

Action on problem gambling online is a good first step, but no silver bullet

May 1 2017, by Dylan Pickering And Christopher John Hunt

Reactions to new measures [designed to tackle problem gambling online](#) have so far been mixed. The federal human services minister, Alan Tudge, [said he was](#) "hopeful that in combination [they] will have a profound impact". But Australian Churches Gambling Taskforce chair Tim Costello [dismissed them as "cosmetic"](#). He called instead for a total ban on betting ads on TV during sports broadcasts.

Greater protections for online gamblers are clearly needed. Online [gambling](#) is growing rapidly, and up to three times higher rates of problem gambling [have been found](#) among internet compared to non-internet gamblers.

There is reason to suggest these new reforms will have some impact in helping tackle problem gambling. However, none of the proposed measures, either alone or in combination, will completely eliminate it online.

What's being introduced?

Under the new [National Consumer Protection Framework](#) for [online gambling](#), the main changes will be:

- Australian betting sites will no longer be allowed to offer credit or "free-bet" inducements (where customers are given betting credit to sign up);

- the establishment of a national online self-exclusion register to allow gamblers to voluntarily ban themselves from any site for between three months and life; and
- the introduction of pre-commitment options – where gamblers can set a maximum amount they can lose – and activity statements detailing gambling wins and losses.

Credit and free-bet inducements

Several studies have identified credit betting as a risk factor for problem gambling.

The use of digital credit has been associated with lower [psychological value compared](#) to physical money. This means gamblers feel less of a "sting" when losing digital credit, which leads to increased gambling losses – particularly among [problem gamblers](#).

Credit betting on in-person gambling forms (like on poker machines and at the TAB) has long been prohibited in order to protect problem gamblers. So, it is reasonable that similar measures be put in place for online betting.

There is also some research on the effect of inducements, such as free bets. [Studies report](#) that online gambling promotions may lead internet gamblers to gamble more money than they had first intended. It was also found that promotions triggered urges to gamble in people seeking treatment for gambling problems.

Thus, there is evidence to suggest a ban on such inducements will be an important protection for problem gamblers.

Self-exclusion registry

There are few examples of national online self-exclusion schemes, mostly because online gambling is illegal in many countries and these schemes require the co-operation of multiple betting operators.

In the UK, a [national online self-exclusion scheme](#) is currently in the piloting stages, with full implementation planned for the end of this year. [Svenska Spel](#), the Swedish state-owned gambling operator, also provides a self-exclusion scheme.

Evaluations of self-exclusion programs generally show [positive outcomes](#) in terms of reduced problem gambling, and various social and psychological benefits. This suggests this reform may also be of benefit to gamblers.

However, the main drawback is that while such a register will prevent self-excluded gamblers from opening accounts with Australian betting operators, it will not stop them accessing offshore and illegal betting sites.

Pre-commitment and activity statements

Although many betting sites currently provide a limit-setting option, the inclusion of a pre-commitment scheme in the reforms allows governments to prescribe the exact features that are likely to be most effective – for example, limits that are binding.

One [study](#) involving Swedish Svenska Spel customers reported that more than half (56%) had used the spend limit feature. Most (70%) found them to be "quite" or "very" useful.

Similarly, people perceive gambling activity statements [as useful](#), provided the data is presented clearly. However, this finding is open to interpretation. And some researchers have expressed concern about the

potential for gamblers to misinterpret information displayed by activity statements – thus causing them to chase their losses.

Given most research on these reforms is indirect and has been conducted overseas, there is a need for systematic and empirical research to evaluate their effectiveness once implemented. It is therefore highly encouraging that state and federal government ministers [have promised funding](#) of up to A\$3 million to launch a national gambling research model, beginning July 1, that may help answer some of these questions.

These reforms should not be looked at in isolation, but in combination with other proposed measures for tackling problem gambling. This could include tighter controls on gambling ads, which is also likely to have a significant impact.

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