

AA response:

DCMS call for evidence – gaming machines and social responsibility measures

Who we are

1. The Advertising Association promotes the role, rights and responsibilities of advertising. We bring together companies that advertise, their agencies, the media and relevant trade associations to seek consensus and a way forward on advertising issues. As the body representing all sides of the industry, we strongly support the ASA self- and co-regulatory system and its evidence-based approach to code-making.
2. We welcome the opportunity to respond to the DCMS call for evidence and focus our comments on one question only:

Is there any evidence on whether existing rules on gambling advertising are appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising?

Summary:

3. Gambling advertising was extensively reviewed in 2014 as part of a four-strand review initiated by the Government. The outcome was agreed by the DCMS.
4. Whilst the industry is concerned to uphold its responsibilities, it seems precipitate to review gambling advertising again at this stage, given the declining levels of gambling participation and problem gambling, and the fact that compliance with the existing rules is high.
5. The 2014 reviews were very comprehensive. They showed that the current restrictions around gambling advertising are effective and offer high levels of protection to young and vulnerable people.
6. The gambling industry has taken action to address concerns around gambling promotions by making changes to the Industry Code for Socially Responsible Advertising, including a prohibition on sign-up offers for new customers before 9pm.
7. Whilst there are ongoing concerns regarding the issue of problem gambling, the Gambling Commission's research has shown that *'problem gambling rates amongst the population are relatively low'*.¹ This is a complex area and the gambling industry has taken steps to address the issue, spending millions of pounds on effective responsible gambling messaging.

¹ Gambling Commission, Participation in gambling and rates of problem gambling – 2015 Headline Findings

Impact of advertising bans and restrictions

8. We support appropriate rules on advertised gambling products through the self- and co-regulatory system. The public, particularly young people and vulnerable groups need protection. Advertising restrictions should be both proportionate and evidence-based because, at their heart, advertising bans restrict competition, choice and innovation. They impact on the companies that advertise and advertising agencies and detrimentally affect media revenues.
9. The AA report *Advertising Pays 3: The value of advertising to the UK's culture, media and sport* explores the impact of advertising and sponsorship on the culture, media and sporting activities that people enjoy. The report estimates the total individual value attributed to advertising and sponsorship at almost £10 billion.
10. Gambling advertising constitutes an important part of media revenues, particularly on television. With the input of confidential data from the major UK broadcasting groups the Advertising Association has calculated that the revenue at risk for UK broadcasters amounts to more than £200m pa².
11. Gambling advertising and sponsorship represent a significant proportion of the advertising spend around sports programmes. A restriction on gambling advertising would substantially reduce broadcaster revenues and impact on their ability to invest in programming, including free-to-air sport.
12. The reduction in revenue would also impact the wider broadcasting sector, affecting broadcasters' ability to invest in original content and leading to negative impacts for other industries associated with the sector such as independent producers.

The Gambling Commission licensing regime and Advertising Codes

13. The UK's Advertising Codes are developed by the UK's well-established self and co-regulatory system: the ASA and the Committees of Advertising Practice (CAP and BCAP).
14. Advertising self-regulation has the advantage of consensus-building through industry dialogue which leads to more business certainty. It is also cost-effective (regulation at no cost to the taxpayer), flexible and evidence-based, achieving a good balance between consumer protection and business interests.

The Advertising Codes

15. The CAP and BCAP Codes impose rules that require gambling advertising to be socially responsible. CAP and BCAP guidance provides further information on the application of the Codes.
16. Marketing communications must not:
 - a. portray, condone or encourage socially irresponsible or criminal behaviour
 - b. exploit the inexperience or lack of knowledge of children, young or vulnerable people
 - c. suggest peer pressure to gamble (or disparage abstaining from gambling)
 - d. suggest gambling is a rite of passage

² Based on November 2015 – October 2016 figures

- e. suggest that gambling improves self-image or self-esteem or link it to resilience or recklessness
 - f. suggest that gambling can be a solution to financial concerns, or can provide an escape from personal, professional or educational problems
 - g. portray gambling as indispensable or as taking priority in life
 - h. feature anyone who appears to be under- 25 years old
17. Gambling advertising cannot be directed at under-18s, or under-16s for lotteries, football pools and gaming machines. On television, the only forms of gambling advertising permitted before 9pm are for bingo, the national lottery or around live sports events. This is above and beyond what the Codes require, as it is permissible to advertise during the daytime provided the programmes do not significantly appeal to children.
18. An ASA gambling advertising survey found industry compliance with the CAP and BCAP Codes to be at 96.1%.³
19. The ASA upholds the Codes rigorously, and notable examples of recent upheld complaints include the 2014 ruling on the Paddy Power Oscar Pistorius ad, which was banned on the grounds of serious or widespread offence⁴. The majority of complaints relating to gambling advertising in 2016 have related to misleadingness.
20. In addition to the Advertising Codes, the gambling industry has developed a code for socially responsible advertising, run by the IGRG (Industry Group for Responsible Gambling). It is a requirement of the Gambling Commission's licensing conditions and code of practice⁵ that gambling operators must comply with the IGRG Code as well as the Advertising Codes.

The 2014 review

21. The Government initiated a very comprehensive review of the rules around gambling advertising only recently (2014).
22. The four-strand review included:
- a. A review of recent ASA rulings and public views on gambling advertising
 - b. A CAP and BCAP review of the evidence base on harms related to gambling advertising
 - c. A review of the Gambling Industry Code for Socially Responsible Advertising
 - d. A review of the Gambling Commission's Licensing Conditions.
23. The aim of the ASA review of the UK's Advertising Codes⁶ was to determine whether its decisions on complaints about gambling advertising were in line with societal expectations. The review concluded that the ASA was meeting its objectives of protecting young and vulnerable people.

³ https://www.asa.org.uk/News-resources/~/_media/Files/ASA/Reports/Gambling%20Survey%202010.ashx

⁴ https://www.asa.org.uk/Rulings/Adjudications/2014/3/Paddy-Power-plc/SHP_ADJ_261396.aspx#.WD68gNKLQdU

⁵ <http://www.gamblingcommission.gov.uk/Publications-consultations/LCCP.aspx>

⁶ https://www.asa.org.uk/News-resources/Media-Centre/2014/~/_media/Files/ASA/Reports/Review%20of%20the%20ASA's%20application%20of%20the%20UK%20Advertising%20Codes%20to%20gambling%20advertising.ashx

24. The CAP/BCAP review found that the current rules are appropriate to protect young and vulnerable people but identified concerns over whether adverts containing 'free bet' offers or other promotions were misleading, and whether adverts linking 'toughness' to gambling or containing content that may appeal to children were socially responsible.
25. Following the review, CAP and BCAP launched a new call for evidence on potential links between advertising and gambling-related harm with a view to producing enhanced guidance.⁷ CAP and BCAP received responses from academics, industry, Government bodies, NGOs and sporting bodies. There was insignificant evidence from the responses to provide insights that could be used to develop new guidance and it was concluded that there was no need to amend the existing guidance.
26. The Senet Group, formed in 2014, committed to a voluntary ban on advertising sign-up offers on television before 9pm. The ASA committed to continuing to work closely with DCMS and the Gambling Commission, and to be more proactive on issues of social responsibility.
27. The review of the Gambling Industry's own Code for Socially Responsible Advertising resulted in changes to the Code to prohibit sign-up offers before 9pm for new customers, and to prohibit in pre-watershed advertising any reference to other gambling products that would not normally qualify for pre-9pm exemption.
28. There were also amendments to increase the prominence for gambleaware.co.uk in print and broadcast advertising including TV sponsorships, and to require clear 18+ messaging in all print and TV ads in addition to public information campaigns, such as the Senet Group 'Bad Betty' campaign. These changes came into effect in February 2016.
29. In summary, the comprehensive 2014 review process led to some important changes to advertising and new social responsibility measures, all recently introduced.

Industry responsibility

30. Senet Group members are bound by a number of enforceable commitments related to responsible gambling messages, sign-up offers and gaming machines. The enforceable commitments state that 20% of betting shop window ads, 10% of the total area of all press ads and 20% of the total area of TV ad end frames must be dedicated to responsible gambling messages, and all web and social applications must carry "prominent" responsible gambling messages.
31. The Senet Group is also responsible for the 'Bad Betty' advertising campaign that runs in print, TV, digital and social media and the inclusion of the 'WHEN THE FUN STOPS, STOP' warning in all advertising from Senet Group companies. The campaign was introduced in 2015.
32. Research from the Senet Group shows that awareness of the 'Bad Betty' campaign amongst regular gamblers is at 59%, which is a high level of awareness in a short space of time. Almost three quarters of those who recognise the campaign report increased awareness of the issue. Based on the results from the group sampled, the campaign may have helped 2.3 million adults stop gambling at the right time.⁸

⁷ <https://www.cap.org.uk/News-reports/~media/Files/CAP/Reports%20and%20surveys/Gambling%20Risk%20Factors%20Exercise%20Regulatory%20statement.ashx>

⁸ https://senetgroup.org.uk/wp-content/uploads/PDF-Docs/the_senet_group_march_2016_report.pdf

33. The Industry Group for Responsible Gambling, an industry body comprising the Association of British Bookmakers, Bacta, the Bingo Association, the National Casino Forum and the Remote Gambling Association, administers the Code for Socially Responsible Advertising.⁹
34. The changes to the Code which came into force in February 2016 were welcomed by industry and Government, and IGRG has committed to a regular review process to consider potential improvements to the Code¹⁰.

The evidence: declining exposure and under-age participation

Advertising exposure

35. Ofcom research from 2013¹¹ showed that children aged 4-15 saw on average 211 TV advertisements per year, or around 4 per week, a number of which were post-9pm.
36. The number of adverts seen per year by children has declined by 12% since 2013 to an average of 185 gambling commercials per year, or 3.6 adverts a week. This equates to roughly 1.8% of all of children's advertising impacts. An average week of viewing for a 4-15 year old is 779 minutes; 3.6 adverts a week represents approximately 0.2% of this viewing time.
37. Regarding advertising in social media, a broader piece of work is already being carried out by CAP with a view to issuing new guidance that will ensure advertisers of sensitive product categories are aware of the technological tools available to them.
38. In addition to the CAP Code which covers advertising and marketing communications online and in social media, the IGRG Code sets out conditions for gambling operators to follow when marketing in social media, with requirements for responsible gambling messages, links through to more detailed information, and particular information requirements to protect under 18s.

Under-age participation in gambling

39. Statistics from the Gambling Commission show that despite an increase in the volume of gambling advertising, under-age participation in gambling is declining. Participation rates amongst 11-15 year olds have decreased by 27% since 2007. This is significant as there clearly was an increase in gambling advertising post liberalization in 2007 and yet participation seems to have declined in the relevant period. Furthermore, problem and social gambling rates amongst those underage have shown clear decline during the last eight years.¹²
40. A National Lottery Commission study in 2013 also found that gambling amongst 11-16 year olds had declined between 2007 and 2013.¹³
41. The ASA review found that "children's exposure to sports betting was not seen as a significant problem, and their exposure to bingo ads was likewise seen as unlikely to cause harm".¹⁴

⁹ <http://www.gamblingcommission.gov.uk/pdf/Industry-code-of-practice.pdf>

¹⁰ IGRG Code: 52)... Arrangement will also be put in place to keep consider potential improvements to the Industry Code as part of a regular review process.

¹¹ https://www.ofcom.org.uk/_data/assets/pdf_file/0026/53387/trends_in_ad_activity_gambling.pdf

¹² <http://www.gamblingcommission.gov.uk/docs/Survey-data-on-gambling-participation-YEAR-TO-June-2016.xlsx>

¹³ <http://www.natlotcomm.gov.uk/assets-uploaded/documents/Underage-Gambling-Prevalence-2013.pdf>

42. This is a trend that reflected across the overall population, with general gambling participation falling 12% from 2012 to 2015 and having been in a period of continuous decline since 2007.
43. Research also suggests that levels of problem gambling are either stable or decreasing. Estimates suggest that problem gambling affects about 0.6% of the UK population, around 280,000 people.¹⁵

16-24 year olds

44. We recognize that prevalence rates for problem gambling amongst the 16-24 year old group have been more in flux over the past few years. However, it is important to note that on the Gambling Commission figures, gambling participation for this age group has experienced an 11.2% drop 2013-16.¹⁶ Furthermore, there has been a significant decline in the number of gambling adverts that this age group has seen on television, with the total number of gambling impacts amongst 16-24 year olds down by 7.8% between 2012 and 2015.
45. The decline in overall exposure and participation together with a small increase in problem gambling in a particular age group illustrate that effective solutions are unlikely to be about new restrictions on advertising.

The research

46. Dr. Per Binde, Associate Professor of social anthropology at the University of Gothenburg, states that “there are no reliable figures concerning the impact of gambling advertising on problem gambling.”¹⁷ Academic estimates suggest that advertising’s impact on problem gambling is minimal at most; Binde finds that advertising only influences ‘some disordered gamblers’, with other structural and environmental factors being more important¹⁸. This is further supported by 80% of problem gamblers stating that advertising has either no impact or at most a marginal effect on their betting issues. None credit advertising as the primary cause¹⁹.
47. In the same vein, the Gambling Commission’s latest research, published on 30 November, indicates that the small and declining exposure of children to gambling advertising has an extremely small impact on their actual participation in gambling. It states: ‘Based on the claims of respondents, we found little evidence of a direct influence on gambling activity. When presented with a set of statements describing the impact on their gambling activity for both gambling adverts and social media posts, no more than 1% of all 11-15 year olds selected ‘It prompted me to start gambling for the first time’ or ‘it prompted me to increase the amount that I gamble’²⁰.

¹⁴ <https://www.asa.org.uk/News-resources/Media-Centre/2014/~media/Files/ASA/Reports/Review%20of%20the%20ASA's%20application%20of%20the%20UK%20Advertising%20Codes%20to%20gambling%20advertising.ashx>

¹⁵ Seabury & Wardle (2014), Gambling behaviour in England and Scotland: Headline findings from the Health Survey for England 2012 and the Scottish Health Survey 2012

¹⁶ <http://www.gamblingcommission.gov.uk/docs/Survey-data-on-gambling-participation-YEAR-TO-June-2016.xlsx>

¹⁷ Per Binde Gothenburg University: Selling dreams – causing nightmares? On gambling advertising and problem gambling

¹⁸ Per Binde Gothenburg University: Selling dreams – causing nightmares? On gambling advertising and problem gambling

¹⁹ Per Binde (2009), Exploring the impact of gambling advertising: An interview study of problem gamblers, International Journal of Mental Health and Addiction, 2009, vol. 7(4): 541-554.

²⁰ Page 19, Gambling Commission’s research, November 2016: *Young People and Gambling 2016*

48. This is consistent with the fact that participation in gambling and problem gambling amongst young people has been in decline since 2007, even though gambling advertising was liberalized on television in 2007.

Conclusion

49. The advertising industry is aware of its responsibilities and supports the CAP Code which is considered authoritative, binding on the whole market and evidence-based. Our “take” of the evidence makes us confident that the current advertising rules remain fit for purpose in terms of protecting children and young people whilst striking a balance with the freedom to advertise.

50. The CAP rules, combined with the gambling industry’s IGRG Code, which is binding on the gambling companies, provide a comprehensive and regularly reviewed regulatory framework.

51. The gambling and wider advertising industries are committed to rigorous and effective self-regulation, enforceable by the self- and co-regulatory ASA and, for the gambling companies, through their licence requirements set by the Gambling Commission. We believe the Government can confidently look to these bodies to regulate the sector proportionately and responsibly, and to review the rules and enforcement of them regularly.