gambled for money via this pathway had greater severity of problem gambling. There is some evidence of migration from social casino games to for money games, a perception which is also shared among young people themselves.⁵⁵

Box 3: Commercial convergence between gambling and social casino gaming

There are strong commercial links between social media gaming companies and gambling operators. For example, DoubleDown Casino, one of the world's largest social casino game developers with over 1.4 million active daily users, was previously owned by the gambling software developer International Game Technologies (IGT). In 2017 IGT announced it was selling DoubleDown Casino to DoubleU games as part of a new strategic partnership in social casino games.⁵⁶ These strong on-going commercial links show that these games provide opportunities to cross-market and sell products between different verticals within companies and market for money games to social casino gamblers.

⁵² [China's new law forces Dota, League of Legends, and other games to reveal odds of scoring good loot](#), The Verge, May 2017

⁵³ [Young people and gambling](#) – a research study among 11–16-year-olds in England, Scotland and Wales, Gambling Commission, November 2018

⁵⁴ [Migration from social casino games to gambling: Motivations and characteristics of gamers who gamble](#), Gainsbury, Russell, King, Delfabbro, Hing, Computers in human behaviour, October 2016

⁵⁵ [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), Wardle, Journal of Addictive Behaviours, March 2019

⁵⁶ [IGT announces agreement to sell Double Down Interactive LLC to DoubleU Games as part of new strategic partnership in social casino](#), World Lotteries Association, April 2017

eSports

There is a strong association between eSports and gambling which goes beyond regulated betting markets on the outcomes of matches. We suggest that the culture surrounding eSports needs to change and ensure that it takes a more transparent approach to the risks associated with gambling and how it presents itself to an audience which includes many young people.

24. eSports are multi-player video games played competitively for spectators.⁵⁷ Professional eSports players have hundreds of thousands of followers on social media and take part in tournaments staged in arenas and viewed live by global audiences on streaming services such as Twitch. It is estimated that there are over 178 million eSports fans worldwide, which is expected to grow to 264 million by 2021. Estimates suggest that between 10% to 15% of eSports fans are aged between 13 and 17.⁵⁸ About a third of British adults aged 18-24 have watched eSports.⁵⁹ Global revenues are currently estimated at over one billion US dollars.⁶⁰
25. Gambling operators are increasingly interested in the intersection between eSports and gambling. This is both as an opportunity for marketing products and brands and betting on the outcome of eSports matches themselves. Our primary concern is with the former, as any firm offering betting on eSports would need to be licensed by the Gambling Commission and subject to the same regulations.
26. A key difference between eSports and other sports is the extent they are viewed online.⁶¹ They are also far more global in the way they are distributed - with British audiences viewing content from around the world. This online global approach means that the audience is exposed to content which is subject to far less regulation or controls than for audiences of more traditional sports content.
27. Research has shown that 55% of tweets from eSports webpages related to gambling.⁶² Much of these were from unlicensed sources, yet were not prevented from being shared on these platforms to an audience in Great Britain. Well over a third (37%) of eSports marketing tweets were found to contain a 'direct appeal to children and young people'. With the exception of age limits on who attends events hosted at UK casinos,⁶³ none of these practices are subject to any age verification.

⁵⁷ A basic guide can be found here: [Guide: What are eSports?](#) BBC, April 2017

⁵⁸ [360 Report](#), Nielsen, 2017

⁵⁹ [Why eSports provides a huge opportunity for online gambling brands](#), YouGov, May 2018

⁶⁰ [Global eSports revenues to top \\$1 billion in 2019: report](#), Reuters, February 2019

⁶¹ For example, Twitch currently has an average of 1.3 million viewers every day – [Twitch statistics and charts](#)

⁶² [Interim synthesis report, The effect of gambling marketing and advertising on children, young people and vulnerable adults](#), Ipsos MORI, University of Stirling, University of Bristol, Scotcen, Demos, Ebiquity, University of Glasgow, University of Warwick and University of Edinburgh, July 2019

⁶³ [Grosvenor announces second epic.LAN season after inaugural success](#), eSports Insider, January 2019

Box 4: eSports and normalisation of gambling⁶⁴

Across multiple jurisdictions, betting companies are sponsoring eSports teams and players and gambling companies are hosting and sponsoring eSports tournaments in casino venues.⁶⁵ Advertisements can be placed within games played during the tournaments themselves and on the streaming sites. High profile players who have a strong social media presence have been sponsored to demonstrate how to place bets on eSports.

eSports and eSports fans are increasingly seen as a fertile market for generating more gambling consumers.⁶⁶ Those involved in promoting eSports tournaments are attending gambling industry events suggesting that the eSports audience should be seen as future gamblers.

Some new entrants into the eSports betting market are replicating the eSports look and feel on their websites and offering points that can be traded for bets if people embed their brand name within their game profiles and user handles.⁶⁷ Whilst this company is not licensed to offer betting services in the UK, this is a global industry, and this shows how gambling companies can use gamers, who may or may not be of legal age to gamble, to promote their products.

28. In addition to the concerns set out above, we do not yet have sufficient understanding of the extent of the 'skins' gambling markets linked to eSports. Unregulated 'skins' betting is an area where greater knowledge is required. Wider concerns also relate to the integrity of betting markets as there is no international governing body for eSports and reports of match fixing are not uncommon, although the Esports Integrity Coalition has recently made a case for introducing some cross jurisdictional regulation in esports.^{68 69}

Recommendations

29. **Our primary recommendation is that gambling-related harms are explicitly recognised in the scope of the work that follows this White Paper.** This provides an opportunity to accelerate action by a wide range of agencies who have a role to play reducing these online harms. The range of risks highlighted above shows that keeping people safe from gambling harms online requires a collaborative approach – the regulators cannot achieve this goal without working in partnership with others. In addition to this primary recommendation, we also suggest the following actions should be considered:
- i. **Establishing a statutory duty of care:** We welcome the Government's proposal for a new statutory duty of care for online service providers. We believe that all providers of online services, particularly those offering products or services linked to gambling, or with gambling-like features, should have a statutory duty of care to their service users. The steps they take should be demonstrable through annual transparency reports.

⁶⁴ Fox & Fox, ICE, 2019

⁶⁵ [Why eSports provides a huge opportunity for online gambling brands](#), YouGov, May 2018

⁶⁶ [Why eSports provides a huge opportunity for online gambling brands](#), YouGov, May 2018

⁶⁷ See [Thunderpick](#)

⁶⁸ ['It's incredibly widespread': why eSports has a match-fixing problem](#), The Guardian, July 2018

⁶⁹ [The case for \(some\) regulation in eSports](#), ESIC, June 2019

- ii. **Dealing with online exposure to gambling marketing, advertising and other gambling related content:** The online environment creates significant exposure to gambling-related marketing which is unsuitable for children and has also been shown to be harmful for some adults. Much of this exposure, particularly for younger people, takes place through platforms such as Twitter, YouTube, Twitch and Facebook. A more proactive approach is required to address this problem. Protections could also be improved by reviewing the different levels of regulation applied to tiers of online media⁷⁰ to ensure these are in-step with current trends in viewing behaviour. The term 'particular appeal to children' also needs to be reconsidered in how marketing and advertising is approached. This is often determined based on the nature of cartoon imagery. Research has shown this is too simplistic. A much wider range of factors, such as language or an inflated suggestion of winning, also have the effect of creating a particular appeal to children or more at-risk audiences.⁷¹
- iii. **Reframing definitions:** Existing definitions of what is and is not gambling do not match people's real experiences online. For example, digital assets being convertible to money, or monies worth, is treated as a key part of defining a practice or product as gambling. However, research has shown that in-game items still have value to people that use them, regardless of their convertibility to money.⁷² Attention should be given to the potential for harm from activities which currently fall outside the definition of gambling in the work which follow this White Paper.
- iv. **Developing effective prevention and education activities:** The role of information and awareness raising are under-developed. This requires a public health approach to tackling online harms by increasing awareness of the risks and of where support is available. Campaigns should focus on specific target groups, with priority attached to those who are most vulnerable to harm. Protecting children may also require awareness campaigns targeted at parents. Research has shown that only 19% of 11-16-year olds stated that their parents set out strict rules on gambling.⁷³ Protecting children may require greater attention to supporting the resilience of families. Gambling may be an effective case study through which to teach children about digital resilience and the actions of corporations online.
- v. **Deploying technological solutions:** There is huge potential for technology to play a much bigger role determining what gambling content children, and others who could be vulnerable to harm, are exposed to online and on social media. Operators and service providers should be required to be more transparent about how these technologies are used.⁷⁴

⁷⁰ White Paper – page 35

⁷¹ [Interim synthesis report: The effect of gambling marketing and advertising on children, young people and vulnerable adults](#), Ipsos MORI, University of Stirling, University of Bristol, Scotcen, Demos, Ebiqity, University of Glasgow, University of Warwick and University of Edinburgh, July 2019

⁷² [Perceptions, people and place: Findings from a rapid review of qualitative research on youth gambling](#), Wardle, Addictive Behaviours, March 2019

⁷³ [Young people and gambling](#), Gambling Commission, November 2018.

⁷⁴ [Interim synthesis report, The effect of gambling marketing and advertising on children, young people and vulnerable adults, Ipsos MORI](#), University of Stirling, University of Bristol, Scotcen, Demos, Ebiqity, University of Glasgow, University of Warwick and University of Edinburgh, July 2019

Conclusions

30. Our response to this consultation has highlighted key risks related to gambling which are associated with online harms. Steps to address these harms should be included in the Government's new approach to enhancing online safety, particularly in relation to areas that currently fall outside of the remit of existing regulation, such as gambling-like content in video games, as well as through more robust efforts to improve protection in online marketing and eSports.

Advisory Board for Safer Gambling July 2019

Advisory Board for Safer Gambling – Our role

The Advisory Board for Safer Gambling provide independent expert advice with the aim of achieving a Great Britain free from the consequences of gambling-related harms. Our role is to:

- i. Help deliver the National Strategy to Reduce Gambling Harms
- ii. Help increase research capacity and capability through engaging with a wide range of experts
- iii. Help share findings about best practice, so they have an impact
- iv. Help solve policy dilemmas where research evidence is lacking or ambiguous.