

Gambling needs more holistic management to reduce harm when it causes debt

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Gambling treatment and support services need to dovetail better with debt advice, to ensure recovery pathways for people affected by gambling harm are more likely to succeed, according to a new report by

the University of Bristol.

The report in partnership with StepChange Debt Charity, supported by the Gambling Commission, finds gambling is only rarely reported as a driver of problem debt, with around 2% of StepChange clients disclosing gambling associated with their debt.

However, gambling debt can be deeply harmful when it does occur and can badly affect not just the individual, but also others close to them. This is especially true if continued use of [credit](#) to fund gambling leads to other bills going unpaid, potentially putting homes and wider household finances at significant risk. The research finds that those affected by someone else's gambling often go unseen, and there is more to do to ensure these clients are effectively supported.

The new report suggests it is incumbent on gambling firms, credit providers and the [advice](#) sector to recognize the specific problems those with extensive gambling debt can face, and the challenges and opportunities to address when seeking to resolve them.

Based on an analysis of 206,241 client data records and interviews with 30 StepChange clients, authors Sara Davies, Jamie Evans and Professor Sharon Collard find that there are some notable profile differences between those affected by gambling-related debt and the wider population of StepChange clients.

Clients who disclosed a gambling problem to StepChange were more likely to be male (71% compared with 40% of all clients) and had higher average annual incomes (median income £18,000 compared with £15,470 for other clients). They also had higher unsecured debts (£1,250 higher in Q1–2 2021), and lower arrears (£2,178 in arrears compared with £2,791 for other clients). They experienced less enforcement action (5.5% faced bailiff action compared with 9.2% all clients).

A common factor in the interviewees' histories is that gambling was facilitated by taking on consumer credit debt. Two other common threads were the pandemic lockdowns as a trigger for gambling escalation; and the incentives offered by gambling operators as a motivation for gambling.

For most of the clients interviewed, gambling was the primary or sole reason for their debt problems. Typically, they had used consumer credit—overdrafts, personal loans, and [credit cards](#) (prior to the April 2020 ban on using credit cards for bets)—to fund gambling, to the point where all lines of credit were exhausted. This accounts for the high levels of unsecured consumer credit debt seen in the client data.

Another cause of problem debt, especially among those affected by another person's gambling, stemmed from using consumer credit to fill the financial hole left by gambling to keep household finances afloat, because the person gambling was spending their earnings on gambling. Secrecy was often a defining feature in the production of gambling-related debt. This could result in significant delays in people seeking advice, which in turn impacted the options open to them by the time they did.

Professor Sharon Collard, Research Director of the University of Bristol's Personal Finance Research Center, said, "Gambling-related debt is a serious issue that can lead to relationship problems, physical and mental health problems, and even crime. Our landmark study is an important step forward in understanding how gambling and problem debt are linked.

"Given our evidence about the complementary and mutually reinforcing benefits of debt advice and gambling treatment and support, it may be time to consider whether debt advice should be routinely funded as part of gambling treatment and support interventions and programs. The

experiences of the debt advice clients we spoke to also confirms the urgent need for measures to ensure gambling operators prevent significant financial harm occurring among their customers."

Peter Tutton, Head of Policy, Research and Public Affairs at StepChange Debt Charity, added, "Gambling can suck people into a compulsive cycle that can be incredibly financially damaging to them, and potentially to their loved ones too. As this research shows, vulnerability due to gambling is complex, and can need more than debt advice to fix on a permanent basis.

"Gambling firms and consumer credit lenders need to try to spot and deal with warning signs earlier, while the debt advice sector needs to continue to develop holistic ways of working with other advice and [support services](#) that people with gambling vulnerability need, alongside their debt advice. We'll be seeking to work on practical ways to achieve these results, on the basis of the insights gained from the report."

Tim Miller, Executive Director of Research and Policy at the Gambling Commission said, "Ongoing research into gambling harms has always been hugely vital to help understand the causes and the trends, and also establish ways to address those harms.

"This latest study utilizes data from StepChange in a new way to help better understand the role of [gambling](#) in consumer [debt](#), and importantly, where certain organizations and their experts can link in with each other. It provides another addition to the wider evidence base which as the industry regulator we welcome."

More information: Exploring the links between gambling and problem debt. [www.bristol.ac.uk/media-librar ... and-problem-debt.pdf](http://www.bristol.ac.uk/media-librar...and-problem-debt.pdf)

Provided by University of Bristol

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