

BRIEFING PAPER

Number 7428, 24 February 2017

Gambling: advertising

By John Woodhouse

Inside:

- 1. Introduction
- 2. The advertising codes
- 3. The gambling industry code
- 4. Review of gaming machines and social responsibility measures (October 2016)
- 5. Responsible Gambling Trust research

Contents

Summary		3
1.	Introduction	4
2.	The advertising codes	4
3. 3.1	The gambling industry code Further industry initiatives	7 8
4.	Review of gaming machines and social responsibility measures (October 2016)	9
5.	Responsible Gambling Trust research	10

Summary

Gambling and betting operators advertising to British customers must comply with the <u>Advertising Codes</u> administered by the <u>Advertising Standards Authority</u>. The Codes are designed to ensure that gambling adverts do not:

- portray, condone or encourage gambling behaviour that is socially irresponsible or could lead to financial, social or emotional harm
- exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons
- suggest that gambling can be a solution to financial concerns
- link gambling to seduction, sexual success or enhanced attractiveness
- be of particular appeal to children or young persons, especially by reflecting or being associated with youth culture
- feature anyone gambling or playing a significant role in an advert if they are under 25 years old (or appear to be under 25)

Gambling operators must also comply with an <u>Industry Code</u> for Socially Responsible Gambling (revised in August 2015).

In response to public concern about problem gambling, the gambling industry has taken a number of voluntary measures to make advertising more socially responsible.

In October 2016, the Government published a <u>review</u> of gaming machines and social responsibility measures. This sought views on gambling advertising and whether the existing rules were appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising. A call for evidence closed on 4 December 2016.

The Government is now analysing feedback and expects to publish its findings and any proposals in spring 2017.

1. Introduction

Since September 2007, when the Gambling Act 2005 came into force, betting and gaming companies have been able to advertise across all media.1

Under the 2005 Act, all operators trading with, or advertising to, consumers in Britain must have a Gambling Commission licence.²

It is a requirement of the Commission's licence conditions and codes of practice that gambling operators must comply with the UK Advertising Codes of Practice as well as a gambling industry Code for Socially Responsible Advertising.

2. The advertising codes

The Gambling Act's third licensing objective seeks to protect children and other vulnerable persons from being harmed or exploited by gambling.³ The sections of the Advertising Codes covering gambling are therefore designed to protect these groups from being harmed or exploited by advertising that features or promotes gambling.

Gambling operators advertising to British customers must comply with:

- chapter 17 of the *UK Code of Broadcast Advertising* (the BCAP Code)4
- chapter 16 of the UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing (the CAP Code)⁵

The BCAP Code applies to all advertisements and programme sponsorship credits on radio and television services licensed by Ofcom.

The CAP Code applies to non-broadcast advertisements, sales promotions and direct marketing communications.

In summary, the Codes aim to ensure that gambling advertisements do not:

- portray, condone or encourage gambling behaviour that is socially irresponsible or could lead to financial, social or emotional harm
- exploit the susceptibilities, aspirations, credulity, inexperience or lack of knowledge of children, young persons or other vulnerable persons
- suggest that gambling can be a solution to financial concerns

Advertising Standards Authority (ASA) website, Gambling [accessed 24 February

Gambling Commission, *Guide to gambling advertising codes*, November 2014

Gambling Act 2005 s1

⁴ The Broadcast Committee of Advertising Practice (BCAP), *The UK Code of Broadcast* Advertising, Edition 1, 2010

The Committee of Advertising Practice (CAP), The UK Code of Non-broadcast Advertising, Sales Promotion and Direct Marketing, Edition 12, 2014

- link gambling to seduction, sexual success or enhanced attractiveness
- be of particular appeal to children or young persons, especially by reflecting or being associated with youth culture
- feature anyone gambling or playing a significant role in the ad if they are under 25 years old (or appear to be under 25)⁶

The Codes are administered by the Advertising Standards Authority (ASA). Adverts that breach the Codes have to be amended or withdrawn. If serious or repeated breaches occur, the ASA can refer advertisers to the Gambling Commission and broadcasters to Ofcom.

Responses to gambling advertising review (2014)

In April 2014, the Coalition Government <u>initiated</u> a review of gambling advertising.⁷ This asked the CAP and BCAP to evaluate the latest evidence in relation to gambling advertising and problem gambling. The ASA was asked to report on the proportionality, robustness and consistency of its enforcement action on the gambling rules.

The ASA published its <u>review</u> of how it applied the Codes in October 2014.8 The review included the commissioning of independent research.9 This found that "in nearly all instances, [ASA] decision-making was in line with public opinion". 10 The ASA did say that its review had identified some issues that warranted further consideration. These included:

- concerns over whether gambling sales promotions are always clearly and accurately advertised;
- whether some ads indirectly feature themes that link gambling to toughness, resilience and recklessness (all of which are prohibited by the rules), and
- if we can take more proactive steps to challenge potential breaches of the rules not raised by complainants¹¹

In December 2014 CAP and BCAP published their <u>assessment</u> of the evidence on gambling advertising and its impact on young people and problem gambling. ¹² This found that the impact was "limited". ¹³ CAP and BCAP said they were "confident that the strict content and scheduling rules in place set the right level of protection for young and

⁶ ASA website, <u>Hot topic - gambling</u> [accessed 24 February 2017]

DCMS, *Gambling Protections and Controls*, April 2014

ASA, <u>Gambling advertising: review of the ASA's application of the UK Advertising</u>
 <u>Codes, October 2014</u>

Public perceptions of gambling advertising in the UK, Qualitative Research prepared for the ASA by Research Works Ltd, October 2014

[&]quot;ASA publishes review of gambling advertising", ASA news release, 30 October 2014

¹¹ Ibid

¹² CAP and BCAP Gambling Review: an assessment of the regulatory implications of new and emerging evidence for the UK Advertising Codes, December 2014

^{13 &}quot;CAP and BCAP publish gambling advertising review", CAP news release, 12 December 2014

vulnerable people". They would continue working to ensure that gambling advertising remained responsible through:

- producing enhanced guidance for advertisers;
- working with academics and other experts to ensure the rules continue to identify and address the particular risks and vulnerabilities associated with gambling advertising;
- \bullet working with fellow regulators to expand and improve the evidence base 14

3. The gambling industry code

Gambling operators must also comply with an Industry Code for Socially Responsible Advertising. This supplements the BCAP and CAP Codes and was developed to set minimum standards in areas not covered by those Codes.

The industry Code was originally published in 2007 (for when the Gambling Act came into force) and included the following measures:

- the 9pm television watershed for all gambling products except for bingo and sports betting around televised sports events
- the requirement for advertisements to carry information about the Gamble Aware website
- the removal of sponsoring operators' logos from all children's merchandise, such as replica football kits

A <u>revised edition</u> of the Code was published in August 2015 in response to the Coalition Government's review of gambling advertising.¹⁵ The Code now includes:

- a requirement to have socially responsible gambling messages at the end of all television and radio adverts
- the removal from pre-watershed television advertising of sign up offers that are targeted at new customers
- pre-watershed television advertising cannot make reference to other gambling products that would not normally qualify for pre-9pm exemption
- improved prominence to be given to <u>gambleaware.co.uk</u> in all print and broadcast adverts
- reference to gambleaware.co.uk will now have to be included in all television programmes sponsorship undertaken by gambling operators
- the inclusion of clear 18+ or 'no under 18s' messaging on all print and television adverts
- new provisions to cover aspects of marketing on social media (for example, all gambling operators should have on their corporate webpages (i) responsible gambling messaging and (ii) links through to sources of more detailed information)¹⁶

Industry Group for Responsible Gambling (IGRG), <u>Gambling Industry Code for Socially Responsible Advertising</u>, 2nd edition, August 2015

[&]quot;IGRG announces improvements to the industry code for socially responsible advertising", IGRG press release, 20 August 2015

The Industry Group for Responsible Gambling (IGRG) is responsible for maintaining and reviewing the industry Code. 17 The IGRG is comprised of the Association of British Bookmakers, the British Amusement Catering Trade Association, the Bingo Association, the National Casino Forum, and the Remote Gambling Association.

3.1 Further industry initiatives

The Senet Group was established in September 2014 in response to public concerns about gambling – in particular gambling advertising. 18 The Group was founded by William Hill, Ladbrokes, Coral and Paddy Power. According to its website, the Group is "an independent body set up to promote responsible gambling standards and ensure that the marketing of gambling is socially responsible". Membership is open to any gambling operator.

From 1 October 2014, member companies committed to:

- a voluntary ban on advertising sign-up offers (free bets and free money) on TV before 9pm
- the withdrawal of all advertising of gaming machines from betting shop windows
- dedicating 20% of shop window advertising to responsible gambling messages¹⁹

From 1 January 2015, television, online and betting shop advertising by Senet Group members has included a "WHEN THE FUN STOPS, STOP" message – reference to <u>Gambleaware.co.uk</u> features more prominently in the straplines.²⁰

¹⁷ The IGRG is comprised of the Association of British Bookmakers, the British Amusement Catering Trade Association, the Bingo Association, the National Casino Forum, and the Remote Gambling Association. IGRG's member associations represent 640 operators and 8,500 licensed premises across the gambling industry.

^{18 &}quot;New gambling body launches prominent warnings on TV betting ads", Senet Group press release, 30 December 2014

¹⁹ <u>"Gambling industry responds to public concerns"</u>, Senet Group press release, 15 September 2014

[&]quot;New gambling body launches prominent warnings on TV betting ads", Senet Group press release, 30 December 2014

4. Review of gaming machines and social responsibility measures (October 2016)

In October 2016, the Government announced a <u>review</u> of gaming machines and social responsibility measures to "ensure that we have the right balance between a [gambling] sector that can grow and contribute to the economy, and one that is socially responsible and doing all it can to protect consumers and communities".²¹

The review sought views on gambling advertising and whether the existing rules were appropriate to protect children and vulnerable people from the possible harmful impact of gambling advertising.²²

A call for evidence closed on 4 December 2016.

The Government is analysing feedback to the review and expects to publish its findings and any proposals in spring 2017.²³

²¹ DCMS, <u>Review of Gaming Machines and Social Responsibility Measures: Call for Evidence</u>, October 2016, p3

²² Ibid, p14

²³ PQ 57401, answered 16 December 2016

5. Responsible Gambling Trust research

In December 2014, the Responsible Gambling Trust, now known as GambleAware, published a report reviewing the international research on gambling-related advertising.²⁴ The report gave particular attention to the impact of advertising on participation in gambling and the prevalence of problem gambling. It said:

(...) The impact of advertising on the prevalence of problem gambling is in general likely to be neither negligible nor considerable, but rather relatively small. Advertising is one of many environmental factors that contribute to the prevalence of problem gambling. The total environmental impact may be substantial. Only in particular conditions, such as extensive advertising for especially risky forms of gambling that are offered on an immature market with few if any player protection features (such as stake limits and possibilities for self-exclusion), may one assume that advertising in itself substantially contributes to problem gambling.

It would therefore be unrealistic to expect that general advertising restrictions would in themselves have a great preventive effect on problem gambling. Such restrictions should be coordinated with other preventive measures...²⁵

However the report also cautioned that:

It would be equally unrealistic to believe that "play responsibly" and warning messages embedded in gambling advertising would greatly reduce the negative effects that advertising may have. Such messages can be seen as just one "pellet" in the preventive shotgun blast. With regard to harm prevention targeted at young people, advertising may be approached in accordance with "inoculation theory"; rather than trying to persuade young people that gambling is risky, they could be taught how to question and resist the messages in gambling advertising...²⁶

The report concluded:

(...) although research on the impact of gambling advertising is methodologically challenging, it is possible to conduct studies that produce knowledge valuable for policy making, regulation and the responsible marketing of gambling. While current knowledge at best allows for evidence-inspired policy and responsible marketing, there are good prospects of gaining more knowledge through future studies that would allow policy and responsible marketing to become more evidence-based. It would then be possible to formulate a general best-practice for gambling advertising.²⁷

An updated bibliography to the report was published in December 2015.

²⁴ Per Binde, <u>Gambling advertising: a critical research review</u>, RGT, 2014

²⁵ Ibid, p50

²⁶ Ibid, pp50-1, footnotes removed

²⁷ Ibid, p51

The House of Commons Library research service provides MPs and their staff with the impartial briefing and evidence base they need to do their work in scrutinising Government, proposing legislation, and supporting constituents.

As well as providing MPs with a confidential service we publish open briefing papers, which are available on the Parliament website.

Every effort is made to ensure that the information contained in these publically available research briefings is correct at the time of publication. Readers should be aware however that briefings are not necessarily updated or otherwise amended to reflect subsequent changes.

If you have any comments on our briefings please email <u>papers@parliament.uk</u>. Authors are available to discuss the content of this briefing only with Members and their staff.

If you have any general questions about the work of the House of Commons you can email hcinfo@parliament.uk.

Disclaimer - This information is provided to Members of Parliament in support of their parliamentary duties. It is a general briefing only and should not be relied on as a substitute for specific advice. The House of Commons or the author(s) shall not be liable for any errors or omissions, or for any loss or damage of any kind arising from its use, and may remove, vary or amend any information at any time without prior notice.

The House of Commons accepts no responsibility for any references or links to, or the content of, information maintained by third parties. This information is provided subject to the conditions of the Open Parliament Licence.